

MEREO BIOPHARMA GROUP PLC INSIDER TRADING POLICY

(Adopted by the Board of Directors of
Mereo BioPharma Group plc (the “Board”) on December 3, 2020, effective immediately,
and first revised by the Board on September 30, 2021, effective immediately)

This Insider Trading Policy (“Policy”) applies to (a) the purchase or sale of securities in Mereo BioPharma Group plc (including its direct and indirect subsidiaries, and affiliated entities, referred to herein as the “Company”); (b) communications to persons or entities outside the Company of material, non-public information about the Company; and (c) trading in the securities of other companies or entities with which the Company has conducted, is conducting, or intends to conduct, business, or sharing with anyone outside the Company any material, non-public information about these other companies or entities.

This Policy applies to: (a) all directors, officers and other employees of the Company; (b) all agents and consultants of the Company who have access to or receive material, non-public information about the Company or any other company or entity the Company does or intends to do business with in the course of their engagement by or association with the Company (the persons described in clauses (a) and (b) being “Company Personnel”); and (c) immediate family members and persons sharing the same household as a member of Company Personnel, and (d) any other person whose transactions in Company securities are directed by, or subject to their influence or control (together, with Company Personnel and immediate family members of Company Personnel, “Covered Persons”). Company Personnel are obligated to inform their immediate family members and other Covered Persons of the requirements of this Policy.

“immediate family member” means any spouse, civil partner, child, stepchild, grandchild, parent, stepparent, grandparent, sibling, mother or father-in-law, son or daughter-in-law, or brother-in-law or sister-in-law (as well as other adoptive relationships), whether or not sharing the same household as the persons described in clauses (a) and (b) above.

This Policy has been adopted to ensure compliance with the U.S. federal securities laws, and also to prevent even the appearance of improper conduct on the part of anyone employed by or associated with the Company (not just so-called insiders). **We have all worked hard over the years to establish a reputation for integrity and ethical conduct, and we cannot afford to have that reputation damaged.**

What Is Insider Trading?

Insider trading occurs when a person who is aware of material, non-public information about a particular company or particular securities buys or sells that company’s securities, if such acquisition or disposal occurs on a regulated market. A director, officer or other employee, agent, consultant, or any other advisor, such as accountants or outside attorneys, also may violate the insider trading laws if he or she communicates – or “tips” – material, non-public information, otherwise known as inside information, to another person or entity without authorisation by the

Company. Information is “material” if it either (a) relates, directly or indirectly, to the Company or one of its securities, and would, if it were made public, be likely to have a significant effect on the prices of those securities, or (b) a reasonable investor would consider it important in deciding whether to buy, hold or sell securities, and “non-public” if it has not been disseminated in a manner making it available to investors generally (see below).

The insider trading (including tipping) prohibitions are not limited to the ordinary shares and American Depositary Shares of the Company. Under the U.S. securities laws, and other applicable laws, insider trading in any security, including American depositary shares, debt or preferred stock, is illegal. This Policy also applies to trading in the securities of companies or other entities with which the Company has conducted, currently conducts, or intends to conduct, business, such as past, current and potential customers and suppliers.

I. POLICY STATEMENTS

Statement of Insider Trading Policy

It is the policy of the Company that Company Personnel who are aware of material non-public information relating to the Company may not, directly or through immediate family members or other persons or entities, (a) buy or sell securities (including the purchase or sale of puts, calls and options) of the Company, or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside the Company, including family and friends. In addition, it is the policy of the Company that Company Personnel who, in the course of working for the Company, learn of material nonpublic information about a company with which the Company does business, including a customer or supplier of the Company, may not trade in that company’s securities until the information becomes public or is no longer material.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are not excepted from the policy. The securities laws do not recognise such mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve the Company’s reputation for adhering to the highest standards of conduct.

The trading prohibitions and restrictions set forth in this policy will be superseded by any greater prohibitions or restrictions prescribed by federal or state securities laws and regulations (e.g., restrictions on the sale of securities subject to Rule 144 of the Securities Act of 1933).

Any employee who is uncertain whether these or other prohibitions or restrictions apply should ask the Company Secretary (Charles Sermon) of the Company before engaging in any transaction in Company securities.

II. THE CONSEQUENCES OF VIOLATION

Insider trading is a serious crime. Not only does it damage those directly involved, but it also adversely affects the company whose directors, officers and other employees, agents, consultants, or securities, were the subject of the offense. A company’s reputation for integrity and honesty is an important corporate asset that can be harmed significantly through an insider

trading investigation conducted either by the U.S. Securities and Exchange Commission (the “SEC”) or the U.S. Department of Justice, even if no charges ultimately are brought. Insider trading violations are pursued vigorously by the SEC and the U.S. Attorneys and can result in severe punishment. The consequences of violations of insider trading laws (including tipping) are serious:

- **For individuals** who trade on inside information (or tip such information to others):
 - civil penalty;
 - criminal fine;
 - jail term of up to 25 years;
 - disgorgement of profits;
 - cease-and-desist order to stop the violation, and penalties for violations of such orders or the federal securities laws; and
 - the SEC may seek to bar an individual found to have engaged in insider trading from serving as an officer or director of the Company or any other public company which reports to the SEC.
- **For a company** (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading or tipping by an employee, director or other person or entity covered by that company’s policy:
 - civil penalty, such penalty not to exceed the greater of \$1 million or three times the profit gained or loss avoided as a result of the employee’s violation; and
 - criminal penalty, such penalty of up to \$25 million.
- **Illegal Tipping.** As discussed, the federal securities laws impose liability on any person who “tips” (the “tipper”), or communicates material, non-public information to another person or entity (the “tippee”), who then trades on the basis of the information. Penalties may apply regardless of whether the tipper derives any benefits from the tippee’s trading activities.
 - **Prevention of Insider Trading and Tipping by Others.** The Company, its directors, officers and some supervisory personnel as designated from time to time by the Company Secretary (or his/her designee), could be deemed “controlling persons” under the federal securities laws and therefore subject to potential liability for insider trading (including tipping) based on another person’s violations. Accordingly, it is important for these personnel to maintain an awareness of possible insider trading violations by persons under their control and to take measures where appropriate to prevent such violations. Directors, officers and other supervisory personnel who become aware of a potential violation of the insider trading prohibitions and/or violation of this Policy must immediately advise the Company Secretary (or his/her designee) and must take steps where appropriate to prevent persons under their supervision from misusing material,

non-public information regarding the Company or any other company or entity covered by this Policy.

Communications in violation of this Policy may expose the Company to liability for material misstatements. Additionally, any Company Personnel who makes an unauthorised selective disclosure of material, non-public information to an analyst, credit rating agency, investor or other person outside the Company could potentially be held liable for illegal tipping if the recipient of the information trades in Company securities.

In addition, if the SEC views a violation of this Policy as causing the Company to violate applicable law, the Company may be subject to an SEC enforcement action. This could occur if the Company is unable to persuade the SEC that the communication was unauthorised and/or otherwise contrary to this Policy. In addition, the person making the communication might be sued by the SEC as a “cause” of the Company’s violation.

Company-Imposed Sanctions

The failure to comply with this Policy may subject Company Personnel to Company-imposed sanctions, **including dismissal for cause**, whether or not the failure to comply results in a violation of law. Needless to say, a violation of law, or even an SEC investigation that does not result in prosecution, can tarnish one’s reputation and irreparably damage a career.

III. MATERIALITY AND PUBLIC DISSEMINATION

Material Information

Material information is any information that relates, directly or indirectly, to the Company or one of its securities, and either (a) would, if it were made public, be likely to have a significant effect on the price of those securities, or (b) a reasonable investor would consider it important in deciding whether to buy, hold or sell securities. Any information that could be expected to affect the price of the Company’s securities, whether the effect would be positive or negative, should be considered material. Some examples of information that ordinarily would be regarded as material include, but are not limited to:

- Information relating to the success of the Company’s product commercialization efforts, including, but not limited to, material information regarding sales, reimbursement, regulatory developments and other factors impacting the Company’s product commercialization efforts;
- Projections of future earnings or losses, or other earnings guidance or financial results;
- Sales results or earnings that are inconsistent with the consensus expectations of the investment community;
- The potential or actual gain or loss of a significant customer, supplier, or purchase order;
- Joint ventures and distribution agreements;
- A pending or proposed merger, acquisition or tender offer;

- Company restructuring;
- A pending or proposed acquisition or disposition of a significant asset;
- Borrowing activities (other than in the ordinary course);
- Material developments in clinical trials;
- A change in dividend policy, the declaration of a share split, or an offering of additional securities;
- Litigation, whether pending or threatened;
- A change in senior management or the board of directors;
- A change in outside auditor;
- Anticipated credit rating changes if and when the Company has debt securities that are rated by a credit rating agency; and
- Impending bankruptcy or the existence of severe liquidity problems.

If you have any question as to whether information is material, please err on the side of caution and direct an inquiry to the Company Secretary.

When Information Is “Public”

If you are aware of material non-public information, you may not trade until the information has been disclosed broadly to the marketplace (such as by press release or an SEC filing) and the investing public has had time to absorb the information fully. Information is made public if it is published in accordance with Nasdaq rules for the purpose of information, if it is contained in public records, if it is readily acquired by those likely to deal in securities to which the information relates or if it is derived from information which has been made public. To avoid the appearance of impropriety, as a general rule, information should not be considered fully absorbed by the marketplace until after the second full business day after the information is released. If, for example, the Company were to make an announcement on a Monday prior to 8:30 a.m. New York Time, you should not trade in the Company’s securities until Wednesday. If an announcement were made on a Monday after 8:30 a.m. New York Time, you should not trade in the Company’s securities until Thursday.

If you have any question as to whether information is publicly available, please err on the side of caution and ask the Company Secretary.

IV. ADDITIONAL RESTRICTIONS ON SECURITIES TRANSACTIONS

Closed Periods

To ensure compliance with this Policy and applicable federal and state securities laws, the

Company requires that Covered Persons not conduct transactions (for their own or related accounts) involving the purchase or sale of the Company's securities during the following periods (the "Closed Periods") as follows:

- No Covered Person may trade in the securities of the Company during the following annual Closed Periods:
 - The period commencing 30 calendar days before the release of a preliminary announcement of the Company's annual results or, where no such announcement is released, the period of 30 calendar days before the publication of the Company's annual financial report.
 - The period of 30 calendar days before the publication of the Company's half-yearly financial report.
 - The period of 14 calendar days before the publication of any quarterly financial update by the Company.
- No Covered Persons may trade in the securities of the Company during any other period designated as a Closed Period by the Company Secretary. A notice will be issued to relevant Covered Persons when such a Closed Period commences and when it ends.

The purpose behind the Closed Period is to help establish a diligent effort to avoid any improper transactions. All Covered Persons must comply with the Closed Period. Specific exceptions may be made, with approval, when Company Personnel do not possess material non-public information, personal circumstances warrant the exception, and the exception would not otherwise contravene the law or the purposes of this Policy. Any request for exception shall be directed to the Company Secretary. The Closed Periods are particularly sensitive periods and particular attention must be made to ensure that transactions in the Company's securities are made in accordance with the applicable laws. This is because Company Personnel will, as the fiscal year progresses, be increasingly likely to possess material, non-public information about the expected financial results for the fiscal year.

Even at times that do not fall within a Closed Period, any person possessing material, non-public information concerning the Company should not engage in any transactions in the Company's securities until such information has been known publicly for at least two full trading days.

Each person is individually responsible at all times for compliance with the prohibitions on insider trading. Trading in the Company's securities outside the Closed Period should not be considered a "safe harbor," and all Company Personnel should use good judgment at all times.

If a member of Company Personnel has any doubt as to whether they are in possession of non-public information concerning the Company at the time they intend to engage in any transactions in the Company's securities they should seek advice from the Company Secretary **before** engaging in such transaction.

Mandatory Pre-Clearance for directors and executive officers

All directors and executive officers (and their other Covered Persons), must clear his or her trade in the Company's shares, with the Company Secretary (or his/her designee) before the trade may occur.

Any director or executive officer seeking to pre-clear a trade in the Company's shares or any other security, must notify the Company Secretary (or his/her designee) in writing of the desire to conduct a trade at least **TWO** (2) business days before the date of the proposed transaction. The request for pre-clearance must state the date on which the proposed transaction will occur, and identify the broker-dealer or any other investment professional responsible for executing the trade. If, after receiving pre-clearance, the transaction does not occur on the date proposed or the business day thereafter the requestor must reapply for pre-clearance. The Company Secretary (or his/her designee) is obligated to inform the requesting individual of a decision with respect to the request as soon as possible after considering all the circumstances relevant to a determination. The proposed transaction may not take place unless and until pre-clearance is granted.

The Company Secretary (or his/her designee) may exercise discretion in determining whether to alert the requestor of the reason(s) for denial of pre-clearance. The Company Secretary will not normally give reasons for refusing a request to transact in the Company's securities, and the requester must keep any refusal confidential and not discuss it with any other person.

Even if approval to trade pursuant to the pre-clearance process is obtained in writing, the requestor (and/or any other related Other Covered Person) may **NOT** trade in the Company's or other securities if aware of material, non-public information about the Company or any of the companies covered by this Policy. This Policy does not require pre-clearance of transactions in any other company's securities unless otherwise indicated in writing by the Company Secretary.

Within **ONE** (1) business day of completing any purchase or sale of Company securities that has been pre-cleared, you (or your agent effecting the transaction on your behalf (or on behalf of any related Other Covered Person)) should deliver to the Company Secretary confirmation that such transaction(s) has (have) occurred.

Pre-clearance is not required for the following transactions in Company securities:

- Option Exercises. This Policy does not apply to the mere exercise of a share option under the Company's share option plans. This Policy does apply, however, to:
 - any sale of shares or ADSs as part of a broker-assisted "cashless" exercise of an option (i.e., any market sale for the purpose of generating the cash needed to pay the exercise price of an option); and
 - any sale of shares or ADSs received upon exercise of an option.
- Transactions pursuant to an irrevocable instruction or power of attorney upon vesting of restricted share or ADS awards. The trading restrictions under this Policy do not apply to transactions made by a third party on your behalf pursuant

to an irrevocable instruction or power of attorney executed during an open trading window at a time you were not in possession of material nonpublic information if:

- on or after the time you receive such an award you execute an irrevocable instructions or power of attorney that cannot be terminated by you;
- the sales undertaken are solely for the purpose of funding withholding tax obligations that arise as restricted shares or ADSs granted by the Company to you vest;
- the sales occur without your prior consent (other than as set forth in the irrevocable instruction or power of attorney) at market prices in a brokers' transaction;
- the proceeds of the sales are remitted to the Company or the applicable tax authority directly; and
- the sales occur within 30 days of the vesting of the applicable award.

Company Personnel should make elections with respect to payment of applicable taxes and implementation of irrevocable instructions or power of attorney with respect thereto *as promptly as practicable* after awards vest during open trading windows and at least 30 days prior to the vesting of applicable awards. Instructions with respect to sales of shares or ADSs to pay taxes upon vesting of awards within 30 days of applicable vesting dates must be approved by the Company Secretary.

- Transactions pursuant to a trading plan that complies with SEC rules. The SEC has enacted rules that provide an affirmative defense against alleged violations of U.S. federal insider trading laws for transactions pursuant to trading plans that meet certain requirements. In general, these rules, as set forth in Rule 10b5-1 under the Exchange Act, provide for an affirmative defense if you enter into a contract, provide instructions or adopt a written plan for trading securities when you are not aware of material non-public information. The contract, instructions or plan must (i) specify the amount, price and date of the transaction, (ii) specify an objective method for determining the amount, price and date of the transaction and/or (iii) place any subsequent discretion for determining the amount, price and date of the transaction in another person who is not, at the time of the transaction, aware of material nonpublic information. Transactions made pursuant to a written trading plan that (i) complies with the affirmative defense set forth in Rule 10b5-1 and (ii) is approved by the Company Secretary (or his/her designee), are not subject to the restrictions in this Policy against trades made while aware of material non-public information or to the pre clearance procedures or blackout periods established under this Policy. In approving a trading plan, the Company Secretary may, in furtherance of the objectives expressed in this Policy, impose criteria in addition to those set forth in Rule 10b5-1. You should therefore confer with the Company Secretary prior to entering into any trading plan. The SEC rules regarding trading plans are complex and must be complied with completely

to be effective. The description provided above is only a summary, and the Company strongly advises that you consult with your legal advisor if you intend to adopt a trading plan. While trading plans are subject to review and approval by the Company, the individual adopting the trading plan is ultimately responsible for compliance with Rule 10b5-1 and ensuring that the trading plan complies with this Policy. Trading plans must be filed with the Company Secretary and must be accompanied with an executed certificate stating that the trading plan complies with Rule 10b5-1 and any other criteria established by the Company. The Company may publicly disclose information regarding trading plans that you may enter.

- Gifts. This Policy does not apply to *bona fide* gifts of shares or ADS of the Company.
- 401(k) Plan: This Policy does not apply to purchases of Company shares or ADSs in 401(k) plans resulting from periodic contributions of money pursuant to a payroll deduction election. The Policy does apply, however, to certain elections made under the Company's 401(k) plan, including (a) an election to increase or decrease the percentage of periodic contributions that will be allocated to any Company shares or ADSs, (b) an election to make an intra-plan transfer of an existing account balance into or out of any Company shares or ADSs, (c) an election to borrow money against a 401(k) plan account if the loan will result in a liquidation of some or all of any Company shares or ADSs and (d) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to any Company shares or ADSs.
- Employee Share/ADS Purchase Plan. If the Company chooses to implement an employee share or ADS purchase plan then this Policy will not apply to (i) an employee's election to participate in, or increase his or her participation in, the Company's employee share or ADS purchase plan, (ii) purchases of Company shares or ADSs in the plan resulting from periodic contributions of money to the plan pursuant to the elections made at the time of enrollment in the plan, or (iii) purchases of Company shares or ADSs resulting from lump sum contributions to the plan, provided that the participant elected to participate by lump-sum payment at the beginning of the applicable enrollment period. However, this Policy does apply to a participant's sale of Company shares or ADSs purchased under the plan.

Prohibited Types of Transactions

The Company considers it improper and inappropriate for **ANY** Company Personnel to engage in short-term or speculative transactions in the Company's securities at any time. It therefore is the Company's policy that Company Personnel may not engage in any of the following transactions:

Short-term Trading: Company Personnel's short-term trading of the Company's securities may be distracting and may unduly focus on the Company's short-term stock market performance

instead of the Company's long-term business objectives. For these reasons, Company Personnel who purchase Company securities in the open market may not sell any Company securities of the same class during the six months following the purchase. Note that shares purchased through either the Company's employee share purchase plan or its' employee share option plan are not subject to this restriction.

Short Sales: Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short sales of the Company's securities are prohibited by this Policy.

Publicly Traded Options: A transaction in options is, in effect, a bet on the short-term movement of the Company's shares and therefore creates the appearance that trading is based on inside information. Transactions in options also may focus attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls or other derivative securities, on an exchange or in any other organised market, are prohibited by this Policy. (Option positions arising from certain types of hedging transactions are governed by the section below captioned "Hedging Transactions.").

Hedging Transactions: Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow Company Personnel to lock in much of the value of his or her shareholdings, often in exchange for all or part of the potential for upside appreciation in the shares. These transactions allow Company Personnel to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, Company Personnel may no longer have the same objectives as the Company's other shareholders. Therefore, Company Personnel are prohibited from engaging in such transactions. Any person wishing to enter into such an arrangement must first pre-clear the proposed transaction with the Company Secretary. Any request for pre-clearance of a hedging or similar arrangement must be submitted to the Company Secretary at least two weeks prior to the proposed execution of documents evidencing the proposed transaction and must set forth a justification for the proposed transaction.

Margin Accounts and Pledges: Company Personnel who are subject to mandatory pre-clearance of securities transactions under this Policy may not hold any Company shares or any other securities subject to this Policy in margin accounts and may not pledge such Company shares or other securities as collateral for loans or other obligations.

Post-Termination Transactions

The Policy continues to apply to your transactions in Company securities even after you have terminated employment. If you are in possession of material non-public information when your employment terminates, you may not trade in Company securities until that information has become public or is no longer material.

Share Option Exercises

This policy does not apply to the exercise of an employee share option where all exercised

shares continue to be held by the option holder. The policy does apply, however, to any sale of shares as part of a broker-assisted cashless exercise of an option, or any other market sale of shares, including a sale for the purpose of generating the cash needed to pay the exercise price of an option.

V. COMPANY ASSISTANCE

The Company Secretary or his or her designee will administer this Policy. Accordingly, any person who has a question about this Policy or its application to any proposed transaction may obtain additional guidance from the Company Secretary. Ultimately, however, the responsibility for adhering to this Policy and avoiding unlawful transactions rests with the individual Company Personnel.

VI. UNDERSTANDING

This Policy is in addition to and supplements any existing Company policy relating to a similar or related subject matter.

VII. CERTIFICATIONS UNDER THE POLICY

Each of the Company Personnel subject to this Policy must certify initially and on a regular basis that such individual has read and is in compliance with this Policy and will abide by the provisions set forth herein in the future. The Company Secretary (or his/her designee) will circulate these certifications at least annually, or for employees will arrange for certification via the Company's online training system (if applicable).