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If you sell or have sold or otherwise transferred all your shares in the Company, you should forward this document, together with the accompanying documents including the form of proxy, immediately to the purchaser, transferee or other agent through whom the sale was effected, for onward transmission to the purchaser or transferee, except that this document should not be forwarded or transmitted into the United States, Canada, Japan, Australia or the Republic of South Africa or any other jurisdiction where it would be unlawful to do so. If you have sold or otherwise transferred only part of your holding of shares in the Company, please consult the agent or other party through whom the sale or transfer was effected as to the action you should take.

**The whole of this document should be read. In particular your attention is drawn to the letter from the Chairman of the Company, which is set out in Part II of this document, which contains the unanimous recommendation from the Directors in respect of the Resolutions, that you vote in favour of the Resolutions.**

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# NORTHERN LEAF PLC

*(Incorporated and registered in Jersey under number 128967)*

## **Approval of waiver of obligations under Rule 9 of the United Kingdom's City Code on Takeovers and Mergers,**

## **Approval of conversion of convertible loan notes and issue of warrant shares**

**and**

## **Notice of General Meeting**

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A notice convening a General Meeting of the Company to be held at 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG on 29 July 2024 at 1.30 p.m. is set out at the end of this document.

The enclosed Form of Proxy for use at the General Meeting of the Company should be completed and returned to the Company's proxy tabulator, Ogier (Jersey) LLP at 3<sup>rd</sup> Floor, 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG, marked for the attention of Alexander Curry, as soon as possible and to be valid must arrive no later than 1.30 p.m. on 25 July 2024 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

This document does not constitute a prospectus for the purposes of the Companies (Jersey) Law 1991 or the prospectus rules of the United Kingdom's Financial Conduct Authority. Accordingly, this document has not been approved by or filed with the Jersey Financial Services Commission or the United Kingdom's Financial Conduct Authority. This document does not constitute or form part of any offer or invitation to sell or issue or a solicitation of any offer to acquire, purchase or subscribe for Shares in any jurisdiction. Subject to the exceptions below, this document must not be distributed to a US Person (as such term is defined in Rule 902 of Regulation S under the US Securities Act of 1933, as amended (the "Securities Act")) or within or into the United States, Canada, Japan, South Africa, the Republic of Ireland or Australia. Shares have not been and will not be registered under the Securities Act, and may not be offered or sold or subscribed, directly or indirectly, within the United States, Canada, Japan, South Africa, the Republic of Ireland or Australia or to or by any US Person (as such term is defined in Regulation S promulgated under the Securities Act) or any national resident or citizen of Canada, Japan, South Africa, the Republic of Ireland or Australia or any corporation, partnership or other entity created or organised under the laws thereof. Any failure to comply with this restriction may constitute a violation of the United States or other national securities laws. None of the information contained herein has been filed or will be filed with the US Securities and Exchange Commission, any regulator under any state securities laws or any other governmental or self-regulatory authority.

The past performance of the Company and its securities is not, and should not be relied on as, a guide to the future performance of the Company and its securities. Neither the content of websites referred to in this document, nor any hyperlinks on such websites, is incorporated in, or forms part of, this document.

This document is published on 4 July 2024. Copies of this document will be available free of charge during normal business hours on weekdays (excluding Saturday, Sunday and public holidays) from the date hereof until 29 July 2024 from the Company's registered office. Copies will also be available to download from the Company's website at <https://northern-leaf.com>.

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## **FORWARD LOOKING STATEMENTS**

This document contains forward looking statements. These statements relate the Group's future prospects, developments and business strategies. Forward looking statements are identified by their use of phrases such as "potential", "estimate", "expect", "may", "will", or the negative of those, variations or comparable expressions, including references to assumptions.

The forward-looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. No assurance can be given that this information will prove to be correct and such forward-looking statements should not be relied upon. These forward-looking statements speak only as at the date of this document. No statement in this document is intended to constitute a profit forecast or profit estimate for any period. The Directors are under no obligation to update forward looking statements or risk factors, whether as the result of new information, future events or otherwise.

**EXPECTED TIMETABLE OF EVENTS**

Publication of this Circular	4 July 2024
Latest time and date for receipt of Forms of Proxy for the General Meeting	1.30 p.m. on 25 July 2024
Time and date of the General Meeting	1.30 p.m. on 29 July 2024
Latest date for Conversion	30 April 2027

**Notes:**

The times and dates set out in this document that fall after the date of this document are based on the Company's current expectations and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to the Shareholders.

The timetable assumes that there is no adjournment of the General Meeting. If the date scheduled for the General Meeting changes, the revised date and/or time will be notified to Shareholders by a further Shareholder letter.

All times shown are St. Helier, Jersey times unless otherwise stated.

**STATISTICS**

Number of Ordinary Shares issued as at the Last Practicable Date	184,485,083
Number of Preference Shares issued as at the Last Practicable Date	33,869,951
Issue price per CLN Share	£0.001272138
CLN Shares as a maximum percentage of the Enlarged Share Capital	90.00% <sup>(1)</sup>
CLN Shares as a minimum percentage of the Enlarged Share Capital	80.00% <sup>(1)</sup>
Warrant shares as a maximum percentage of the Enlarged Share Capital	5.00% <sup>(2)</sup>
Concert Party maximum percentage holding of the Enlarged Share Capital	86.89% <sup>(3)</sup>

## Notes:

- (1) Details of the conversion rights of the CLNs are set out in section 10 of Part III of this document
- (2) Details of the Warrant exercise mechanics are set out in section 10 of Part III of this document
- (3) Details of the assumptions for the Concert Party holding are set out in section 3 of Part III of this document.

**DIRECTORS, SECRETARY AND ADVISERS**

<b>Directors</b>	<p>Frank Walker (<i>Non-executive Chairman</i>)  Geoff Eyre (<i>Chief Executive Officer</i>)  Tobi Mathews (<i>Non-executive Director</i>)  Mike Thompson (<i>Non-executive Director</i>)</p>
<b>Company Secretary</b>	<p>Computershare Limited  13 Castle Street  St. Helier  Jersey, Channel Islands  JE1 1ES</p>
<b>Registered Office</b>	<p>13 Castle Street  St. Helier  Jersey, Channel Islands  JE1 1ES</p>
<b>Financial Adviser</b>	<p>Grant Thornton UK LLP  30 Finsbury Square  London, United Kingdom  EC2A 1AG</p>
<b>Solicitors</b>	<p>Ogier (Jersey) LLP  44 Esplanade  St Helier  Jersey, Channel Islands  JE4 9WG</p>
<b>Website</b>	<p><a href="https://northern-leaf.com">https://northern-leaf.com</a></p>

## PART I

### DEFINITIONS

The following definitions apply throughout this document and the accompanying form of proxy, unless the context requires otherwise or unless it is otherwise specifically provided:

<b>Allotment Resolution</b>	the special resolutions, set out in the Notice of General Meeting, to be voted on by the Shareholders at the General Meeting to authorise the Board to allot the CLN Shares and the Warrant Shares on a non-pre-emptive basis
<b>Articles</b>	the memorandum and articles of association of the Company in force as at the date of the Circular
<b>Aug-Sept 2023 CLNs</b>	the convertible loan notes constituted pursuant to loan note instruments issued by the Company in August and September 2023
<b>Board or Directors</b>	the board of directors of the Company as at the date of this Circular consisting of Frank Walker, Geoff Eyre, Tobi Mathews and Mike Thompson
<b>Circular</b>	this document
<b>CLN Instruments</b>	the Investor CLN Instrument and the Shareholder CLN Instrument
<b>CLN Shares</b>	the Ordinary Shares to be issued to the Investors, the Participating Shareholders and Participating Management on Conversion
<b>Company or Northern Leaf</b>	Northern Leaf plc, a company incorporated in Jersey with company number 128967 whose registered office is situated at 13 Castle Street, St. Helier, Jersey, Channel Islands, JE1 1ES
<b>Concert Party</b>	together (i) Edward David Wilkinson; and (ii) Wray Herbert-King
<b>Convertible Loan Notes</b>	up to £2,500,000 unsecured, non-interest bearing, three year convertible loan notes to be issued to the Investors pursuant to the Investor CLN Instrument and to the Participating Shareholders and Participating Management pursuant to the Shareholder CLN Instrument
<b>Conversion</b>	the conversion of the Convertible Loan Notes into Ordinary Shares
<b>December 2023 Option</b>	the option constituted pursuant to an option agreement relating to the fundraise completed on 12 December 2023 and entered into between the Company and Crystal Capital Partners LLP
<b>Enlarged Share Capital</b>	the entire issued share capital of the Company following Conversion and issue of the Warrant Shares



<b>Form of Proxy</b>	the enclosed form of proxy for use by Shareholders at the General Meeting
<b>General Meeting</b>	the general meeting of the Company convened by the Notice of General Meeting, to be held at 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG on 29 July 2024 at 1.30 p.m., notice of which is set out at the end of this document
<b>Grant Thornton</b>	Grant Thornton UK LLP, the UK member of Grant Thornton International
<b>Grant Thornton Channel Islands</b>	Grant Thornton Limited, the Channel Island member of Grant Thornton International
<b>Independent Shareholders</b>	Shareholders who are independent of a person who would otherwise be required to make a Rule 9 Offer and any person acting in concert with him or her (as defined by the Takeover Code) which, for the purposes of the Waiver, excludes all members of the Concert Party
<b>Issued Share Capital</b>	the entire issued share capital of the Company as at the date hereof comprising 184,485,083 Ordinary Shares and 33,869,951 Preference Shares
<b>Investor CLN Instrument</b>	the instrument dated 15 May 2024 constituting the Convertible Loan Notes entered into between the Company and the Investors
<b>Investors</b>	together (i) Edward David Wilkinson; and (ii) Wray Herbert-King and each individually an <b>Investor</b>
<b>IPO</b>	means an initial public offering of the Shares and the admission to trading on a stock exchange or other recognised public market
<b>IPO Discount Warrants</b>	the warrants constituted pursuant to the warrant instrument issued by the Company on 11 April 2023
<b>Last Practicable Date</b>	3 July 2024, being the date that is the latest practicable date prior to the publication of this Circular
<b>March 2021 Option</b>	means the option constituted pursuant to an option agreement relating to the fundraise completed on 28 March 2021 and entered into between the Company and Crystal Capital Partners LLP
<b>March 2023 Option</b>	means the option constituted pursuant to an option agreement relating to the fundraise completed on 28 March 2023 and entered into between the Company and Crystal Capital Partners LLP
<b>Maturity Date</b>	30 April 2027
<b>Nomination Agreement</b>	the nomination agreement dated 3 June 2024 between the Company and the Investors in relation to the Investors' right to appoint Directors

<b>Notice of General Meeting</b>	the notice of general meeting which is set out at the end of this Circular
<b>Ordinary Shares</b>	the ordinary shares of £0.01 each in the capital of the Company
<b>Panel</b>	the Panel on Takeovers and Mergers
<b>Participating Management</b>	the management of the Company who have subscribed for Convertible Loan Notes
<b>Participating Shareholders</b>	the Shareholders who have subscribed for Convertible Loan Notes
<b>Preference Shares</b>	the preference shares of £0.01 each in the capital of the Company
<b>Proposals</b>	the Waiver, the Conversion, the issue of the Warrant Shares and the amendment of the Articles
<b>Resolutions</b>	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting comprising the Allotment Resolution and the Waiver Resolutions
<b>Rule 9 Offer</b>	a general offer under Rule 9 of the Takeover Code
<b>Sale</b>	the completion of any transaction or series of transactions in which any persons or group of persons acting together acquires or otherwise obtains all the issued share capital of the Company
<b>Shareholder CLN Instrument</b>	the instruments dated between 23 -29 May 2024 constituting the Convertible Loan Notes entered into between the Company and the Participating Shareholders and Participating Management (respectively)
<b>Shareholders</b>	the holders of the Shares
<b>Shares</b>	means all the issued Ordinary Shares and all the issued Preference Shares, comprising the Issued Share Capital
<b>Takeover Code</b>	the City Code on Takeovers and Mergers
<b>Waiver</b>	the waiver granted by the Panel (conditional on the approval of the Waiver Resolutions by the Independent Shareholders on a poll) of the obligation of the Concert Party to make a Rule 9 Offer under the Takeover Code on the allotment and issue to it (or members of it) of the CLN Shares and the Warrant Shares
<b>Waiver Resolutions</b>	the ordinary resolutions of the Independent Shareholders to approve the Waiver in respect of the issue and allotment of the CLN Shares and the Warrant Shares to the Investors to be proposed on a poll at the General Meeting and set out in the Notice of General Meeting
<b>Warrant</b>	the warrant constituted pursuant to the Warrant Instrument

**Warrant Instrument**

the warrant instrument dated 3 June 2024 and entered between the Company and Wray Herbert-King constituting the Warrant

**Warrant Shares**

the Ordinary Shares to be issued pursuant to the terms of the Warrant Instrument

## PART II

### LETTER FROM THE CHAIRMAN

#### Northern Leaf plc

*(Incorporated and registered in Jersey under number 128967)*

#### Directors:

Frank Walker (Non-Executive Chairman)  
 Geoff Eyre (Chief Executive Officer)  
 Tobi Mathews (Non-Executive Director)  
 Mike Thompson (Non-Executive Director)

#### Registered Office:

13 Castle Street  
 St Helier  
 Jersey  
 JE1 1ES

Dated: 4 July 2024

To: Shareholders

Dear Sir or Madam

### **Proposed issue of new Ordinary Shares in connection with conversion of Convertible Loan Notes and Warrant**

#### **Approval of Waiver of obligations under Rule 9 of the Takeover Code**

#### **Notice of General Meeting**

#### **1 INTRODUCTION**

On 31 May 2024, the Board announced a conditional fundraising of up to £2,500,000 comprising new unsecured, non-interest bearing, three-year convertible loan notes. Participating Shareholders and Participating Management who agreed to subscribe for the Convertible Loan Notes amounted to £805,000 and the Investors who had underwritten the full £2,500,000, had their overall contribution to the issue of the Convertible Loan Notes adjusted down to £1,695,000. The Company has received the sum of £1,248,975 from the Participating Shareholders, Participating Management and Investors as at the date of the Circular. In June 2024, a conditional Warrant Instrument was entered into by one of the Investors in consideration of their participation in the unsecured loan while the Convertible Loan Notes were being set up.

Shareholder consent is therefore being sought to provide the allotment authorities necessary to allow any subsequent conversion of the Convertible Loan Notes and exercise of the Warrant whereby the Investors would hold a controlling interest in the Shares.

These matters will require the approval of Shareholders, and this is explained in full below. A General Meeting is to be held at 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG on 29 July 2024 at 1.30 p.m. for the purpose of seeking such approvals. A notice convening the General Meeting, at which the Resolutions will be proposed, is set out at the end of this document.

The purpose of this document is to (i) give you further details on the Proposals, including the background to and reasons for the Resolutions; (ii) give you further details of the proposed Resolutions; (iii) explain why

the Board considers the Proposals to be in the best interests of the Company and the Shareholders as a whole; and (iv) convene the General Meeting to obtain Shareholder approval for the Resolutions.

Shareholders should read the whole of this document and not only rely on the information set out in this Part I of this document.

## **2 BACKGROUND**

Following the termination of the proposed merger with Voyager Life Plc on 6 April 2024, which was a consequence from a lack of support for the associated prerequisite £2,000,000 fundraising by Voyager, the Board had to urgently procure alternative funding options to secure the future of the Company as a going concern. At that time, there was a very real likelihood that the Company would enter liquidation.

As announced to Shareholders on 8 April 2024, Northern Leaf sold its entire vault inventory and product that was with its manufacturing partner in Portugal for processing and final packaging for approximately 10 per cent. of its normal selling price to provide urgently needed funds to maintain the Company in the short term whilst alternative long-term funding was sought.

Immediately following the failure of the proposed merger with Voyager Life Plc, the equity value in the Company was effectively nil and the Company was on the brink of liquidation with the Board meeting on an extremely frequent basis to monitor the situation and to ensure that the Board fully complied with all its obligations to all relevant stakeholders. As a safeguard, Grant Thornton Channel Islands was appointed to advise the Board as to its continued solvency and to attend all board meetings.

It was in this intervening period that the Board signed terms with the Investors who had proven track records of successfully developing and operating highly profitable cannabis businesses which resulted in the Investors subscribing for the Convertible Loan Notes.

Furthermore, during April 2024, Mr Herbert-King provided the Company with emergency funding by way of an unsecured loan of £250,000 which was deployed as critical working capital, without which the Board would have had no choice but to put the Company into liquidation. This initial investment was used to maintain ongoing operations and to provide time to finalise the necessary documentation to facilitate the set up of the Convertible Loan Notes. The £250,000 has been offset against the £250,000 of the Investor CLN Instrument. The Company also entered into a Warrant Instrument with Mr Herbert-King (one of the Investors) on 3 June 2024 granting him a Warrant which will entitle him to receive certain Ordinary Shares.

The funds raised pursuant to the CLN Instruments will enable the Company to focus on achieving projected revenues during Q4 2024 whilst adding substantial industry experience and expertise to Northern Leaf's leadership team and operations.

## **3 PRINCIPAL TERMS OF THE CONVERTIBLE LOAN NOTES**

The Convertible Loan Notes that are to be issued to the Investors, Participating Shareholders and Participating Management, are unsecured and non-interest bearing with a term of three years and expire on the Maturity Date or such later date as shall be agreed between the parties.

Conversion may take place at any time during the three-year term at the discretion of the holder of the Convertible Loan Notes. The mechanics of the Conversion are variable depending on whether Conversion takes place on or prior to an IPO and the valuation of the Company at an IPO.

Conversion could give holders between 80 per cent. or 90 per cent. of the Issued Share Capital, depending on the valuation of the Company at the time of the IPO and the timing of the Conversion, prior to the exercise of the Warrant.

A more detailed summary of the mechanics of the Conversion are set out in section 10 of Part III of this document.

#### **4 PRINCIPAL TERMS OF THE WARRANT**

The Warrant is to be issued to Mr Herbert-King in satisfaction for providing the unsecured loan of £250,000 to the Company in April 2024 which is outlined in Section 2 above. The Warrant entitles Mr Herbert-King to subscribe, at nil consideration, for such Ordinary Shares between 5 per cent. and 2.5 per cent. of the Enlarged Share Capital, depending on the valuation of the Company at the date of an IPO or a Sale.

The Warrant is exercisable on the date of an IPO or a Sale, after which they shall automatically lapse and cease to be exercisable.

A more detailed summary of the mechanics of the exercise of the Warrant is set out in section 10 of Part III of this document.

#### **5 CURRENT TRADING AND OUTLOOK**

As set out in Section 2 above, since the end of 2023, the Company sold its entire vault inventory for approximately £245,000 in April 2024 to provide urgently needed funds to maintain the Company following the failure of the merger with Voyager Life plc. From January 2024 to May 2024, the Company has generated approximately £425,000 of revenue. Further revenue is expected in July 2024 from a signed purchase order for approximately £160,000 with an existing customer. Additional revenue in the second half of the year is dependent on further orders from existing customers and the establishment of new relationships.

The Company has reduced its outgoings as much as possible. It maintains production at its cultivation facility and is replenishing inventory for sale.

Consequently, the Company was loss-making in the first half of 2024 and accrued additional losses of approximately £3.32 million.

#### **6 BOARD CHANGES**

Following the conclusion of the General Meeting it is proposed that Mr Wilkinson and Mr Herbert-King be appointed as directors to the Board. The Investors also have the right to appoint such additional persons as directors to the Board as may be required from time to time to ensure that the Investors interests are represented by a majority of directors on the Board.

The right of the Investors to appoint directors to the Board and maintain a majority of directors on the Board is governed by the terms of the Nomination Agreement.

### **Principal terms of the Nomination Agreement**

Pursuant to the terms of the Nomination Agreement, the Investors have the right to nominate:

- the majority in number of the directors for so long as the Investors hold Convertible Loan Notes convertible into Shares and/or owns Shares totalling 54 per cent. of the total number of Shares outstanding;
- two directors for so long as the Investors hold Convertible Loan Notes convertible into Shares and/or owns Shares totalling 25 per cent. or more of the total number of Shares outstanding; or
- one director for so long as the Investors hold Convertible Loan Notes into Shares and/or owns 10 per cent. or more of the total number of Shares outstanding.

Upon appointment as directors to the Board, each of the Investors will enter into a service contract with the Company. The terms are yet to be finalised but it has been agreed with the Investors that there will be no remuneration payable until such time as the Company becomes profitable.

## **7 MATTERS ARISING FROM THE CONVERSION OF THE CONVERTIBLE LOAN NOTES AND EXERCISE OF THE WARRANT**

The Takeover Code applies to the Company. Under Rule 9 of the Code, any person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with that person, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of the voting rights of the company, an offer will normally be required if such person or any person acting in concert with that person acquires a further interest in shares which increases the percentage of shares carrying voting rights in which that person is interested.

An offer under Rule 9 must be made in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

The Company has agreed with the Panel that Mr Wilkinson and Mr Herbert-King are acting in concert because they have together negotiated and jointly entered into the Investor CLN Instrument.

At the date of this document and save for the Investor CLN Instrument and the Warrant Instrument, neither Mr Wilkinson nor Mr Herbert-King hold any interest in Shares. Assuming (i) a subsequent IPO is at a value of less than £50 million, (ii) the members of the Concert Party convert their Convertible Loan Notes in full, based on the 90 per cent. dilution set out in paragraph 3 of this Part II, (iii) full exercise of the Warrant resulting in the issue of Shares equivalent to 5 per cent. of the share capital following Conversion (as set out in paragraph 4 of this Part II), (iv) there are no other exercises by holders of the Convertible Loan Notes,

and no other person exercises any warrants, convertibles securities, options or subscription rights issued by the Company and, (v) assuming there are no further share issues or other changes in the Company's issued share capital, the members of the Concert Party would be interested in 1,447,326,120 Shares, representing approximately 86.89 per cent. of the enlarged voting rights of the Company. A table showing the respective individual interests in shares of the members of the Concert Party on following conversion of their Convertible Loan Notes and exercise of the Warrant is set out in paragraph 3 of Part III of this document.

**Following Conversion of their Convertible Loan Notes and exercise of the Warrant, the members of the Concert Party would hold shares carrying more than 50 per cent. of the voting rights of the Company and (for so long as they continue to be acting in concert) may accordingly increase their aggregate interests in Shares without incurring any obligation to make an offer under Rule 9,** although individual members of the Concert Party will not be able to increase their percentage interests in Shares through or between a Rule 9 threshold without Panel consent.

The Panel has agreed to waive the Concert Party's obligation to make an offer that would otherwise arise under Rule 9 as a result of the Proposals, subject to the approval of Independent Shareholders. Accordingly, the Waiver Resolutions are being proposed at a General Meeting of the Company and will be taken on a poll.

In the event that the Waiver Resolutions are approved and following the conversion by the Concert Party of their Convertible Loan Notes and exercise of the Warrant in full, the Concert Party will not be restricted from making an offer for the Company.

## **8 GENERAL MEETING**

A notice convening a General Meeting of the Company to be held at 1.30 p.m. on 29 July 2024 at 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG is set out at the end of this document. The purpose of the General Meeting is to seek Shareholder approval for the following resolutions:

### ***Resolution 1 and 2 – Waiver***

The Waiver will not proceed if Resolutions 1 and 2 are not passed on a poll by the Independent Shareholders. Resolutions 1 and 2 will be proposed as ordinary resolutions (to be taken on a poll of the Independent Shareholders voting in person and by proxy) and seek the approval of the Independent Shareholders to waive the obligation of Mr Edward David Wilkinson and Mr Wray Herbert-King as members of the Concert Party which would otherwise arise under Rule 9 as a result of the issue and allotment to any member of the Concert Party of up to 1,332,402,418 Shares pursuant to the Convertible Loan Note and 114,923,702 Shares pursuant to the exercise of the Warrant.

### ***Resolution 3 – Disapplication of Article 2.12 of the Articles***

Resolution 3 is a special resolution that disapplies Article 2.12 of the Articles in relation to the Allotment Resolution.



#### **Resolution 4 – Authority to allot new Shares**

Resolution 4 is a special resolution that provides the Directors with authority to allot Shares in the Company, up to an aggregate nominal amount of £20,801,190.09, comprising up to a nominal amount of £19,651,953.07 in connection with the Conversion and up to a nominal amount of £1,149,237.02, in connection with the exercise of the rights granted pursuant to the Warrant Instrument.

#### **Resolution 5 – Amendment of the Articles**

Resolution 5 is a special resolution that effects certain amendments to the Articles and revokes the memorandum and articles of association of the Company adopted by special resolution dated 26 July 2023 being conditional upon the occurrence of an initial public offering of the Ordinary Shares and the admission to trading on AIM.

### **9 IRREVOCABLE UNDERTAKINGS**

Irrevocable undertakings have been received from shareholders representing 147,079,715 Shares or 67.36 per cent. of the Issued Share Capital to vote in favour of the Resolutions. This includes irrevocable undertakings from certain of the Directors as set out in section 13 of Part III of this document.

### **10 ACTION TO BE TAKEN**

A form of proxy for use in connection with the General Meeting is enclosed. Whether or not you intend to attend the General Meeting, it is important, particularly in view of the fact that the Waiver Resolutions to be put to the Meeting will be determined by a poll, that you duly complete, execute and return the enclosed form of proxy, by email to [northern-leaf@ogier.com](mailto:northern-leaf@ogier.com) or hand or by post, to the Company's proxy tabulator, Ogier (Jersey) LLP at 3<sup>rd</sup> Floor, 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG marked for the attention of Alexander Curry in accordance with the instructions printed thereon. To be valid, the completed form of proxy must be returned as soon as possible and, in any event, so as to arrive not less than 1.30 p.m. on 25 July 2024. Completion and return of a proxy form will not prevent Independent Shareholders from attending and voting at the General Meeting in person should they wish to do so.

### **11 RECOMMENDATIONS**

The Directors, who have been so advised by Grant Thornton, consider the Proposals to be fair and reasonable and in the best interests of the Shareholders and the Company as a whole. In providing its advice to the Directors, Grant Thornton has taken into account the Directors' commercial assessments of the Proposals and associated Waiver Resolutions. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions as the Directors intend to do in respect of their own beneficial holdings amounting in aggregate to 953,004 Shares, which represent approximately 0.43 per cent. of the total voting rights in the Company.

Yours faithfully

*Frank Walker*  
**Frank Walker**  
 Chairman

## PART III

### ADDITIONAL INFORMATION

#### 1 RESPONSIBILITY

The Directors, whose names appear on page 23 of this document, accept responsibility for the information (including any expressions of opinions and their recommendations of the Resolutions) contained in this Circular, save for any information relating to the Concert Party, the intentions of the Concert Party, for which responsibility is accepted on the basis set out in the paragraph below. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular, for which they are responsible, is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each member of the Concert Party accepts responsibility for the information (including any expressions of opinion) contained in this Circular relating to themselves. To the best of the knowledge and belief of the members of the Concert Party, who have taken all reasonable care to ensure that such is the case, the information contained in this Circular for which they are responsible, is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2 SHARE CAPITAL

The authorised and issued share capital of the Company is divided into Ordinary Shares and Preference Shares.

The Ordinary Shares and the Preference Shares rank *pari passu* in all respects, save that the Preference Shares carry a preference on any return made to Shareholders on a winding up of the Company.

The rights attaching to the Shares are more fully set out in the Articles.

#### 3 DISCLOSURE OF INTERESTS AND DEALINGS IN SHARES

For the purposes of this paragraph 3, references to:

(a) **dealing** or **dealt** includes:

- (i) acquiring or disposing of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities;
- (ii) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option (including a traded option contract) in respect of any relevant securities;
- (iii) subscribing or agreeing to subscribe for relevant securities (whether in respect of new or existing securities);
- (iv) exercising or converting, whether in respect of new or existing relevant securities, any relevant securities carrying conversion or subscription rights;

- (v) acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying, a derivative referenced, directly or indirectly, to relevant securities;
  - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities;
  - (vii) redeeming or purchasing, or taking or exercising an option over, any of its own relevant securities by the offeree company or an offeror; and
  - (viii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (b) **disclosure period** mean the period of 12 months ending on the Last Practicable Date;
- (c) a person having an **interest** in relevant securities includes where a person:
- (i) owns securities;
  - (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities or has general control of them;
  - (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
  - (iv) is party to any derivative whose value is determined by reference to the prices of securities and which results, or may result, in his having a long position in them;
- (d) **relevant securities** includes:
- (i) securities of an offeree company which are being offered for or which carry voting rights;
  - (ii) equity share capital of the offeree company and an offeror;
  - (iii) securities of an offeror which carry substantially the same rights as any to be issued as consideration for the offer; and
  - (iv) securities of an offeree company and an offeror carrying conversion or subscription rights into any of the foregoing.

### ***Interests of the Concert Party***

Set out below are details of the maximum percentage of the Company's voting rights which could be held by the Concert Party following Conversion and exercise of the Warrant.

The scenario is set out on the basis that:

- the Independent Shareholders approve the Waiver Resolutions;
- a subsequent IPO is at a value of less than £50 million and there are no further issue of Shares by the Company;
- the full exercise by the Concert Party of its Convertible Loan Notes, resulting in the Convertible Loan Notes being converted into Ordinary Shares based on the 90 per cent. dilution set out in paragraph 3 of Part II of this document;
- the full exercise of the Warrant resulting in the issue of Shares equivalent to 5 per cent. of the share capital following Conversion; and
- there are no other exercises by holders of the Convertible Loan Notes, and no other person exercises any warrants, convertibles securities, options or subscription rights issued by the Company and no other changes in the Company's issued share capital.

Concert Party Member	Current Holding	New Ordinary Shares to be issued		Maximum number of Ordinary Shares	% following the Concert Party Conversion and Warrant exercise
		Conversion of the Convertible Loan Notes held by the Concert Party	Warrant exercise		
Edward Wilkinson & Wray Herbert-King	0	1,332,402,418		1,332,402,418	79.99%
Wray Herbert-King	0	0	114,923,702	114,923,702	6.90%
<b>Total</b>	<b>0</b>	<b>1,332,402,418</b>	<b>114,923,702</b>	<b>1,447,326,120</b>	<b>86.89%</b>

As the Convertible Loan Notes constituted pursuant to the Investor CLN Instrument are held jointly, Edward Wilkinson and Wray Herbert-King are both jointly interested in, and are the ultimate beneficial owners of, any Ordinary Shares that may be issued following Conversion.

### ***Dealings by the Concert Party***

The Panel will not normally waive an obligation under Rule 9 of the Takeover Code if any member of the Concert Party, or any person acting in concert with it, has acquired any interest in relevant securities in the Company in the 12 months preceding the date of this Circular. In addition, the Waiver will be invalidated if any acquisition of any interest in relevant securities in the Company is made by any member of the Concert Party in the period between the date of this Circular and General Meeting.

As at the Last Practicable Date, no member of the Concert Party had any interest in relevant securities of the Company. No dealings in the relevant securities of the Company by any member of the Concert Party have taken place during the 12 months prior to the Last Practicable Date.

### **Director interests in Shares**

The interests of the Directors and their immediate families, related trusts and connected persons (all of which are beneficial interests unless otherwise stated), in relevant securities as at the Last Practicable Date are set out below:

<b>Director</b>	<b>Number of Shares held</b>	<b>% of issued voting Shares</b>
Frank Walker	927,248	0.42%
Geoff Eyre	nil	-
Tobi Mathews	25,756	0.01%
Mike Thompson	nil	-

None of the Directors have been issued any share options in relation to relevant securities in the Company.

None of the Directors have dealt in relevant securities of the Company in the 12 months prior to the Last Practicable Date.

## **4 DETAILS OF MEMBERS OF THE CONCERT PARTY**

The Company has agreed with the Panel that the following persons are acting in concert with relation to the Company. The members of the Concert Party and details of the reason for their membership of the Concert Party are set out below. None of the members of the Concert Party are currently shareholders of the Company.

### **Mr Edward David Wilkinson**

Mr Wilkinson has been cultivating cannabis for more than eighteen years. He is a shareholder and director of Half Moon Grow Inc. a cannabis cultivation business licensed by the San Mateo County, CA which has a 135,000sqft cultivation canopy with 20,000sqft nursery. He is currently responsible for operations and sales. For the period 2020 to 2023 the business has generated \$5 million to \$8 million in revenue per year with a profit of \$1 million to \$2 million per year for the same period. Shareholder distribution from 2020 to 2024 has been \$1.5 million.

<https://www.instagram.com/halfmoongrow>

### **Mr Wray Herbert-King**

Mr Herbert-King has over a decade of experience in the California cannabis market with significant experience in the B2B wholesale cannabis sector. He founded and is currently CEO of MaryMary LLC which has grown into a multi-million dollar company in the cannabis sector. Products of Mary Mary LLC are currently sold in over 250 dispensaries across California.

[www.marymary.us](http://www.marymary.us)

## **5 INTENTIONS OF THE CONCERT PARTY FOR THE COMPANY**

The members of the Concert Party intend to leverage their experience in commercial cannabis operations to develop the Company's operations and sales channels, which they believe would add significant value to the Company at a future liquidity event such as an IPO or trade sale.

The individual members of the Concert Party have each confirmed to the Company that they are not proposing, following Conversion and the issue of Shares following exercise of the Warrant, to seek any changes in the general nature of the Company's business. The Concert Party members have further specifically confirmed that they have no intention to change the Company's plans with respect to:

1. the future business of the Company (including any research and development functions);
2. the continued employment of employees and management of the Company and its subsidiaries or their headcount (including any material change to the balance of skills and functions of employees and management); or
3. the strategic plans for the Company; or
4. the locations of the Company's place of business, including the location of the Company's headquarters and headquarters functions; or
5. employer contributions into any of the Company's pension schemes, the accrual of benefits for existing members, nor the admission of new members; or
6. redeployment of the Company's fixed assets.

As detailed in Part I of this document, the composition of the Board will be amended by the appointment of the Investors as directors to the Board.

Certain employees have consented to amendments to certain terms and conditions of their employment contracts, particularly in relation to the notice periods which are viewed by the Investors as onerous to the Company.

The Company does not currently operate a pension scheme or any other form of benefit scheme for employees.

The Board notes that the Concert Party has no intentions to make any changes to the business of the Company and therefore the Board does not believe that the implementation of the Concert Party's intentions will have any repercussions on employees of the Company and the locations of the Company's places of business.

## **6 ADDITIONAL DISCLOSURES REQUIRED BY THE TAKEOVER CODE**

None of the members of the Concert Party have any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Company.

Save as disclosed in paragraph 5 of Part II (letter from the Chairman) and paragraphs 4 and 5 of Part III (Additional Information), there is no arrangement or understanding (including any compensation arrangement) between any member of the Concert Party and any of the Directors, recent former directors, Shareholders or recent shareholders of the Company, or any person interested or recently interested in the shares of the Company, having any connection with or dependence upon the Takeover Panel waiver or the Resolutions set out in this Circular or which is conditional on the outcome of the consideration of the Takeover Panel waiver or Resolutions set out in this Circular.

Save as disclosed in this Circular, as at the Last Practicable Date and during 12 months prior to the Last Practicable Date:

- (a) the Company had undertaken no dealings in its own relevant securities;
- (b) none of the Company nor any of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons) or any members of the Concert Party had any interest in or a right to subscribe for any relevant securities of the Company, nor had any such person dealt in such securities during the disclosure period;
- (c) the Company has not redeemed or purchased any of its own relevant securities during the disclosure period;
- (d) there were no arrangements which existed between the Company or any person acting in concert with the Company or any other person;
- (e) neither the Company nor any person acting in concert with the Company or any members of the Concert Party, had borrowed or lent any relevant securities of the Company, save for any borrowed shares which have either been on-lent or sold;
- (f) no member of the Concert Party nor any person acting in concert with them has entered into an agreement, arrangement or understanding (including any compensation arrangement) with any of the Directors, recent directors, Shareholders, recent Shareholders or any other person interested or recently interested in Shares which are connected with or dependent upon the outcome of the Conversion;
- (g) no member of the Concert Party has entered into any agreement, arrangement or understanding to transfer any interest acquired in the Company, pursuant to the Investor CLN Instrument or the Warrant Instrument; and
- (h) there are no material contracts (other than the contracts entered into in the ordinary course of business) entered into by the Concert Party in connection with their investment in the Company within the two years immediately preceding the date of this Circular.

## **7 DIRECTORS OF THE COMPANY**

The current Directors of Northern Leaf plc and their functions are set out below:

<b>Director</b>	<b>Function</b>
Frank Walker	Non-Executive Chairman
Geoff Eyre	Chief Executive Officer
Tobi Mathews	Non-Executive Director
Mike Thompson	Non-Executive Director

The business address of Northern Leaf plc is Retreat Farm, Rue des Varvots, St Lawrence, Jersey, Channel Islands, JE3 1GX.

### ***Director remuneration and benefits***

Details of the service contracts for the Board of the Company are set out below. It should be noted that all non-executive directors' fees are currently accruing to be paid when the Company returns to profitability.

#### **Frank Harrison Walker OBE**

On 2 May 2023 Mr Frank Walker was appointed as a non-executive director and chairman pursuant to a letter of appointment entered into with the Company, pursuant to which his appointment commenced on 7 June 2023. Mr Frank Walker's appointment may be terminated on one months' notice by either party and the Company reserves the right to make a payment in lieu of notice. Under the terms of that agreement from 7 June 2023 Mr Frank Walker is entitled to receive fees at the rate of £50,000 per annum.

#### **Geoffrey (Geoff) Peter Eyre**

On 1 January 2024 Mr Geoff Eyre was appointed as an executive director and Chief Executive Officer pursuant to a letter of appointment entered into with the Company, pursuant to which his appointment commenced on 1 January 2024. The appointment is terminable on 6 months' notice given by the Company or 2 months' notice given by Mr Geoff Eyre, however the Company may in its discretion make a payment in lieu of notice. Under the terms of that agreement from 1 January 2024 to 29 February 2024 Mr Geoff Eyre was entitled to receive fees at the rate of £150,000 per annum and from 1 March 2024 at the rate of £200,000 per annum.

Mr Geoff Eyre was previously a non-executive director of the Company prior to his appointment as Chief Executive Officer holding this position from 7 June 2023 to 31 December 2023. Under the terms of his non-executive director service agreement Mr Geoff Eyre was entitled to receive fees at the rate of £40,000 per annum.

#### **Tobi Mathews**

On 5 September 2022 Mr Tobi Mathews was appointed as a non-executive director pursuant to a director service contract entered into with the Company, pursuant to which his appointment commenced on 5 September 2022. Mr Tobi Mathews' appointment may be terminated on three months' notice by either party and the Company reserves the right to pay compensation in lieu of any notice of termination. Under the terms of that agreement from 5 September 2022 Mr Tobi Mathews is entitled to receive fees at the rate of £48,000 per annum.

#### **Peter Michael (Mike) Vardey Thompson MBE**

On 19 July 2023 Mr Mike Thompson was appointed as a non-executive director pursuant to a letter of appointment entered into with the Company, pursuant to which his appointment commenced on 19 July 2023. Mr Mike Thompson's appointment may be terminated on one months' notice by either party and the Company reserves the right to make a payment in lieu of notice. Under the terms of that agreement from 19 July 2023 Mr Mike Thompson is entitled to receive fees at the rate of £40,000 per annum.



## 8 UNAUDITED FINANCIAL INFORMATION ON NORTHERN LEAF PLC

Since incorporation the Company has not prepared statutory accounts. The information below is extracted from the Company's unaudited, non-statutory management accounts which have been prepared in accordance with IFRS.

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2021 (Unaudited) £	Year ended 31 December 2022 (Unaudited) £	Year ended 31 December 2023 (Unaudited) £
<b>Revenue</b>	<b>0</b>	<b>0</b>	<b>150,750</b>
<b>Operating expenses</b>			
General and administrative expenses	(2,416,130)	(5,723,237)	(5,617,781)
Other operating income	97,107	30,927	-
Impairment of non-financial assets	-	(765,542)	-
Fair value movement on assets held for sale	-	(700,000)	-
Fair value movement on derivative liability	-	-	(5,701,200)
<b>Loss from operations</b>	<b>(2,319,023)</b>	<b>(7,157,852)</b>	<b>(11,168,231)</b>
<b>Other income/expense</b>			
Finance income	683	6,657	3,601
Finance cost	(1,839,346)	(3,002,520)	(1,808,672)
<b>Total other income/(expense)</b>	<b>(1,838,663)</b>	<b>(2,995,863)</b>	<b>(1,805,071)</b>
<b>Loss before tax</b>	<b>(4,157,686)</b>	<b>(10,153,715)</b>	<b>(12,973,302)</b>
Income tax	-	-	4,992,322
<b>Loss for the year</b>	<b>(4,157,686)</b>	<b>(10,153,715)</b>	<b>(7,980,980)</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at	31 December 2021 (Unaudited) £	31 December 2022 (Unaudited) £	31 December 2023 (Unaudited) £
<b>Non-current assets</b>			
Investment property	1,800,000	-	-
Property, plant and equipment	11,674,988	12,486,822	10,924,614
Right of use assets	4,775,444	3,677,518	3,974,409
Deferred tax asset	-	-	5,001,380
	<b>18,250,432</b>	<b>16,164,340</b>	<b>19,900,403</b>
<b>Current assets</b>			
Cash and cash equivalents	5,728,552	421,725	356,429
Trade and other receivables	183,324	299,217	187,116
Assets classified as held for sale	-	1,340,000	-
Amounts due from issue of debt and equity instruments	-	-	1,286,259
Inventory	-	-	1,221,292
	<b>5,911,876</b>	<b>2,060,942</b>	<b>3,051,096</b>
<b>Current liabilities</b>			
Trade and other payables	(357,768)	(802,871)	(2,631,294)
Lease liabilities	(665,689)	(826,818)	(1,054,723)
Borrowings	(5,394,057)	(16,597,990)	(7,627,057)
	<b>(6,417,514)</b>	<b>(18,227,679)</b>	<b>(11,313,074)</b>
<b>Net current liabilities</b>	<b>(505,638)</b>	<b>(16,166,737)</b>	<b>(8,261,978)</b>
<b>Non-current liabilities</b>			
Lease liabilities	(3,013,478)	(2,736,745)	(1,926,509)
Borrowings	(14,668,354)	(7,351,611)	-
	<b>(17,681,832)</b>	<b>(10,08,356)</b>	<b>(1,926,509)</b>
<b>Net assets / (liabilities)</b>	<b>62,962</b>	<b>(10,090,753)</b>	<b>9,711,915</b>
<b>Equity</b>			
Ordinary share capital	219,000	219,000	219,000
Preference share capital	-	-	26,033,650
Share premium	1,881,000	1,881,000	3,361,000
Revaluation reserve	2,910,893	2,910,893	2,910,893
Retained losses	(4,947,931)	(15,101,646)	(23,082,628)
<b>Total equity</b>	<b>62,962</b>	<b>(10,090,753)</b>	<b>9,711,915</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Year ended 31 December 2021 (Unaudited) £	Year ended 31 December 2022 (Unaudited) £	Year ended 31 December 2023 (Unaudited) £
<b>Cash flows from operating activities</b>			
Loss for the year	(4,157,686)	(10,153,715)	(7,980,980)
Adjusted for:			
Net Interest expense	1,838,663	2,995,863	1,805,072
Depreciation	323,065	1,317,136	1,303,114
Change in fair value of financial assets	-	-	5,701,200
Income tax	2,755	-	(4,992,322)
Impairment of non-financial assets	-	765,524	-
Fair value movement on assets held for sale	-	700,000	-
Loss on disposal of assets	-	-	50,807
 Movements In Working Capital:			
(Increase) / decrease in trade and other debtors	(101,687)	(115,893)	211,104
Increase inventories	-	-	(1,221,292)
Increase in trade and other creditors	219,644	359,695	1,666,107
<b>Cash generated / (used) from operating activities</b>	<b>(1,875,246)</b>	<b>(4,131,390)</b>	<b>(3,457,190)</b>
 <b>Cash flow from investing activities</b>			
Interest received	683	6,657	3,601
Proceeds for sale of assets held for sale	-	-	1,191,000
Proceeds for sale of assets property, plant & equipment	-	-	3,150
Purchase of property, plant and equipment	(2,698,891)	(1,386,194)	(41,752)
Payments for right of use assets	(4,393,368)	(632,791)	-
<b>Net cash used in investing activities</b>	<b>(7,091,576)</b>	<b>(2,012,328)</b>	<b>1,155,999</b>
 <b>Cash flow from financing activities</b>			
Proceeds from borrowings	-	2,387,125	1,225,806
Repayment of borrowings	-	(500,000)	(1,050,000)
Proceeds from related party borrowings	244,530	-	60,000
Repayment of related party borrowings	(1,593,989)	-	-
Proceeds from finance leases	3,456,870	559,942	156,195
Capital repayments - finance leases	(233,952)	(675,546)	(738,526)
Interest payments - finance leases	(151,736)	(373,708)	(370,329)
Interest payments - loans	(452,000)	(560,922)	(598,404)
Payment of other finance costs	-	-	(147,218)
Proceeds from the issue of preference shares	-	-	3,698,372
Proceeds from the issue of convertible loan notes (net of issue costs)	13,355,033	-	-
<b>Net cash from financing activities</b>	<b>14,624,756</b>	<b>836,891</b>	<b>2,235,895</b>
 <b>Net increase / (decrease) in cash and cash equivalents</b>	<b>5,567,934</b>	<b>(5,306,827)</b>	<b>(65,296)</b>
Cash and cash equivalents at the beginning of the year	70,618	5,728,552	421,725
<b>Cash and cash equivalents at the end of the year</b>	<b>5,728,552</b>	<b>421,725</b>	<b>356,429</b>

## 9 MAJOR SHAREHOLDERS

At the Last Practicable Date, in so far as is known to the Company, the name of each person who, directly or indirectly, is interested in voting rights representing 5 per cent. or more of the total voting rights in respect of the Company's issued share capital, and the amount of such person's holding, is as follows:

Name	Number of Ordinary Shares	Number of Preference Shares	Total number of Ordinary and Preference shares	% of issued voting Shares
Gerald Snyman <sup>1</sup>	57,432,915	309,082	57,741,997	26.44%
James Taylor	31,281,858	32,196	31,314,054	14.34%
Crystal Capital Partners	21,775,769	77,270	21,853,039	10.01%

Notes:

1. Balance includes 7,718,000 Ordinary Shares held by Mud Hut (Jersey) Limited, a company controlled by Gerald Snyman

## 10 MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course, have been entered into by the Company or other members of the Group in the two years prior to the date of this Circular, or are subsisting agreements which are included within, or which relate to, the assets and liabilities of the Company (notwithstanding whether such agreements are within the ordinary course or were entered into outside of the two years immediately preceding the publication of this Circular) and are, or may be, material:

### (a) Investor CLN Instrument and Shareholder CLN Instrument

The Convertible Loan Notes that are to be issued to the Investors, Participating Shareholders and Participating Management, are unsecured and non-interest bearing with a term of three years and expire on the Maturity Date or such later date as shall be agreed between the parties.

Conversion may take place at any time during the three-year term at the discretion of the holder of the Convertible Loan Notes. The mechanics of the Conversion are variable depending on whether Conversion takes place on or prior to an IPO and the valuation of the Company at an IPO.

Where Conversion occurs prior to an IPO, the Convertible Loan Notes will convert into such number of Ordinary Shares representing the following percentage of the Issued Share Capital:

- 80 per cent. of the Issued Share Capital where Conversion occurs prior to an IPO;
- there is a right of adjustment for an additional 10 per cent. of the Issued Share Capital where the Company's valuation at IPO is £100,000,000 or less;

- where there has been no IPO by the Maturity Date and Conversion has occurred prior to an IPO, there is a right of adjustment for an additional 10 per cent. of the Issued Share Capital; and
- the maximum percentage of the Issued Share Capital that can be achieved on Conversion is 90 per cent. of the Issued Share Capital.

Where Conversion occurs at IPO, the Convertible Loan Notes will convert into Ordinary Shares representing the following percentage of the Issued Share Capital:

- 90 per cent. of the Issued Share Capital where the Company's valuation at IPO is £100,000,000 or less; or
- 80 per cent. where the Company's valuation at IPO is more than £100,000,000.

**(b) Warrant Instrument**

The Warrant is to be issued to Mr Herbert-King in satisfaction for providing the unsecured loan of £250,000 to the Company in April 2024. The Warrant entitles Mr Herbert-King to subscribe, at nil consideration, for such Ordinary Shares which is equivalent to:

- 5 per cent. of the Enlarged Share Capital, if the Company's valuation at the date of an IPO or a Sale is less than £50,000,000;
- 3.75 per cent. of the Enlarged Share Capital, if the Company's valuation at the date of an IPO or a Sale is between £50,000,000 and £75,000,000;
- 3 per cent. of the Enlarged Share Capital, if the Company's valuation at the date of an IPO or a Sale is between £75,000,000 and £100,000,000; or
- 2.5% of the Enlarged Share Capital, if the Company's valuation at the date of an IPO or a Sale is more than £100,000,000.

**(c) Nomination Agreement**

A summary of the principal terms of the Nomination Agreement is set out in paragraph 6 of Part II (letter from the Chairman).

**(d) Voting Support Agreements**

The Company has entered into a number of irrevocable voting and support agreements with Shareholders representing in excess of two-thirds of the entire voting rights in the Company undertaking, inter alia, to:

- vote in favour of the Conversion and the issuance of Ordinary Shares following the exercise of rights under the Warrant Instrument;
- vote in favour of any other resolutions proposed to holders of Shares at the General Meeting, which will include the Waiver Resolutions; and

- to vote against any proposal or any other action presented to the General Meeting that would reasonably be expected to impede, interfere with or materially delay or postpone the consummation of, or otherwise adversely affect, the rights granted to the Investors in respect of the Convertible Loan Notes or the Warrant.

(e) **Sancus Agreement**

The Company, as borrower, entered into a Jersey law governed loan agreement for £2.25 million with Gerald Snyman, Northern Leaf Dwelling Limited, Northern Leaf Properties Limited and Vienna Rondel Limited as guarantors (the **Original Guarantors**) and Sancus Lending (Jersey) Limited as Facility Agent and Security Agent (**Sancus**).

Pursuant to an amendment and restatement agreement between the Company, the Original Guarantors and Sancus dated 3 April 2020, the facility amount was increased by £2.6 million to a revised total of £4.85 million and each of Retreat Offices Limited and Retreat Leisure Holdings Limited acceded as guarantors (the **New Guarantors**).

Pursuant to a further amendment and restatement agreement between the Company, the Original Guarantors, the New Guarantors, Sancus and the Acceding and Increasing Co-Funders (as defined therein) dated 29 April 2022, the facility amount was increased by a further £2.5 million to a revised total of £7.35 million in order to finance the development of sites A, B, C and D Tamba Park, La Rue de la Frontiere, St Mary, Jersey, JE3 3EG (the **Sites**).

In connection with this loan, Sancus has been granted a first priority registered judicial hypothèque for £7.35 million over the Sites to include fixtures, fittings and equipment. The loan has a fixed interest rate of 8.5 per cent. per annum and is repayable on the earlier of (i) the end of the 24 month term, or (ii) the sale of the business, or (iii) completion of a refinance as a bullet payment.

On 30 May 2024 the Company and Sancus agreed new terms to renew the existing facility amounting to £6,300,000 (plus any accrued interest/default interest up to the date of the renewal and professional fees) subject to completion of certain condition precedent including, completion of the Convertible Loan Notes and completion of all loan and security documentation in form satisfactory to Sancus. The loan will have a fixed interest rate of 8 per cent. per annum (50 per cent. of which payable from June 2024 to May 2025 (inclusive) with the balance rolled up and 100 per cent. payable from June 2025 onwards) and repayable at the end of the 24 months term. It was agreed that a portion of accrued interest due to date to be waived if loan performs throughout the loan term (including all interest services on time and the facility repaid on time and in full). In recognition of Sancus and its co-funders agreement to waive elements of the interest accrual (including default interest), Sancus co-funders will be issued with warrants equal to 1.5 per cent of the issued share capital of the Company at the time of an IPO or a Sale.

**(f) Asset Finance Facility Agreement**

The Company, as borrower, entered into a Jersey law governed asset finance facility agreement for £3.0 million dated 28 June 2021 with Gerald Snyman as guarantor, and Reto Finance Limited as lender in order to finance the purchase of certain business assets.

This loan has a fixed interest rate of 6 per cent. per annum and is repayable at any time from 24 months of the commencement of the facility until the conclusion of the 60 month term.

**(g) Sale/HP Agreement**

The Company, as borrower, entered into Jersey law governed sale/hire purchase agreement for £800,000 dated 26 November 2021 with Gerald Snyman as guarantor and Investec Asset Finance (Channel Islands) Limited as lender pursuant to which the purchase of certain glasshouse plant and equipment items (as detailed therein) was financed.

This loan has a fixed interest rate of 5 per cent. per annum and is repayable at the end of the 60 month term.

**(h) IPO Discount Warrant Instrument**

On 11 April 2023 the Company entered into warrant instruments constituting the IPO Discount Warrants. Pursuant to which the Company issued 83 IPO Discount Warrants to the holders of the Preference Shares.

The IPO Discount Warrants will become exercisable (at an aggregate exercise price of £1.00) in the event of admission to trading on a stock exchange or other recognised public market where the issue price per Share at which Shares are offered pursuant to IPO does not represent the multiple on the aggregate subscription price paid by the holders of the Preference Shares as calculated below.

Where an IPO occurs on or after 1 January 2024, the multiple shall be 1.4286x, where x is the aggregate of the subscription price paid by the holders of the Preference Shares.

The IPO Discount Warrants shall be exercisable in respect of such number of Shares as will result in the total subscription price achieving the relevant multiple at the issue price per Share at which Shares are offered pursuant to the IPO.

**(i) Aug-Sept 2023 CLNs**

Between August and September 2023, the Company issued certain loan notes instruments pursuant to which a series of Aug-Sept 2023 CLNs were issued for an aggregate nominal amount of £1,031,587.50 bearing a 15 per cent. annual coupon and reaching maturity on the maturity date (being the earlier of (i) 24 months from the date of an IPO and (ii) 31 December 2025).

The Aug-Sept 2023 CLNs are to be secured by way of second ranking and subordinated priority security over sites A, B, C and D (formerly forming part of Tamba Park), La Rue de la Frontiere, St Mary, Jersey, JE3 3EG.

The Aug-Sept 2023 CLNs were issued in denominations of £5,000 and integral multiples of £1,000. As at the date of this document, £1,031,587.50 of Aug-Sept 2023 CLNs issued by the Company remain outstanding.

Pursuant to the conversion rights of the Aug-Sept 2023 CLNs, the Aug-Sept 2023 CLNs and any accrued and unpaid interest will be converted into Ordinary Shares at 50 per cent. discount to the Placing Price.

Any Aug-Sept 2023 CLNs not converted prior to the expiry of the Conversion Period, will be repaid on the maturity date (being the earlier of (i) 24 months from the date of an IPO and (ii) 31 December 2025).

(j) **March 2021 Option**

The Company entered into an option agreement pursuant to which granted to Crystal Capital Partners LLP (**Crystal Capital**) the March 2021 Option to subscribe for 734,226 Shares at an exercise price of 58.2368493p. In the event of any variation of the share capital of the Company by way of capitalisation, rights issue, consolidation, sub division or reduction, the number of Shares and the exercise price shall be adjusted in such manner as the auditors for the time being of the Company shall in writing advise the directors to be in their opinion fair and reasonable.

The March 2021 Option is capable of being exercised during a period of 5 years from the closing of the fund raise completed on 28 March 2021 (until 28 March 2026).

Pursuant to the exercise rights of the March 2021 Option, if the Company is to be sold, the Company shall give Crystal Capital 30 days' prior written notice thereof and Crystal Capital shall be entitled to exercise the March 2021 Option prior to the sale should it so choose.

If the March 2021 Option (or any part of it) is not exercised during the option period, the March 2021 Option (or such part of it as remains unexercised) shall lapse and cease to have any further effect.

(k) **March 2023 Option**

The Company entered into an option agreement pursuant to which granted to Crystal Capital the March 2023 Option to subscribe for 241,334 Shares at an exercise price of 77.6491324p. In the event of any variation of the share capital of the Company by way of capitalisation, rights issue, consolidation, sub division or reduction, the number of Shares and the exercise price shall be adjusted in such manner as the auditors for the time being of the Company shall in writing advise the directors to be in their opinion fair and reasonable.

The March 2023 Option is capable of being exercised during a period of 5 years from the closing of the fund raise completed on 28 March 2023 (until 28 March 2028).



Pursuant to the exercise rights of the March 2023 Option, if the Company is to be sold, the Company shall give Crystal Capital 30 days' prior written notice thereof and Crystal Capital shall be entitled to exercise the March 2023 Option prior to the sale should it so choose.

If the March 2023 Option (or any part of it) is not exercised during the option period, the March 2023 Option (or such part of it as remains unexercised) shall lapse and cease to have any further effect.

**(I) December 2023 Option**

The Company entered into an option agreement pursuant to which granted to Crystal Capital the December 2023 Option to subscribe for 13,379,372 Shares at an exercise price of £0.01046. In the event of any variation of the share capital of the Company by way of capitalisation, rights issue, consolidation, sub division or reduction, the number of Shares and the exercise price shall be adjusted in such manner as the auditors for the time being of the Company shall in writing advise the directors to be in their opinion fair and reasonable.

The December 2023 Option is capable of being exercised during a period of 5 years from the closing of the fund raise completed on 12 December 2023 (until 12 December 2028).

Pursuant to the exercise rights of the December 2023 Option, if the Company is to be sold, the Company shall give Crystal Capital 30 days' prior written notice thereof and Crystal Capital shall be entitled to exercise the December 2023 Option prior to the sale should it so choose.

If the December 2023 Option (or any part of it) is not exercised during the option period, the December 2023 Option (or such part of it as remains unexercised) shall lapse and cease to have any further effect.

## **11 GENERAL**

Save as set out in this Circular, there is no agreement, arrangement, or understanding (including any compensation arrangement) between the Concert Party, or any person acting in concert with any of them and any of the Directors, recent directors, Shareholders, or recent shareholders of the Company, or any person interested or recently interested in Shares of the Company having any connection with or dependence upon the proposals set out in this Circular.

No agreement, arrangement or understanding exists whereby any Shares in the Company acquired by any member of the Concert Party will be transferred to any other person.

## **12 NO SIGNIFICANT CHANGE**

From January 2024 to May 2024, the Company generated approximately £425,000 of revenue including from the sales of its entire vault inventory for approximately £245,000 in April 2024. Further revenue is expected in July 2024 from a signed purchase order for approximately £160,000 with an existing customer. The Company was loss-making in the first half of 2024 and accrued additional losses of approximately £3.32 million, which included professional costs relating to the aborted acquisition of the Company by Voyager Life plc.

The Company has conditionally entered into the CLN Instruments for a total of £2.5 million of funding in order to provide ongoing working capital, out of which £1,248,975 has been received in advance by the Company as at the date of this document.

Save as disclosed in this paragraph 12, there has been no significant change in the financial or trading position of the Company since the unaudited position as at 31 December 2023.

### **13 IRREVOCABLE UNDERTAKINGS**

#### ***Director irrevocable undertakings***

The Company has received an irrevocable undertakings from Frank Walker to vote in favour of the Resolutions at the General Meeting in respect of his own beneficial holdings amounting to in aggregate 927,248 Shares, representing approximately 0.42 per cent. of the existing issued ordinary share capital of the Company. The irrevocable undertakings include undertakings to:

- vote in favour of the Conversion and the issuance of Ordinary Shares following the exercise of rights under the Warrant Instrument;
- vote in favour of any other resolutions proposed to holders of Shares at the General Meeting, which will include the Waiver Resolutions; and
- to vote against any proposal or any other action presented to the General Meeting that would reasonably be expected to impede, interfere with or materially delay or postpone the consummation of, or otherwise adversely affect, the rights granted to the Investors in respect of the Convertible Loan Notes or the Warrant.

#### ***Shareholder intentions to vote***

The Company has received an irrevocable undertaking from certain Shareholders to vote in favour of the Resolutions at the General Meeting in respect of, in aggregate, 147,079,715 Shares representing approximately 67.36 per cent. of the existing issued ordinary share capital of the Company. The irrevocable undertaking given include undertakings to:

- vote in favour of the Conversion and the issuance of Ordinary Shares following the exercise of rights under the Warrant Instrument;
- vote in favour of any other resolutions proposed to holders of Shares at the General Meeting, which will include the Waiver Resolutions; and
- to vote against any proposal or any other action presented to the General Meeting that would reasonably be expected to impede, interfere with or materially delay or postpone the consummation of, or otherwise adversely affect, the rights granted to the Investors in respect of the Convertible Loan Notes or the Warrant.

## **14 PERSONS ACTING IN CONCERT WITH THE COMPANY**

In addition to the Directors (together with their close relatives and related trusts) and members of the Group, there are no persons acting in concert with the Company for the purposes of the Proposals.

## **15 INDEPENDENT ADVICE TO THE BOARD**

The Takeover Code requires the Directors to obtain competent independent advice regarding the merits of the Proposals. Grant Thornton has provided formal advice to the Directors regarding the Proposals and in providing such advice, Grant Thornton has taken into account the Directors' commercial assessments. Grant Thornton has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which it appears. Grant Thornton confirms that it is independent of the Concert Party and has no personal, financial or commercial relationship or arrangements or understandings with the Concert Party.

## **16 DOCUMENTS AVAILABLE FOR INSPECTION**

This Circular, as well as copies of the following documents will be available to view at the Company's registered offices during normal business hours on any business day and on the Company's website ([www.northern-leaf.com](http://www.northern-leaf.com)), from the date of this Circular up to and including 29 July 2024 and at the General Meeting to be held on that day:

- (a) the Articles;
- (b) the written consent of Grant Thornton referred to in paragraph 15 of this Part III (Additional Information) of this document;
- (c) Material Contracts (as set out in paragraph 10 of this Part III (Additional Information) in so far as they relate to the proposals set out in this Circular);
- (d) the irrevocable undertakings (as set out in paragraph 13 of this Part III (Additional Information));
- (e) Director's service agreements (as set out in paragraph 7 of this Part III (Additional Information)); and
- (f) the Circular.

## Northern Leaf plc

*(Incorporated and registered in Jersey under number 128967)*

### NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a **GENERAL MEETING** of Northern Leaf plc (the **Company**) to be held at 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG at 1.30 p.m. on 29 July 2024, for the purpose of considering and, if thought fit, passing, the resolutions set out below

### ORDINARY RESOLUTIONS

1. The grant of the waiver by the Panel on Takeovers and Mergers described in the Circular to shareholders of the Company dated 4 July 2024 of any requirement under Rule 9 of the Takeover Code for Wray Herbert-King and/or Edward David Wilkinson to make a general offer to shareholders of the Company as a result of the exercise of conversion rights attaching to the loan notes to be issued pursuant to the up to £2,500,000 loan note instrument dated 15 May 2024 (the **Investor Loan Notes**) be and is hereby approved.
2. The grant of the waiver by the Panel on Takeovers and Mergers described in the Circular to shareholders of the Company dated 4 July 2024 of any requirement under Rule 9 of the Takeover Code for Wray Herbert-King to make a general offer to shareholders of the Company as a result of the exercise of warrant to be issued to him pursuant to the warrant instrument dated 3 June 2024 (the **Warrant**) be and is hereby approved.

### SPECIAL RESOLUTIONS

3. Article 2.12 of the articles of association of the Company (the **Articles**) be and is hereby disappplied in relation to resolution 4 below.
4. The directors be and are hereby generally and unconditionally authorised pursuant to Article 2.8 of the Articles to allot new ordinary shares of £0.01 each in the capital of the Company (the **Ordinary Shares**) and to do so for cash pursuant to Article 2.11 of the Articles as if Article 2.9 of the Articles did not apply to any such allotment or grant, up to a maximum aggregate nominal amount of £20,801,190.09, comprising:
  - (a) up to a maximum aggregate nominal amount of £13,324,024.18 in connection with the proposed conversion of the Investor Loan Notes into new Ordinary Shares (the **Investor Loan Note Conversion**); and
  - (b) up to maximum aggregate nominal amount of £6,327,928.89 in connection with the proposed conversion of convertible loan notes to be issued by the Company pursuant to certain up to £1,000,000 loan note instruments dated between 23 May 2024 and 29 May 2024 (the **Shareholder Loan Notes**, together with the Investor Loan Notes, the **Loan**

**Notes**) into new Ordinary Shares (the **Shareholder Loan Note Conversion**, together with the Investor Loan Note Conversion, the **Loan Note Conversion**),

resulting in the holders of the Loan Notes receiving on Loan Note Conversion up to 90% of the Issued Share Capital, which would result in significant equity dilution of those shareholders who have not subscribed for the Loan Notes; and

- (c) the allotment of new Ordinary Shares up to a maximum aggregate nominal amount of £1,149,237.02, in connection with the exercise of the Warrant.

5. That:

- (a) the Company adopt the amended and restated articles in the form appended in Appendix B in place of the present Articles; and
- (b) the memorandum and articles of association of the Company adopted by special resolution dated 26 July 2023 being conditional upon the occurrence of an initial public offering of the Ordinary Shares and the admission to trading on AIM be and are hereby revoked in their entirety.

Dated 4 July 2024

By order of the board,

*Frank Walker*

.....  
**Frank Walker OBE**

*Chairman*

## Proxies

A member entitled to attend and vote at the meeting may appoint proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights.

A blank proxy form is attached. Please consider carefully the conditions attaching to appointment of a proxy.

Proxy forms in hard copy must be delivered to the Company's proxy tabulator, **Ogier (Jersey) LLP** at **3<sup>rd</sup> Floor, 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG** or by email to **northern-leaf@ogier.com** marked for the attention of **Alexander Curry**. Please see the conditions attaching to the appointment of a proxy for the time of such delivery.

## **EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING**

The notes on the following pages give an explanation of the proposed resolutions.

All voting is to take place on a poll.

Resolutions 1 and 2 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, at least a simple majority of the votes cast must be in favour of the resolution.

Resolutions 1 and 2 will be subject to an independent vote, taken on a poll, in accordance with the requirements of The Panel on Takeovers and Mergers for dispensation from Rule 9 of The City Code on Takeovers and Mergers which shall comprise of all shareholders of the Company on the basis that neither Edward David Wilkinson or Wray Herbert-King are yet shareholders of the Company.

Resolutions 3, 4 and 5 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### **Resolutions 1 and 2**

Resolutions 1 and 2, if passed, would comprise a waiver from Rule 9 of the Takeover Code as the Conversion of the Investor Loan Notes and exercise of the Warrant would trigger a mandatory requirement for Edward David Wilkinson and Wray Herbert-King to make offers for all of the issued share capital of Northern Leaf unless the Takeover Panel waives such requirement. As is customary, the Takeover Panel will only grant such a waiver if (amongst other things) the Waiver Resolutions have been passed.

Resolutions 1 and 2 will be subject to an independent vote, taken on a poll, in accordance with the requirements of The Panel on Takeovers and Mergers for dispensation from Rule 9 of The City Code on Takeovers and Mergers which shall comprise of all shareholders of the Company on the basis that neither Edward David Wilkinson or Wray Herbert-King are yet shareholders of the Company.

### **Resolution 3**

This resolution, if passed, would disapply Article 2.12 of the Articles in relation to the proposed allotment of Ordinary Shares pursuant to the Loan Note Conversion and the Warrant, each to be carried for cash.

Article 2.12 of the Articles states that a special resolution under Article 2.11 of the Articles shall not be proposed in respect of a specific allotment unless it is recommended by the directors and there has been circulated, with the notice for the meeting at which the resolution is to be decided, a proposal to the Company's shareholders entitled to have that notice a written statement by the directors setting out (i) their reasons for making the recommendations; (ii) the amount to be paid to the Company in respect of the Ordinary Shares to be allotted; and (iii) the directors' justification of that amount.

Due to the nature of the conversion mechanics of the Loan Notes and the exercise mechanics of the Warrant, the price of the new Ordinary Shares to be allotted will not be set until nearer the time of the Loan Notes Conversion and exercise of the Warrant (respectively) and is not known at this time. On the Loan Notes Conversion, the holders of the Loan Notes will receive up to 90% of the Issued Share Capital. On the exercise of the Warrant, the holder of the Warrant will receive up to 5% of the aggregate number of the Issued Share Capital and the Ordinary Shares issued by the Company on the Loan Note Conversion.

#### **Resolution 4**

This resolution, if passed, would authorise the directors to allot Ordinary Shares to subscribe for or convert any securities into Ordinary Shares for cash up to an aggregate nominal amount of £20,801,190.09 in connection with the Loan Note Conversion and exercise of the Warrant and to do so free of the pre-emption rights contained in the Articles.

Due to the fact that the directors are unable to determine the total number of Ordinary Shares to be issued in connection with the Loan Note Conversion and exercise of the Warrant as at the date of this notice, the directors are seeking authority to allot Ordinary Shares on a non-pre-emptive basis up to the aggregate maximum of the available headroom, to ensure that they have the necessary authority to issue the Ordinary Shares when finally determined pursuant to the terms of the Loan Notes and the Warrant (respectively).

#### **Resolution 5**

This resolution, if passed, would effect certain amendments to the Articles and would revoke the memorandum and articles of association of the Company adopted by special resolution dated 26 July 2023 and conditional upon the occurrence of an initial public offering of the Ordinary Shares and the admission to trading on AIM.

These amendments include proposing:

- (i) to amend Article 7 to widen the permitted transfers provisions;
- (ii) to amend the notice period for general meetings (including annual general meetings) to 14 Clear Days down from the current 21 Clear Days to reflect market standard approach for companies incorporated in Jersey; and
- (iii) to allow Members to pass resolutions in writing without holding a meeting to reflect market standard approach for companies incorporated in Jersey.

Please refer to Appendix A for a comprehensive write-up of the proposed amendments to the Articles.



**Northern Leaf Plc****Registered company no 128967****(the Company)****Proxy form**

I/We .....

of .....

being a member/members of the Company and the holder/holders of

..... (number and class of shares)

appoint as my/our proxy

.....

or in his/her absence

.....

at the general meeting of the Company to be held at **1.30 p.m. on 29 July 2024 at 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG** and at any adjournment of that meeting.

If the chairperson is appointed as proxy, write "The chairperson" without inserting an address.

Please indicate with a tick mark in the spaces opposite each resolution how you wish the proxy to vote on your behalf. In the absence of any such indication, the proxy may vote for or against the resolution or may abstain at his/her discretion. Your proxy will also be entitled to vote at his/her discretion on any resolution properly put to the meeting pursuant to the other items of business referred to in the notice convening the meeting.

Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the notice convening the general meeting.

<b>Ordinary Resolutions</b>		<b>For</b>	<b>Against</b>	<b>Abstain</b>
1	The grant of the waiver by the Panel on Takeovers and Mergers described in the Circular to shareholders of the Company dated 4 July 2024 of any requirement under Rule 9 of the Takeover Code for Wray Herbert-King and/or Edward David Wilkinson to make a general offer to shareholders of the Company as a result of the exercise of conversion rights attaching to the loan notes to be issued pursuant to the up to £2,500,000 loan note instrument dated 15 May 2024 be and is hereby approved.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The grant of the waiver by the Panel on Takeovers and Mergers described in the Circular to shareholders of the Company dated 4 July 2024 of any requirement under Rule 9 of the Takeover Code for Wray Herbert-King to make a general offer to shareholders of the Company as a result of the exercise of warrant to be issued to him pursuant to the warrant instrument dated 3 June 2024 be and is hereby approved.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Special Resolutions</b>		<b>For</b>	<b>Against</b>	<b>Abstain</b>
3	To disapply Article 2.12 of the Articles in relation to the proposed allotment of Ordinary Shares pursuant to the Loan Notes Conversion and exercise of the Warrant, each to be carried out for cash.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	To authorise the directors pursuant to Article 2.8 of the Articles to allot Ordinary Shares to subscribe for or convert any securities into Ordinary Shares up to an aggregate nominal amount of £20,801,190.09 in connection with the Loan Notes Conversion and exercise of the Warrant free of the pre-emption rights contained in the Articles.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	To authorise certain amendments to the Articles and revoke the memorandum and articles of association of the Company adopted by special resolution dated 26 July 2023 being conditional upon the occurrence of an initial public offering of the Ordinary Shares and the admission to trading on AIM.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated 2024

**For individuals:**

Signature of shareholder

Signature of joint-shareholder, if any

**For companies:**

Signed for and on behalf of

Name of the company:

.....  
Signature

.....  
Print name

.....  
Title

## **Proxy instructions**

### **What happens if you do not follow these instructions?**

1. If you do not follow these instructions, any instrument you make appointing a proxy may be invalid.

### **Eligible members**

2. If you are a member entitled to attend and vote at this meeting of the Company, you may appoint a proxy or proxies to vote on your behalf.
3. A proxy need not be a member of the Company.

### **If you complete a proxy form, can you still attend and vote at the meeting?**

4. Completion of a proxy form does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.

### **Multiple proxies**

5. If you are a member entitled to cast two or more votes at the meeting, you may appoint two or more proxies and may specify the proportion of votes each proxy is appointed to exercise. If no proportion or number is specified, only the first form received by the Company will be accepted or, if all forms are received at the same time, the chairperson of the meeting may decide at his sole discretion which form to accept.

### **Joint shareholders**

6. In the case of jointly held shares, if more than one joint holder purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. For this purpose, seniority will be determined by the order in which the names of the joint holders appear in the register of members (the first-named being the most senior).

### **How to appoint a proxy**

7. If you are an eligible member and a natural person, the appointment of your proxy must be in writing and signed by you or your authorised attorney.
8. If you are an eligible member and a corporation, the appointment of your proxy must be in writing and executed in any of the following ways: (i) under the corporation's common seal; (ii) not under the corporation's common seal but otherwise in accordance with its articles of association or constitution; or (iii) under the hand of the corporation's authorised attorney.
9. Despite paragraphs 7 and 8, the Company will accept an electronic record of your proxy if:
  - (a) the original is in writing and signed in one of the ways referred to in those paragraphs; and
  - (b) the Company permits receipt of electronic records by giving an electronic address for that purpose.

## Delivery of proxy form to Company

10. For an appointment of a proxy to be effective, the following documents must be received by the Company's proxy tabulator, **Ogier (Jersey) LLP** no later than **1.30 p.m. on 25 July 2024** (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting) at which the proxy proposes to vote:
  - (a) the proxy form;
  - (b) if the proxy form is executed by a corporation otherwise than under its common seal - an extract of its articles of association or constitution that evidences that it may be duly executed in that way; and
  - (c) if the proxy form is signed by your attorney - the authority under which it was signed or a certified copy of the authority.
11. Those documents may be delivered in either of the following ways:
  - (a) in the case of hard-copy documents - they must be left at or sent by post to the Company's proxy tabulator, **Ogier (Jersey) LLP at 3rd Floor, 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG**; and
  - (b) in the case of documents comprised in an electronic record - they must be sent to **northern-leaf@ogier.com**,

each marked for the attention of **Alexander Curry**.

If a poll is to take place within 48 hours after it has been demanded then, in addition to the ways specified in the preceding paragraph, the documents may be delivered to the chairperson or to the Company secretary or to any Director at the meeting at which the poll was demanded.

## APPENDIX A

Write-up of the proposed amended and restated articles of association of the Company

Companies (Jersey) Law 1991

Company Limited by Shares

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~~PRE-IPO~~ AMENDED AND RESTATED ARTICLES OF ASSOCIATION  
OF  
NORTHERN LEAF ~~LIMITED~~ PLC  
ADOPTED BY SPECIAL RESOLUTION ON  
2023 2024

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**Companies (Jersey) Law 1991**

**Company Limited by Shares**

**~~Pre-IPO~~ Amended and Restated Articles of Association**

**of**

**Northern Leaf ~~Limited~~ Plc**

**Adopted by special resolution on 2023 2024**

**1 Definitions, interpretation and exclusion of Standard Table**

**Definitions**

1.1 In these Articles, the following definitions apply:

**2000 Law** means the Electronic Communications (Jersey) Law 2000;

**2006 Act** means the Companies Act of 2006 of the United Kingdom as may be amended from time to time and any successor act thereto;

**Address** means, in relation to electronic communications, any number ~~or Address~~, email address or other form of address used for the purposes of such communications;

**AIM** means the AIM market of the London Stock Exchange;

**AIM Rules** means the AIM Rules for Companies and the AIM Rules for Nominated Advisors, as amended from time to time;

**Articles** means, as appropriate:

- (a) these Articles of Association as amended from time to time; or
- (b) two or more particular Articles of these Articles;

and **Article** refers to a particular Article of these Articles;

**Business Day** means a day (not being a Saturday or Sunday) on which clearing banks are open for normal banking business in London and in the Island;

**certificated** means, in relation to a Share, a Share which is not in uncertificated form;

**Clear Days**, in relation to a period of notice, means that period excluding:

- (a) the day when the notice is deemed to be received; and

(b) the day for which it is given or on which it is to take effect;

**Company** means the company incorporated under the Law in respect of which these Articles have been registered;

**Control** means the power of a person to secure that the affairs of the Member are conducted in accordance with the wishes of that person:

(a) by means of the holding of shares, or the possession of voting power, in or in relation to the Member or any other body corporate; or

(b) as a result of any powers conferred by the articles of association or any other document regulating the Member or any other body corporate;

**Default Rate** means 3% (three per cent) per annum over the base rate of the Bank of England from time to time;

**director** means any director for the time being of the Company appointed in accordance with these Articles;

**DTR5** means Chapter 5 of the Disclosure and Transparency Rules (as amended from time to time) of the Handbook;

**Electronic** has the meaning given to that term in the 2000 Law;

**Electronic Record** has the meaning given to that term in the 2000 Law;

**Electronic Signature** has the meaning given to that term in the 2000 Law;

**Employee Share Scheme** means any employee and/or executive incentive plan or scheme established for the benefit of employees and/or executives (which, for the purposes of this definition, includes executive directors only) of the Company and/or any of its subsidiaries (whether or not such plan or scheme is open to all employees, executives or not) and which is operated either by the Company or any of its subsidiaries or by a third party on their behalf and under the terms of which employees and/or executives may acquire and/or benefit from shares or any interest therein, whether directly or pursuant to any option, right or award over shares granted to them or otherwise;

**executed** includes, in relation to a document, execution under hand or under seal or by any other method permitted by law;

**Family Trust** means as regards any Member who is an individual (or deceased or former Member who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wherever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Member and/or any of the Privileged Relations of that Member (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or

paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons);

**FCA** means the UK Financial Conduct Authority;

**fully paid** and **paid up** means that the agreed issue price for a Share has been fully paid or credited as paid in money or money's worth;

**Handbook** means the FCA Handbook;

**IFRS** means International Financial Reporting Standards as adopted by the European Union from time to time;

**Island** means Jersey, Channel Islands;

**JFSC** means the Jersey Financial Services Commission;

**Law** means the Companies (Jersey) Law 1991 including any statutory modification or re-enactment thereof for the time being in force and subordinate legislation made thereunder;

**London Stock Exchange** means London Stock Exchange plc or other principal stock exchange in the United Kingdom for the time being;

**Member** means any person or persons entered on the register of members from time to time as the holder of a Share;

**Memorandum** means the Memorandum of Association of the Company as amended from time to time;

**Nominated Adviser** means an adviser whose name appears on the register published by the London Stock Exchange and who is acting as the nominated adviser for the time being of the Company;

**Officer** means a person appointed to hold an office in the Company; and the expression includes a director, alternate director or liquidator, but does not include the Secretary;

**Operator** means a person approved as an operator by the JFSC under the Uncertificated Securities Order;

**Ordinary Share** means an ordinary share in the capital of the Company;

**Ordinary Resolution** means a resolution of a duly constituted general meeting of the Company passed by a simple majority of the votes cast by, or on behalf of, the Members entitled to vote; The expression also includes a written resolution signed by or on behalf of a simple majority of the Members who, at the date when the resolution is deemed to be passed, would be entitled to vote on the resolution if it were proposed at a meeting;

**Permitted Transfer** means any transfer of Shares undertaken pursuant to Article 7;

**Permitted Transferee** means:

- (a) in relation to a Member who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust or any replacement trustee/nominee holder that will hold Shares on behalf of a Member on a bare trust only; or
- (b) in relation to a Member which is a company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company or which is otherwise under the same ultimate Control as the Member; or
- (c) another Member, with prior approval of the board of directors of the Company, with such approval not to be unreasonably withheld; or
- (d) a bona fide third party, with prior approval of the board of directors of the Company, with such approval not to be unreasonably withheld;

**Preference Share** means a preference share in the capital of the Company;

**Privileged Relation** means in relation to a Member who is an individual (or a deceased or former Member who is an individual), a spouse, civil partner, child or grandchild (including step or adopted or illegitimate children and their issue) of the Member;

**register** means the register of Members of the Company to be kept pursuant to ~~article~~Article 41 of the Law and/or the register of Members maintained pursuant to the Uncertificated Securities Order and, where the context requires, any register maintained by the Company or the approved Operator of persons holding any renounceable right of allotment of a Share and cognate expressions shall be construed accordingly;

**Regulatory Information Service** means a regulatory information service approved by the FCA for the dissemination of regulatory announcements required by, amongst other things, the AIM Rules and chosen by the Company to perform such function on behalf of the Company;

**Relevant Share** means a Share other than (a) a Share which, as respects dividends and capital, carries a right to participate only up to a specified amount in a distribution; and (b) a Share which is held by a person who acquired it in pursuance of an Employee Share Scheme or, in the case of Shares which have not been allotted, are to be allotted in pursuance of such an Employee Share Scheme or, in the case of Shares held by the Company as treasury shares, are to be transferred in pursuance of such an Employee Share Scheme;

**seal** means the common seal of the Company or any official or securities seal that the Company may have or may be permitted to have under the Law;

**Secretary** means the secretary for the time being of the Company or any other person appointed to perform any of the duties of the secretary of the Company, including a joint, assistant or deputy secretary;



**Share** means an Ordinary Share, a Preference Share or any other Share in the share capital of the Company; and the expression:

- (a) includes stock (except where a distinction between shares and stock is expressed or implied); and
- (b) where the context permits, also includes a fraction of a share;

**Special Resolution** has the meaning given to that term in the Law, save that the relevant majority shall be three-quarters; The expression also includes a written resolution signed by or on behalf of the requisite majority of Members required for the passing of a Special Resolution who, at the date when the resolution is deemed to be passed, would be entitled to vote on the resolution if it were proposed at a meeting;

**subsidiary** has the meaning given to that term in Article 2 of the Law;

**uncertificated** means, in relation to a Share, a Share title to which is recorded in the register as being held in uncertificated form and title to which, by virtue of the Uncertificated Securities Order, may be transferred by means of a relevant system; and

**Uncertificated Securities Order** means the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended from time to time, including any provisions of or under the Law which alter or replace such regulations.

## Interpretation

1.2 In the interpretation of these Articles, the following provisions apply unless the context otherwise requires:

- (a) a reference in these Articles to a statute is a reference to a statute of the Island as known by its short title, and includes:
  - (i) any statutory modification, amendment or re-enactment; and
  - (ii) any subordinate legislation or regulations issued under that statute;
- (b) headings are inserted for convenience only and do not affect the interpretation of these Articles, unless there is ambiguity;
- (c) a word which denotes the singular also denotes the plural, a word which denotes the plural also denotes the singular, and a reference to any gender also denotes the other genders;
- (d) a reference to a **person** includes, as appropriate, a natural person, a company, trust, partnership, joint venture, association, body corporate or government agency;
- (e) where a word or phrase is given a defined meaning another part of speech or grammatical form in respect to that word or phrase has a corresponding meaning;

- (f) save as aforesaid, and unless the context otherwise requires, words or expressions defined in the Law shall have the same meaning where used in these Articles but excluding any statutory modification thereof not in force when these Articles became binding on the Company;
- (g) all references to time are to be calculated by reference to time in the place where the Company's registered office is located;
- (h) the words **written** and **in writing** include all modes of representing or reproducing words in a visible form, but do not include an Electronic Record where the distinction between a document in writing and an Electronic Record is expressed or implied;
- (i) the words **including**, **include** and **in particular** or any similar expression are to be construed without limitation;
- (j) the expressions **approved Operator**, **issuer**, and **participating security** have the meaning as in the Uncertificated Securities Order;
- (k) **relevant system** means a computer system which has the purposes described in ~~article~~[Article](#) 2 of the Uncertificated Securities Order;
- (l) all references in the Articles to the giving of instructions by means of a relevant system shall be deemed to relate to a properly authenticated dematerialised instruction given in accordance with the Uncertificated Securities Order. Notwithstanding the other provisions of these Articles, the giving of such instructions shall be subject to:
  - (i) the facilities and requirements of the relevant system;
  - (ii) the Uncertificated Securities Order; and
  - (iii) the extent to which such instructions are permitted by or practicable under the rules and practices from time to time of the approved operator of the relevant system;
- (m) subject to the provisions of Article 1.2(f), references to any statutory provision or statute includes all amendments thereto and all subordinate legislation made thereunder.

## **Exclusion of Standard Table**

- 1.3 The regulations contained in the Standard Table adopted pursuant to the Companies (Standard Table) (Jersey) Order 1992 and any other regulations contained in any statute or subordinate legislation are expressly excluded and do not apply to the Company.

## **2 Share capital and share certificates**

### **Share capital**

- 2.1 Subject to the provisions of Articles 2.9 to 2.12 and the Law, the directors have general and unconditional authority to allot, grant of options, rights or awards over, grant of warrants in respect

of or otherwise dispose of any unissued Shares to such persons, at such times and on such terms as they think fit.

- 2.2 Without limitation to the preceding Article, the directors may so deal with the unissued Shares of the Company;
- (a) at an issue price determined by the directors;
  - (b) with the sanction of an Ordinary Resolution, with preferred, deferred or other special rights or restrictions whether in regard to dividend, voting, return of capital or otherwise;
  - (c) without preferred, deferred or other special rights or restrictions whether in regard to dividend, voting, return of capital or otherwise.
- 2.3 Subject to the relevant provisions of the Law, the Company may issue Shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or at the option of the Member holding such redeemable Shares and on such terms and in such manner as may be determined by the directors.
- 2.4 The Company may exercise the powers of paying commissions provided that the commission paid or agreed to be paid does not exceed 10% of the price at which the shares are issued.
- 2.5 Subject to the provisions of the Law, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares, by the grant of options, rights or awards or warrants in respect of Shares, or partly in one way and partly in the other(s).
- 2.6 Save as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any Share upon any trust and (save as otherwise provided by these Articles or by law) the Company shall not be bound by or recognise (even when having notice thereof) any interest in any Share save an absolute right of the Member of such Share to the entirety thereof.
- 2.7 The Company shall not be required to enter the names of more than four joint Members in respect of any Share in the register.

#### **Authority to allot Relevant Shares**

- 2.8 The Company may, subject to Articles 2.9 to 2.12, from time to time pass an Ordinary Resolution referring to this Article and authorising the board to exercise all the powers of the Company to allot Relevant Shares and:
- (a) on the passing of the Ordinary Resolution the board shall be generally and unconditionally authorised to allot Relevant Shares up to the number of Shares specified in the Ordinary Resolution or up to a number of Shares not specified in the Ordinary Resolution but which will be determined by the application of an equation or formula set out in the Ordinary Resolution; and

- (b) unless previously revoked the authority shall expire on the day specified in the Ordinary Resolution (not being more than five years after the date on which the Ordinary Resolution is passed),

but any authority given under this Article shall allow the Company, before the authority expires, to make an offer or agreement which would or might require Relevant Shares to be allotted after it expires.

### **Rights of pre-emption on allotment of Shares**

2.9 Subject to Article 2.11, the Company, when proposing to allot Shares or fractions of Shares of any class:

- (a) shall not allot any of them on any terms to a person unless it has made an offer to each person who is a Member and who holds Shares of the relevant class on the same or more favourable terms a proportion of those Shares which is as nearly as practicable equal to the proportion in number held by the Member of the relevant class of Shares then in issue; and
- (b) shall not allot any of those Shares to a person unless the period during which any such offer may be accepted by the relevant current Members has expired or the Company has received a notice of the acceptance or refusal of every offer so made from such Members.

2.10 Article 2.9 shall not apply to the allotment of:

- (a) bonus shares;
- (b) Shares if these are, or are to be, wholly or partly paid up otherwise than in cash; and
- (c) Shares which would, apart from any renunciation or assignment of the right to their allotment, be held under or allotted or transferred pursuant to an Employee Share Scheme.

2.11 Notwithstanding the provisions of Article 2.9 and 2.10 the directors may be given by virtue of a Special Resolution the power to allot Shares for cash either generally or in respect of a specific allotment such that:

- (a) Article 2.9 shall not apply to the allotment; or
- (b) Article 2.9 shall apply to the allotment with such modifications as the directors may determine; and
- (c) the authority granted by the Special Resolution may be granted for such period of time as the Special Resolution permits and such authority may be revoked by a further Special Resolution.

2.12 A Special Resolution under Article 2.11 shall not be proposed in respect of a specific allotment unless it is recommended by the directors and there has been circulated, with the notice for the

meeting at which the resolution is to be decided, a proposal to the Members entitled to have that notice a written statement by the directors setting out:-

- (a) their reasons for making the recommendations; and
- (b) the amount to be paid to the Company in respect of the Shares to be allotted; ~~and~~ if known.
- ~~(c) the directors' justification of that amount.~~

### **Special rights attaching to Preference Shares**

- 2.13 On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of Shares), the assets of the Company available for distribution among the Members shall be applied in repaying to the holder of each Preference Share the total of the capital for the time being paid up on the Preference Share in priority to any repayment to the holders of any other class of Share.
- 2.14 The Preference Shares do not entitle the holders to any further right to participate in the assets of the Company available for distribution among the Members generally.

### **Special rights attaching to Shares generally**

- 2.15 Whenever the capital of the Company is divided into different classes of Shares, the special rights attached to any class may (unless otherwise provided by the terms of issue of the Shares of that class) be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up:
  - (a) with the consent in writing of the Members of three-quarters in number of the issued Shares of that class; or
  - (b) with the sanction of a Special Resolution passed at a separate meeting of the Members of the issued Shares of that class.
- 2.16 Save as otherwise expressly provided in these Articles, the Shares rank pari passu in all respects.
- 2.17 The provisions of these Articles relating to general meetings or to the proceedings thereat shall apply, mutatis mutandis, to each separate meeting held in respect of different classes of Shares pursuant to this Article save that a quorum shall be at least two persons holding or representing by proxy not less than one-third in number of the issued Shares of that class but provided that if, at any adjourned meeting of such Members, a quorum as defined above is not present, those Members who are present shall be a quorum.
- 2.18 Subject to the terms on which any Shares may be issued, the rights or privileges attached to any class of Shares shall be deemed to be varied or abrogated by the reduction of the capital paid up on such Shares or by the allotment of further Shares ranking in priority for the payment of a dividend or in respect of capital or howsoever or which confer on the holders voting rights more favourable than those conferred by such first mentioned Shares but shall not be deemed to be

varied or abrogated by the creation or issue of any new Shares ranking *pari passu* in all respects (save as to the date from which such new Shares shall rank for dividend) with or subsequent to those already issued or by the purchase or redemption by the Company of its own Shares in accordance with the provisions of the Law and these Articles.

### **Uncertificated shares**

- 2.19 No person shall be entitled to receive a certificate in respect of any Share for so long as the title to that Share is evidenced otherwise than by a certificate and for so long as transfers of that Share may be made otherwise than by a written instrument by virtue of the Uncertificated Securities Order.
- 2.20 Subject to the Law, the requirements of the Nominated Adviser (where the Company's Shares are admitted to trading on AIM) and to the Uncertificated Securities Order, the board has the power to resolve that a class of Shares shall become a participating security and/or that a class of Shares shall cease to be a participating security.
- 2.21 Uncertificated Shares of a class are not to be regarded as forming a separate class from certificated Shares of that class.
- 2.22 A Member may, in accordance with the Uncertificated Securities Order, change a Share of a class which is a participating security from a certificated Share to an uncertificated Share and from an uncertificated Share to a certificated Share and the Company or a director may, as agent for the relevant Member, do all such acts and to execute all such documents and agreements on behalf of such Member in order to change an uncertificated Share into a certificated Share.
- 2.23 The Company may give notice to a Member requiring the Member to change uncertificated Shares to certificated Shares by the time stated in the notice. The notice may also state that the Member may not change certificated Shares to uncertificated Shares. If the Member does not comply with the notice, the board may authorise a person to change the uncertificated Shares to certificated Shares in the name and on behalf of the Member.
- 2.24 While a class of Shares is a participating security, the Articles only apply to an uncertificated Share of that class to the extent that they are consistent with:
- (i) the holding of Shares of that class in uncertificated form;
  - (ii) the transfer of title to Shares of that class by means of a relevant system; and
  - (iii) the Uncertificated Securities Order.

### **Share certificates for certificated Shares**

- 2.25 The following provisions apply only in relation to certificated Shares:
- (a) Every Member, upon becoming a Member, shall be entitled without payment to one certificate for all the Shares of each class held by him (and, upon transferring a part of his holding of Shares of any class, to a certificate for the balance of such holding) or several

certificates each for one or more of his Shares upon payment, for every certificate after the first, of such reasonable sum as the directors may determine.

- (b) Every certificate shall either be sealed with the seal or signed by two directors or a director and the Secretary, or by such persons as the directors shall authorise from time to time, and shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and the amount or respective amounts paid up thereon and shall otherwise comply with the requirements of the Nominated Adviser (where the Company's Shares are admitted to trading on AIM). The Company shall not be bound to issue more than one certificate for Shares held jointly by several persons and delivery of a certificate to one joint Member shall be deemed delivery to all of them.
- (c) Where a Member holds two or more certificates for Shares of one class, the Company in the manner prescribed by the directors, may at his request, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate for certificated Shares of that class.
- (d) At the request of a Member, the Company, in the manner prescribed by the directors, may cancel a certificate and issue two or more in its place (representing certificated Shares in such proportions as the Member may specify) on surrender of the original certificate and on payment of such reasonable sum as the directors may decide.
- (e) If a Share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence in the manner as the directors may determine, but otherwise free of charge and (in the case of defacement or wearing out) on delivery up of the old certificate.

### **3 Lien on Shares**

#### **Nature and scope of lien**

- 3.1 The Company has a first and paramount lien on all Shares (which are not fully paid) registered in the name of a Member (whether solely or jointly with others). The lien is for all moneys payable to the Company by the Member or the Member's estate:
  - (a) either alone or jointly with any other person, whether or not that other person is a Member; and
  - (b) whether or not those moneys are presently payable.
- 3.2 At any time the directors may declare any Share to be wholly or partly exempt from the provisions of this Article.

#### **Company may sell Shares to satisfy lien**

- 3.3 The Company may sell any Shares over which it has a lien if all of the following conditions are met:

- (a) the sum in respect of which the lien exists is presently payable;
- (b) the Company gives notice to the Member holding the Share (or to the person entitled to it in consequence of the death or bankruptcy of that Member) demanding payment and stating that if the notice is not complied with the Shares may be sold; and
- (c) that sum is not paid within 14 Clear Days after that notice is deemed to be given under these Articles.

3.4 The Shares may be sold in such manner as the directors determine.

3.5 To the maximum extent permitted by law, the directors shall incur no personal liability to the Member concerned in respect of the sale.

#### **Authority to execute instrument of transfer**

3.6 To give effect to a sale, the directors may authorise any person to execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee of the Shares shall not be affected by any irregularity or invalidity in the proceedings in respect of the sale.

#### **Consequences of sale of Shares to satisfy lien**

3.7 On sale pursuant to the preceding Articles:

- (a) the name of the Member concerned shall be removed from the register as the holder of those Shares; and
- (b) that person shall deliver to the Company for cancellation the certificate for those Shares.

Despite this, that person shall remain liable to the Company for all monies which, at the date of sale, were presently payable by him to the Company in respect of those Shares. That person shall also be liable to pay interest on those monies from the date of sale until payment at the rate at which interest was payable before that sale or, failing that, at the Default Rate. The directors may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of sale or for any consideration received on their disposal.

#### **Application of proceeds of sale**

3.8 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable. Any residue shall be paid to the person whose Shares have been sold:

- (a) if no certificate for the Shares was issued, at the date of the sale; or
- (b) if a certificate for the Shares was issued, upon surrender to the Company of that certificate for cancellation,



but, in either case, subject to the Company retaining a like lien for all sums not presently payable as existed on the Shares before the sale.

#### **4 Calls on Shares and forfeiture**

##### **Power to make calls and effect of calls**

- 4.1 Subject to the terms of allotment, the directors may make calls on the Members in respect of any moneys unpaid on their Shares including any premium. The call may provide for payment to be by instalments. Subject to receiving at least 14 Clear Days' notice specifying when and where payment is to be made, each Member shall pay to the Company the amount called on his or her Shares as required by the notice.
- 4.2 Before receipt by the Company of any sum due under a call, that call may be revoked in whole or in part and payment of a call may be postponed in whole or in part. Where a call is to be paid in instalments, the Company may revoke the call in respect of all or any remaining instalments in whole or in part and may postpone payment of all or any of the remaining instalments in whole or in part.
- 4.3 A Member on whom a call is made shall remain liable for that call notwithstanding the subsequent transfer of the Shares in respect of which the call was made. He shall not be liable for calls made after he is no longer registered as Member in respect of those Shares.

##### **Time when call made**

- 4.4 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.

##### **Liability of joint holders**

- 4.5 Members registered as the joint holders of a Share shall be jointly and severally liable to pay all calls in respect of the Share.

##### **Interest on unpaid calls**

- 4.6 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid:
  - (a) at the rate fixed by the terms of allotment of the Share or in the notice of the call; or
  - (b) if no rate is fixed, at the Default Rate.

The directors may waive payment of the interest wholly or in part.

### **Deemed calls**

- 4.7 Any amount payable in respect of a Share, whether on allotment or on a fixed date or otherwise, shall be deemed to be payable as a call. If the amount is not paid when due the provisions of these Articles shall apply as if the amount had become due and payable by virtue of a call.

### **Power to accept early payment**

- 4.8 The Company may accept from a Member the whole or a part of the amount remaining unpaid on Shares held by him although no part of that amount has been called up.

### **Power to make different arrangements at time of issue of Shares**

- 4.9 Subject to the terms of allotment, the directors may make arrangements on the issue of Shares to distinguish between Members in the amounts and times of payment of calls on their Shares.

### **Notice of default**

- 4.10 If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than 14 Clear Days' notice requiring payment of:

- (a) the amount unpaid;
- (b) any interest which may have accrued; and
- (c) any expenses which have been incurred by the Company due to that person's default.

- 4.11 The notice shall state the following:

- (a) the place where payment is to be made; and
- (b) a warning that if the notice is not complied with the Shares in respect of which the call is made will be liable to be forfeited.

### **Forfeiture or surrender of Shares**

- 4.12 If the notice under the preceding Article is not complied with, the directors may, before the payment required by the notice has been received, resolve that any Share the subject of that notice be forfeited. The forfeiture shall include all dividends or other moneys payable in respect of the forfeited Share and not paid before the forfeiture. Despite the foregoing, the directors may determine that any Share the subject of that notice be accepted by the Company as surrendered by the Member holding that Share in lieu of forfeiture.

### **Disposal of forfeited or surrendered Share and power to cancel forfeiture or surrender**

- 4.13 A forfeited or surrendered Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the former Member who held that Share or to any other person. The forfeiture or surrender may be cancelled on such terms as the directors think fit at any time before a sale, re-allotment or other disposition. Where, for the

purposes of its disposal, a forfeited or surrendered Share is to be transferred to any person, the directors may authorise some person to execute an instrument of transfer of the Share to the transferee.

#### **Effect of forfeiture or surrender on former Member**

4.14 On forfeiture or surrender:

- (a) the name of the Member concerned shall be removed from the register as the holder of those Shares and that person shall cease to be a Member in respect of those Shares; and
- (b) that person shall surrender to the Company for cancellation the certificate (if any) for the forfeited or surrendered Shares.

4.15 Despite the forfeiture or surrender of his or her Shares, that person shall remain liable to the Company for all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of those Shares together with:

- (a) all expenses; and
- (b) interest from the date of forfeiture or surrender until payment:
  - (i) at the rate of which interest was payable on those moneys before forfeiture; or
  - (ii) if no interest was so payable, at the Default Rate.

The directors, however, may waive payment wholly or in part.

#### **Evidence of forfeiture or surrender**

4.16 A declaration, whether statutory or under oath, made by a director or the Secretary shall be conclusive evidence of the following matters stated in it as against all persons claiming to be entitled to forfeited Shares:

- (a) that the person making the declaration is a director or Secretary of the Company; and
- (b) that the particular Shares have been forfeited or surrendered on a particular date.

Subject to the execution of an instrument of transfer, if necessary, the declaration shall constitute good title to the Shares.

#### **Sale of forfeited or surrendered Shares**

4.17 Any person to whom the forfeited or surrendered Shares are disposed of shall not be bound to see to the application of the consideration, if any, of those Shares nor shall his or her title to the Shares be affected by any irregularity in, or invalidity of the proceedings in respect of, the forfeiture, surrender or disposal of those Shares.

## **5 Transfer of shares**

### **Form of transfer**

- 5.1 Subject to the provisions of Article 5.2, the instrument of transfer of a Share shall be in writing and may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the Shares are fully paid, by or on behalf of the transferee.
- 5.2 Where the Company's Shares are admitted to trading on AIM, a Member may transfer all or any of his uncertificated Shares in accordance with the Uncertificated Securities Order.
- 5.3 Subject to the provisions of the Uncertificated Securities Order the transferor of a Share is deemed to remain the Member until the name of the transferee is entered in the register in respect of it.
- 5.4 Subject to Articles 5.5 to 5.10 [and 6](#), the Shares shall be free from any restriction on transfer.
- 5.5 Where the Shares are admitted to trading on AIM and are subject to the requirements of the AIM Rules and the Uncertificated Securities Order, the directors may, subject to Article 5.8, refuse to register a transfer of Shares.
- 5.6 Where the Company's Shares are in certificated form, the directors may, subject to Article 5.8, refuse to register a transfer of Shares which are not fully paid or relate to the transfer of a certificated Share on which the Company has a lien.
- 5.7 The Directors may also refuse to register a transfer unless the instrument of transfer, where relevant, is:
- (a) lodged at the Company's registered office or at such other place as the directors may appoint;
  - (b) accompanied by the certificates for the Shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and
  - (c) in respect of only one class of Shares.
- 5.8 If the directors refuse to register a transfer of a Share, they shall, as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal together with its reasons.

### **Power to suspend registration**

- 5.9 The registration of transfers of Shares or of transfers of any class of Shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the directors may determine in their discretion. Unless otherwise permitted by the Uncertificated Securities Order, the Company may not close any register relating to a participating security without the consent of the approved Operator of the relevant system.

**Fee, if any, payable for registration**

- 5.10 If the directors so decide, the Company may charge a reasonable fee for the registration of any instrument of transfer or any other document relating to the title to any Share.

**Company may retain instrument of transfer**

- 5.11 The Company shall be entitled to retain any instrument of transfer which is registered but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

**6 Pre-emption on transfer**

- 6.1 Any Member (a **Seller**) may transfer ~~all (but not some only)~~ or all of their Shares, provided that, before transferring or agreeing to transfer any Shares or any interest therein, such Member shall give notice in writing thereof (a **Transfer Notice**) to the Company and comply with this Article 6, except as permitted under Article 7 or in connection with transfer undertaken pursuant to Article 8 or Article 9.

- 6.2 The Transfer Notice shall:

- (a) specify the number of Shares that the Seller wishes to transfer (**Sale Shares**);
- (b) specify the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares;
- (c) specify the price per share (**Proposed Price**) at which the Seller wishes to transfer the Sale Shares;
- (d) constitute and appoint the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this Article 6; and
- (e) not be capable of variation or cancellation without the prior written consent of the Company.

- 6.3 As soon as practicable following the receipt of a Transfer Notice, the Company shall offer the Sale Shares to the Members other than the Seller in the proportion to which their existing holding of shares bears to the total number of Shares held by all Members (excluding the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **Offer Period**) for the maximum number of Sale Shares that each wishes to buy.

- 6.4 If at the end of the Offer Period not all Sale Shares are allocated following the applications pursuant to Article 6.3 and there are applications for Sale Shares that have not been satisfied in full, the Company shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in Article 6.3. The procedure set out in this Article 6.4 shall apply on any

number of consecutive occasions until (a) either all Sale Shares have been allocated or (b) all applications for Sale Shares satisfied.

- 6.5 If after following the procedure set out in Article 6.4 there remain unallocated Sale Shares, the Company shall notify the Seller and the Seller shall be entitled to transfer such Shares to the buyer identified in the Transfer Notice (if any) (subject to the provisions of Article 8 and Article 9) at a price no lower than the Proposed Price and otherwise on the same terms within 3 months of the date of the Company's notification.

## 7 Permitted transfers

- 7.1 A Member may at any time transfer ~~all (but not some only)~~ or all of his Shares to a Permitted Transferee without being required to follow the steps set out in Article 6 and without the application of Article 8 or Article 9.
- 7.2 A Member holding shares in the Company as a result of a Permitted Transfer made under the provisions of this Article 7 may at any time transfer all (but not some only) of its shares back to the original Member from whom it received those shares or to another Permitted Transferee of such original Member, without being required to follow the steps set out in Article 6 and without the application of Article 8 or Article 9.

~~7.3 If a Permitted Transfer has been made to a Permitted Transferee, that Permitted Transferee shall within five Business Days of ceasing to be a Member of the Same Group transfer all of the shares in the Company held by it to:~~

~~(a) the original Member from whom it received those shares; or~~

~~(b) another Permitted Transferee of that original Member, and~~

~~(c) if the Permitted Transferee fails to make a transfer in accordance with this Article 7.3, the Permitted Transferee shall be deemed to have appointed any person nominated by the Company to be his agent and attorney to execute and deliver all necessary transfer instruments and take any steps on his behalf as are necessary to effect such transfer.~~

## 8 Drag along rights

- 8.1 If a Member or Members (**Selling Members**) wish to transfer Shares (**Sellers' Shares**) to a bona fide third party purchaser on arm's length terms (**Proposed Buyer**), and such transfers would, if carried out, result in the Proposed Buyer holding or increasing their shareholding to 75% (or more) of all Shares, the Selling Members may require all other Members (**Called Members**) to sell and transfer all of their Shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article 8 (**Drag Along Option**).
- 8.2 The Selling Members may exercise the Drag Along Option by giving notice in writing to that effect (**a Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Member. A Drag Along Notice shall specify:

- (a) that the Called Members are required to transfer all of their Shares (**Called Shares**) pursuant to this Article 8;
  - (b) the identity of the Proposed Buyer (and, if relevant, the transferees) nominated by the Proposed Buyer);
  - (c) the consideration payable for the Called Shares which shall be in cash and at least equal to the highest price per Share paid (and to be paid) by the Proposed Buyer, or any person connected with the Proposed Buyer, on the proposed transfer or in any related previous transaction in the 3 months preceding the proposed date of transfer of the Sellers' Shares; and
  - (d) the proposed date of completion of transfer of the Called Shares.
- 8.3 Once given, a Drag Along Notice may be revoked at any time prior to completion of the sale and purchase of the Called Shares.
- 8.4 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- (a) all of the Called Members and the Selling Members otherwise agree; or
  - (b) that date is less than 10 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 10 Business Days after the date of service of the Drag Along Notice.
- 8.5 If any Called Member fails to deliver to the Company a duly executed transfer in respect of the Called Shares held by him (together with the share certificates) in respect of those Called Shares (or a suitable indemnity in respect thereof), the defaulting Called Member shall be deemed to have appointed any person nominated for the purpose by the Selling Members to be their agent and attorney to execute and deliver all necessary transfers and take any necessary steps on their behalf, against receipt by the Company of the consideration payable for the Called Shares.

## 9 **Tag along rights**

- 9.1 The provisions of this Article 9 shall apply, subject to the other provisions of these Articles if, in one or a series of related transactions, one or more Members (each, a **Proposed Seller**) propose to transfer any Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person connected with the Buyer, holding or increasing their shareholding to more than 50% of all Shares.
- 9.2 Before making a Proposed Transfer, a Proposed Seller shall procure that the Buyer makes an offer (**Offer**) to the other Members to purchase all of the Shares held by them for a consideration per Share that is (at the election of the Proposed Seller(s)) either:
- (a) in the same form and amount as the consideration per Share paid (and to be paid) by the Buyer, or any person connected with the Buyer, in the Proposed Transfer and in any

related previous transaction in the 3 months preceding the date of the Proposed Transfer;  
or

- (b) in cash for an amount at least equal to the highest price per Share paid (and to be paid) by the Buyer, or any person connected with the Buyer, in the Proposed Transfer or in any related previous transaction in the 3 months preceding the date of the Proposed Transfer,

**(Specified Price).**

9.3 The Offer shall be given by written notice (**Offer Notice**) at least 10 Business Days before the proposed sale date (**Sale Date**) and, to the extent not described in any accompanying documents, the Offer Notice shall set out:

- (a) the identity of the Buyer;
- (b) the Specified Price and other terms and conditions of payment;
- (c) the Sale Date; and
- (d) the number of Shares proposed to be purchased by the Buyer under the Proposed Transfer (**Offer Shares**).

9.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with Articles 9.2 and 9.3, the Proposed Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.

9.5 If the Offer is accepted by any Member (**Accepting Member**) in writing within 10 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by the Accepting Member.

## **10 Transmission of Shares**

### **Persons entitled on death of a Member**

10.1 If a Member dies, the only persons recognised by the Company as having any title to the deceased Members' interest are the following:

- (a) where the deceased Member was a joint holder, the survivor or survivors; and
- (b) where the deceased Member was a sole holder, that Member's personal representative or representatives.

10.2 Nothing in these Articles shall release the deceased Member's estate from any liability in respect of any Share, whether the deceased was a sole holder or a joint holder.



### **Registration of transfer of a Share following death or bankruptcy**

- 10.3 A person becoming entitled to a Share in consequence of the death or bankruptcy of a Member may elect to do either of the following:
- (a) to become the holder of the Share; or
  - (b) to transfer the Share to another person.
- 10.4 That person must produce such evidence of his or her entitlement as the directors may properly require.
- 10.5 If the person elects to become the holder of the Share, he must give notice to the Company to that effect. For the purposes of these Articles, that notice shall be treated as though it were an executed instrument of transfer.
- 10.6 If the person elects to transfer the Share to another person then:
- (a) if the Share is fully paid, the transferor must execute an instrument of transfer; and
  - (b) if the Share is partly paid, the transferor and the transferee must execute an instrument of transfer.
- 10.7 All the Articles relating to the transfer of Shares shall apply to the notice or, as appropriate, the instrument of transfer.

### **Indemnity**

- 10.8 The directors may require a person registered as a Member by reason of the death or bankruptcy of another Member to indemnify the Company and the directors against any loss or damage suffered by the Company or the directors as a result of that registration.

### **Rights of person entitled to a Share following death or bankruptcy**

- 10.9 A person becoming entitled to a Share by reason of the death or bankruptcy of a Member shall have the rights to which he would be entitled if he were registered as the holder of the Share. But, until he is registered as Member in respect of the Share, he shall not be entitled to attend or vote at any meeting of the Company or at any separate meeting of the holders of that class of Shares in the Company.

## **11 Alteration of capital**

### **Increasing, consolidating, converting, dividing and cancelling share capital**

- 11.1 To the fullest extent permitted by the Law, the Company may by Special Resolution do any of the following (and amend its Memorandum and its Articles for that purpose):
- (a) increase its share capital in the manner prescribed by the resolution;

- (b) consolidate and divide all or any of its share capital;
- (c) convert all or any of its paid up Shares into stock, and reconvert that stock into paid up Shares of any denomination;
- (d) sub-divide its Shares or any of them, including, in respect of any sub-division, so that the proportion between the amount paid and the amount, if any, unpaid on each sub-divided Share shall be the same as it was in case of the Share from which the sub-divided Share is derived; and the resolution may determine that, as between the Shares resulting from the sub-division, one or more of the Shares may, as compared with the others, have such preferred, deferred or other special rights, or be subject to such restrictions as the Company has power to attach to unissued or new Shares;
- (e) cancel Shares which, at the date of the passing of the resolution to cancel them, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the Shares so cancelled or, in the case of Shares without nominal par value, diminish the number of Shares into which its capital is divided; and
- (f) convert all or any of the Shares denominated in a particular currency into Shares denominated in a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current at the date of the resolution being a time within 40 days before the conversion takes effect.

### **Reducing share capital**

- 11.2 Subject to the Law and to any rights for the time being conferred on the Members holding a particular class of Shares, the Company may, by Special Resolution, reduce its share capital in any way.

### **Sale of fractions of Shares**

- 11.3 Whenever, as a result of a consolidation of Shares, any Members would become entitled to fractions of a Share, the directors may, in their absolute discretion, on behalf of those Members, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Law, the Company) and distribute the net proceeds of sale in due proportion among those Members, and the directors may authorise some person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his or her title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

### **Interests in Shares**

- 11.4 Each Member shall be under an obligation to make notifications in accordance with the provisions of Articles 11.5 to 11.8.
- 11.5 If at any time the Company shall have a class of Shares admitted to trading on AIM, the provisions of DTR5 shall be deemed to be incorporated by reference into these Articles and accordingly the

vote holder and issuer notification rules set out in DTR5 shall apply to the Company and each Member, save that (i) notwithstanding the time limits for disclosure set out in DTR5, the Company must disclose such information without delay and (ii) the information must be notified by delivery of an announcement to a Regulatory Information Service for distribution to the public as opposed to "made public" in accordance with DTR5.

- 11.6 For the purposes of the incorporation by reference of DTR5 into these Articles and the application of DTR5 to the Company and each Member, the Company shall (for the purposes of Articles 11.4 to 11.8 only) be deemed to be an "issuer", as such term is defined in DTR5 (and not, for the avoidance of doubt, a "non-UK issuer", as such term is defined in DTR5).
- 11.7 For the purposes of Articles 11.4 to 11.8 only, defined terms in DTR5 shall bear the meaning set out in DTR5, and if the meaning of a defined term is not set out in DTR5, the defined term shall bear the meaning set out in the Glossary to the Handbook (in such case, read as the definition applicable to DTR5).
- 11.8 If at any time the Company shall have a class of Shares admitted to trading on AIM, the provisions of Section 793 of the 2006 Act, which provisions are incorporated by reference in these Articles and are available to the Members from the Secretary at no charge, shall apply to the Members of such listed Shares, provided that for the purposes of Articles 11.4 to 11.8, the following terms shall have the meanings set forth below:

**public company** shall mean the Company; and

**company's shares** shall mean the class of Shares of the Company admitted to trading on AIM.

- 11.9 If the Company determines that a Member (a **Defaulting Member**) has not complied with the provisions of DTR5 as set forth above with respect to some or all of such Shares held by such Member (the **Default Shares**), the Company shall have the right by delivery of notice to the Defaulting Member (a **Default Notice**) to:
- (a) suspend the right of such Defaulting Member to vote the Default Shares in person or by proxy at any meeting of the Company. Such a suspension shall have effect from the date on which the Default Notice is delivered by the Company to the Defaulting Member until a date that is not more than seven (7) days after the Company has determined in its sole discretion that the Defaulting Member has cured the non-compliance with the provisions of DTR5; provided however, that the Company may at any time by subsequent written notice cancel or suspend the operation of a Default Notice; and/or
  - (b) (i) withhold, without any obligation to pay interest thereon, any dividend or other amount payable with respect to the Default Shares with such amount to be payable only after the Default Notice ceases to have effect with respect to the Default Shares, (ii) render ineffective any election to receive Shares of the Company instead of cash in respect of any dividend or part thereof, and/or (iii) prohibit the transfer of any Shares of the Company held by the Defaulting Member except with the consent of the Company or if the Defaulting Member can provide satisfactory evidence to the Company to the effect that, after due

inquiry, such stockholder has determined that the Shares to be transferred are not Default Shares.

## **12 Redemption and purchase of Shares**

### **Power to issue redeemable Shares and to purchase Shares**

12.1 Subject to the Law, and to any rights for the time being conferred on the Members holding a particular class of Shares, the Company may by its directors:

- (a) issue Shares that are to be redeemed or liable to be redeemed, at the option of the Company or the Member holding those redeemable Shares, on the terms and in the manner its directors determine before the issue of those Shares;
- (b) convert existing non-redeemable limited shares, whether issued or not, into Shares that are to be redeemed or liable to be redeemed, at the option of the Company or the Member holding those redeemable Shares, on the terms and in the manner its directors determine before the conversion of those Shares; and
- (c) purchase all or any Shares of any class including any redeemable Shares.

### **Power to pay for redemption or purchase in cash or in specie**

12.2 When making a payment in respect of the redemption or purchase of Shares, the directors may make the payment in cash or in specie (or partly in one way and partly in the other way).

### **Effect of redemption or purchase of a Share**

12.3 The Company may hold Shares acquired by way of purchase or redemption in treasury in a manner authorised by the Law.

12.4 Upon the date of redemption or purchase of a Share:

- (a) the Member holding that Share shall cease to be entitled to any rights in respect of the Share other than the right to receive:
  - (i) the price for the Share; and
  - (ii) any dividend declared in respect of the Share prior to the date of redemption or purchase;
- (b) the Member's name shall be removed from the register with respect to the Share; and
- (c) the Share shall be cancelled or become a treasury share.

For the purpose of this Article, the date of redemption or purchase is the date when the redemption or purchase falls due.

- 12.5 The Company may make a payment in respect of the redemption or purchase of Shares in any manner authorised by the Law, including out of capital and otherwise than out of its profits or the proceeds of a fresh issue of Shares.

### **13 Meetings of members**

#### **Power to call meetings**

- 13.1 The directors may call a general meeting at any time.
- 13.2 If there are insufficient directors to constitute a quorum and the remaining directors are unable to agree on the appointment of additional directors, the directors must call a general meeting for the purpose of appointing additional directors.
- 13.3 The directors must also call a general meeting if requisitioned in the manner set out in the next two Articles.
- 13.4 The requisition must be in writing and given by one or more Members who together hold at least 10% of the rights to vote at such general meeting.
- 13.5 The requisition must also:
- (a) specify the objects of the meeting;
  - (b) be signed by or on behalf of the requisitioners. The requisition may consist of several documents in like form signed by one or more of the requisitioners; and
  - (c) be deposited at the Company's registered office in accordance with the notice provisions.
- 13.6 Should the directors fail to call a general meeting within 21 days from the date of deposit of a requisition to be held within 2 months of that date, the requisitioners or any of them representing more than one half of the total voting rights of all of them, may call a general meeting to be held within three months from that date.
- 13.7 Without limitation to the foregoing, if there are insufficient directors to constitute a quorum and the remaining directors are unable to agree on the appointment of additional directors, any one or more Members who together hold at least 10% of the rights to vote at a general meeting may call a general meeting for the purpose of considering the business specified in the notice of meeting which shall include as an item of business the appointment of additional directors.
- 13.8 If the Members call a meeting under the above provisions, the Company shall reimburse their reasonable expenses.

#### **Annual general meetings**

- 13.9 The Company shall hold annual general meetings unless otherwise dispensed with in accordance with the Law. The first annual general meeting shall be held within a period of 18 months of the Company's incorporation and thereafter at least once in every calendar year. Not more than 18

months, where the Company is a public company, or 22 months, where the Company is a private company, may elapse between one annual general meeting and the next.

### **Content of notice**

13.10 Notice of a general meeting shall specify each of the following:

- (a) the place, the date and the time of the meeting;
- (b) if the meeting is to be held in two or more places, the technology that will be used to facilitate the meeting;
- (c) subject to Article 13.10(d), the general nature of the business to be transacted;
- (d) if a resolution is proposed as a Special Resolution, the text of that resolution; and
- (e) in the case of an annual general meeting, that the meeting is an annual general meeting.

13.11 In each notice, there shall appear with reasonable prominence the following statements:

- (a) that a Member who is entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of that Member; and
- (b) that a proxy need not be a Member.

### **Period of notice**

13.12 A general meeting, including an annual general meeting, shall be called by at least ~~21~~<sup>14</sup> Clear Days' notice. A meeting, however, may be called on shorter notice if it is so agreed:

- (a) in the case of an annual general meeting, by all the Members entitled to attend and vote at that meeting; and
- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at that meeting, being a majority together holding not less than:
  - (i) 95% where a Special Resolution is to be considered; or
  - (ii) 90% for all other meetings,of the total voting rights of the Members who have that right.

### **Persons entitled to receive notice**

13.13 Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to the following people:

- (a) the Members;

- (b) persons entitled to a Share in consequence of the death or bankruptcy of a Member;
- (c) the directors;
- (d) the Company's auditor (if any); and
- (e) persons entitled to vote in respect of a Share in consequence of the incapacity of a Member.

#### **Publication of notice on a website**

13.14 Subject to the Law, a notice of a general meeting may be published on a website providing the recipient is given separate notice of:

- (a) the publication of the notice on the website;
- (b) the address of the website;
- (c) the place on the website where the notice may be accessed;
- (d) how it may be accessed; and
- (e) the place, date and time of the general meeting.

13.15 If a Member notifies the Company that he is unable for any reason to access the website, the Company must as soon as practicable give notice of the meeting to that Member in writing or by any other means permitted by these Articles but this will not affect when that Member is deemed to have been given notice of the meeting.

#### **Time a website notice is deemed to be given**

13.16 A website notice is deemed to be given when the Member is given notice of its publication.

#### **Required duration of publication on a website**

13.17 Where the notice of meeting is published on a website, it shall continue to be published in the same place on that website from the date of the notification until the conclusion of the meeting to which the notice relates.

#### **Accidental omission to give notice or non-receipt of notice**

13.18 Proceedings at a meeting shall not be invalidated by the following:

- (a) an accidental failure to give notice of the meeting to any person entitled to notice; or
- (b) non-receipt of notice of the meeting by any person entitled to notice.

13.19 In addition, where a notice of meeting is published on a website, proceedings at the meeting shall not be invalidated merely because it is accidentally published:

- (a) in a different place on the website; or
- (b) for part only of the period from the date of the notification until the conclusion of the meeting to which the notice relates.

## **14 Proceedings at meetings of Members**

### **Quorum**

14.1 Save as provided in this Article 14, no business shall be transacted at any general meeting unless a quorum is present in person or by proxy. A quorum shall be two Members present in person or by proxy and entitled to attend and vote on the business to be transacted at the meeting.

### **Lack of quorum**

14.2 If a quorum is not present within 15 minutes of the time appointed for the meeting, or if at any time during the meeting it becomes inquorate, then the following provisions apply:

- (a) if the meeting was requisitioned by Members entitled to vote, it shall be cancelled; or
- (b) in any other case, the meeting shall stand adjourned to the same time and place seven days hence, or to such other time or place as is determined by the directors. If a quorum is not present within 15 minutes of the time appointed for the adjourned meeting, then the Members present in person or by proxy and entitled to vote shall constitute a quorum.

### **Use of technology**

14.3 A person may participate in a general meeting through the medium of a conference telephone, video or any other form of communications equipment (**Electronic Facility**) provided all persons participating in the meeting are able to speak to each other throughout the meeting. A person participating in this way is deemed to be present at the meeting. The Company is under no obligation to offer or provide an Electronic Facility for the purposes of attending a general meeting.

### **Chairperson**

14.4 The chairperson of a general meeting shall be the chairperson of the board or such other director as the directors have nominated to chair board meetings in the absence of the chairperson of the board. Absent any such person being present within 15 minutes of the time appointed for the meeting, the directors present shall elect one of their number to chair the meeting.

14.5 If no director is present within 15 minutes of the time appointed for the meeting, or if no director is willing to act as chairperson, the Members present in person or by proxy and entitled to vote shall choose one of their number to chair the meeting.



### **Right of a director or auditor's representative to attend and speak**

- 14.6 Even if a director or a representative of the auditor (if any) is not a Member, he shall be entitled to attend and speak at any general meeting and at any separate meeting of Members holding a particular class of Shares.

### **Adjournment**

- 14.7 The chairperson may at any time adjourn a meeting with the consent of the Members constituting a quorum. The chairperson may adjourn the meeting if so directed by the meeting. No business, however, can be transacted at an adjourned meeting other than business which might properly have been transacted at the original meeting.
- 14.8 Should a meeting be adjourned for more than 14 Clear Days, whether because of a lack of quorum or otherwise, Members shall be given at least seven Clear Days' notice of the date, time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any notice of the adjournment.

### **Method of voting**

- 14.9 A resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of the show of hands, a poll is duly demanded. A poll may be demanded:
- (a) by the chairperson; or
  - (b) by at least two Members having the right to vote on the resolution; or
  - (c) by any Member or Members present who, individually or collectively, hold at least 10% of the voting rights of all those who have a right to vote on the resolution; or
  - (d) by a Member or Members holding Shares conferring a right to vote on the resolution being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right,

and a demand by a person as proxy for a Member shall be the same as a demand by the Member.

### **Outcome of vote by show of hands**

- 14.10 Unless a poll is duly demanded, a declaration by the chairperson as to the result of a resolution and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the outcome of a show of hands without proof of the number or proportion of the votes recorded in favour of or against the resolution.

### **Withdrawal of demand for a poll**

- 14.11 The demand for a poll may be withdrawn before the poll is taken, but only with the consent of the chairperson. The chairperson shall announce any such withdrawal to the meeting and, unless another person forthwith demands a poll, any earlier show of hands on that resolution shall be

treated as the vote on that resolution; if there has been no earlier show of hands, then the resolution shall be put to the vote of the meeting.

### **Taking of a poll**

- 14.12 A poll demanded on the question of adjournment shall be taken immediately.
- 14.13 A poll demanded on any other question shall be taken either immediately or at an adjourned meeting at such time and place as the chairperson directs, not being more than 30 Clear Days after the poll was demanded.
- 14.14 The demand for a poll shall not prevent the meeting continuing to transact any business other than the question on which the poll was demanded.
- 14.15 A poll shall be taken in such manner as the chairperson directs. He may appoint scrutineers (who need not be Members) and fix a place and time for declaring the result of the poll. If, through the aid of technology, the meeting is held in more than one place, the chairperson may appoint scrutineers in more than one place; but if he considers that the poll cannot be effectively monitored at that meeting, the chairperson shall adjourn the holding of the poll to a date, place and time when that can occur.

### **Chairperson's casting vote**

- 14.16 If the votes on a resolution, whether on a show of hands or on a poll, are equal the chairperson may if he wishes exercise a casting vote.

### **Amendments to resolutions**

- 14.17 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:
- (a) not less than 48 hours before the meeting is to take place (or such later time as the chairperson of the meeting may determine), notice of the proposed amendment is given to the Company in writing by a Member entitled to vote at that meeting; and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairperson of the meeting, materially alter the scope of the resolution.
- 14.18 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:
- (a) the chairperson of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
  - (b) the amendment does not go beyond what the chairperson considers is necessary to correct a grammatical or other non-substantive error in the resolution.

- 14.19 If the chairperson of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairperson's error does not invalidate the vote on that resolution.

### Written resolutions

14.20 Members may pass a resolution in writing without holding a meeting if the following conditions are met:

- (a) all Members entitled to vote must receive:
  - (i) a copy of the resolution; and
  - (ii) a statement informing the Members:
    - (A) how to signify agreement to the resolution; and
    - (B) as to the date by which the resolution must be passed if it is not to lapse (or if no date is given the resolution shall lapse 28 days after the circulation date);
- (b) the specified majority of Members entitled to vote:
  - (i) sign a document; or
  - (ii) sign several documents in the like form each signed by one or more of those Members; and
- (c) the signed document or documents is or are delivered to the Company at the place and by the time nominated by the Company in the notice of the resolution including, if the Company so nominates, by delivery of an Electronic Record by Electronic means to the address specified for that purpose.

Such written resolution shall be as effective as if it had been passed at a meeting of all Members entitled to vote duly convened and held.

14.21 Each Member shall have one vote for each Share he holds which confers the right to receive and vote on a written resolution and unless the resolution in writing signed by the Member is silent, in which case all Shares held are deemed to have been voted, the number of Shares specified in the resolution in writing shall be deemed to have been voted.

14.22 If a written resolution is described as a Special Resolution or as an Ordinary Resolution, it has effect accordingly.

## **15 Voting rights of members**

### **Right to vote**

- 15.1 Unless their Shares carry no right to vote, or unless a call or other amount presently payable has not been paid, all Members are entitled to vote at a general meeting, whether on a show of hands

or a poll, and all Members holding Shares of a particular class are entitled to vote at a meeting of the holders of that class of Shares.

- 15.2 Members may vote in person or by proxy.
- 15.3 On a show of hands, every Member who is entitled to vote shall have one vote. For the avoidance of doubt, an individual who represents two or more such Members, including a Member in that individual's own right, shall be entitled to a separate vote for each Member.
- 15.4 On a poll a Member who is entitled shall have one vote for each Share he holds, unless any Share carries special voting rights.
- 15.5 A fraction of a Share carrying the right to vote shall entitle its holder to an equivalent fraction of one vote.
- 15.6 No Member is bound to vote all his or her Shares or any of them; nor is he bound to vote each of his or her Shares in the same way.

#### **Rights of joint holders**

- 15.7 If Shares are held jointly, only one of the joint holders may vote. If more than one of the joint holders tenders a vote, the vote of the holder whose name in respect of those Shares appears first in the register shall be accepted to the exclusion of the votes of the other joint holders.

#### **Representation of corporate Members**

- 15.8 Save where otherwise provided, a corporate Member must act by one or more duly authorised representatives.
- 15.9 A corporate Member wishing to act by a duly authorised representative must identify that person to the Company by notice in writing.
- 15.10 The authorisation may be for any period of time, and must be delivered to the Company not less than 48 hours before the commencement of the meeting at which it is first used.
- 15.11 The directors of the Company may require the production of any evidence which they consider necessary to determine the validity of the notice.
- 15.12 Where a duly authorised representative is present at a meeting that Member is deemed to be present in person; and the acts of the duly authorised representative are personal acts of that Member.
- 15.13 A corporate Member may revoke the appointment of a duly authorised representative at any time by notice to the Company; but such revocation will not affect the validity of any acts carried out by the duly authorised representative before the directors of the Company had actual notice of the revocation.

### **Member with mental disorder**

- 15.14 A Member in respect of whom an order has been made by any court having jurisdiction (whether in the Island or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by that Member's receiver, curator bonis or other person authorised in that behalf appointed by that court.
- 15.15 For the purpose of the preceding Article, evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote must be received not less than 24 hours before holding the relevant meeting or the adjourned meeting in any manner specified for the delivery of forms of appointment of a proxy, whether in writing or by Electronic means. In default, the right to vote shall not be exercisable.

### **Objections to admissibility of votes**

- 15.16 An objection to the validity of a person's vote may only be raised at the meeting or at the adjourned meeting at which the vote is sought to be tendered. Any objection duly made shall be referred to the chairperson whose decision shall be final and conclusive.

### **Form of proxy**

- 15.17 An instrument appointing a proxy shall be in any common form or in any other form approved by the directors. A Member may appoint more than one proxy to attend on the same occasion.
- 15.18 The instrument must be in writing and signed in one of the following ways:
- (a) by the Member; or
  - (b) by the Member's authorised attorney; or
  - (c) if the Member is a corporation or other body corporate, under seal or signed by an authorised officer, secretary or attorney.

If the directors so resolve, the Company may accept an Electronic Record of that instrument delivered in the manner specified below and otherwise satisfying the Articles about authentication of Electronic Records.

- 15.19 The directors may require the production of any evidence which they consider necessary to determine the validity of any appointment of a proxy.
- 15.20 A Member may revoke the appointment of a proxy at any time by notice to the Company duly signed in accordance with Article 15.18; but such revocation will not affect the validity of any acts carried out by the proxy before the directors of the Company had actual notice of the revocation.

### **How and when proxy is to be delivered**

- 15.21 Subject to the following Articles, the form of appointment of a proxy and any authority under which it is signed, or a copy of the authority certified notarially or in any other way approved by the directors, must be delivered so that it is received by the Company 48 hours before the time for

holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote. When calculating such period, no account shall be taken of any part of a day that is not a working day (Saturday, Sunday or public holiday, per articles 4A and 4B of the Law). They must be delivered in either of the following ways:

- (a) in the case of an instrument in writing, it must be left at or sent by post:
  - (i) to the registered office of the Company; or
  - (ii) to such other place within the Island specified in the notice convening the meeting or in any form of appointment of proxy sent out by the Company in relation to the meeting;
- (b) if, pursuant to the notice provisions, a notice may be given to the Company in an Electronic Record, an Electronic Record of an appointment of a proxy must be sent to the address specified pursuant to those provisions unless another address for that purpose is specified:
  - (i) in the notice convening the meeting; or
  - (ii) in any form of appointment of a proxy sent out by the Company in relation to the meeting; or
  - (iii) in any invitation to appoint a proxy issued by the Company in relation to the meeting.

15.22 Where a poll is taken:

- (a) if it is taken more than seven Clear Days after it is demanded, the form of appointment of a proxy and any accompanying authority (or an Electronic Record of the same) must be delivered as required under Article 15.21 not less than 48 hours before the time appointed for the taking of the poll;
- (b) if it is taken within seven Clear Days after it was demanded, the form of appointment of a proxy and any accompanying authority (or an Electronic Record of the same) must be delivered as required under Article 15.21 not less than 48 hours before the time appointed for the taking of the poll.

15.23 If the form of appointment of proxy is not delivered on time, it is invalid.

### **Voting by proxy**

15.24 A proxy shall have the same voting rights at a meeting or adjourned meeting as the Member would have had except to the extent that the instrument appointing him limits those rights. Notwithstanding the appointment of a proxy, a Member may attend and vote at a meeting or adjourned meeting. If a Member votes on any resolution a vote by his or her proxy on the same resolution, unless in respect of different Shares, shall be invalid.

## **16 Number of directors**

Unless otherwise determined by Ordinary Resolution, the minimum number of directors shall be two but there shall be no maximum number.

## **17 Appointment, disqualification and removal of directors**

### **First directors**

17.1 The first directors shall be appointed in writing by the subscriber or subscribers to the Memorandum.

### **No age limit**

17.2 There is no age limit for directors save that they must be aged at least 18 years.

### **Corporate directors**

17.3 Unless prohibited by law, a body corporate may be a director. If a body corporate is a director, the Articles about representation of corporate Members at general meetings apply, mutatis mutandis, to the Articles about directors' meetings.

### **No shareholding qualification**

17.4 Unless a shareholding qualification for directors is fixed by Ordinary Resolution, no director shall be required to own Shares as a condition of his or her appointment.

### **Appointment of directors**

17.5 A director may be appointed by Ordinary Resolution or by the directors. Any appointment may be to fill a vacancy or as an additional director.

17.6 A remaining director may appoint a director even though there is not a quorum of directors.

17.7 No appointment can cause the number of directors to exceed the maximum; and any such appointment shall be invalid.

### **Removal of directors**

17.8 A director may be removed by Ordinary Resolution. A director may also be removed by his or her fellow directors comprising at least two directors.

### **Retirement of directors**

17.9 At each annual general meeting of the Company all directors shall retire from office except any director appointed by the board after the notice of that annual general meeting has been given and before that annual general meeting has been held. A retiring director may offer themselves for

re-appointment by the members and a director that is so re-appointed will be treated as continuing in office without a break.

### **Deemed re-appointment**

- 17.10 A director who retires at an annual general meeting shall (unless they are removed from office or their office is vacated in accordance with these Articles) retain office until the close of the meeting at which they retire or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to elect another person in their place or the resolution to re-appoint them is put to the meeting and lost.
- 17.11 If the Company, at any meeting at which a director retires in accordance with these Articles does not fill the office vacated by such director, the retiring director, if willing to act, shall be deemed to be re-appointed unless at that meeting a resolution is passed not to fill the vacancy or elect another person in their place or unless the resolution to re-appoint them is put to the meeting and lost.

### **Resignation of directors**

- 17.12 A director may at any time resign the office by giving to the Company notice in writing or, if permitted pursuant to the notice provisions, in an Electronic Record delivered in either case in accordance with those provisions.
- 17.13 Unless the notice specifies a different date, the director shall be deemed to have resigned on the date on which the notice is delivered to the Company.

### **Termination of the office of director**

- 17.14 A director's office shall be terminated forthwith if:
- (a) he resigns his office by notice to the Company in accordance with Articles 17.12 and 17.13; or
  - (b) he is prohibited by the law of the Island from acting as a director; or
  - (c) where he has been appointed for a fixed term, the term expires; or
  - (d) he ceases to be eligible to be a director by virtue of a provision of the Law, is removed from office pursuant to the Articles or becomes prohibited by any other applicable law or the AIM Rules (where the Company's Shares are admitted to trading on AIM) from being a director; or
  - (e) he becomes bankrupt or has had a declaration en désastre in relation to his property made pursuant to the Bankruptcy (Désastre) Jersey Law 1990 or any similar event occurs under any foreign law; or
  - (f) in the opinion of a registered medical practitioner by whom he is being treated he becomes physically or mentally incapable of acting as a director; or



- (g) he is made subject to any law relating to mental health or incompetence, whether by court order or otherwise; or
- (h) without the consent of the other directors, he is absent from meetings of directors for a continuous period of six months; or
- (i) his conduct (whether or not concerning the affairs of the Company) is the subject of an investigation by the JFSC or any successor body or equivalent body in any foreign jurisdiction and the directors resolve it is undesirable in the interests of the Company that he remains a director of the Company.

17.15 If the office of director is terminated or vacated for any reason, he shall thereupon cease to be a member of any committee of the board of directors of the Company.

## **18 Alternate directors**

### **Appointment and removal**

- 18.1 Any director (other than an alternate director) may appoint any other person, including another director, to act in his or her place as an alternate director. No appointment shall take effect until the director has given notice of the appointment to the other directors.
- 18.2 A director may revoke his or her appointment of an alternate at any time. No revocation shall take effect until the director has given notice of the revocation to the other directors.
- 18.3 A notice of appointment or removal of an alternate director must be given to the Company by notice in writing in accordance with the notice provisions.

### **Notices**

- 18.4 All notices of meetings of directors shall continue to be given to the appointing director and not to the alternate.

### **Rights of alternate director**

- 18.5 An alternate director, where so appointed and acting, shall (subject to these Articles) be entitled to:
  - (a) attend and vote at any board meeting or meeting of a committee of the directors at which the appointing director is not personally present;
  - (b) sign any written resolution of the directors or a committee of the directors circulated for written consent; and
  - (c) generally perform all the functions of the appointing director in his or her absence.

An alternate director, however, is not entitled to receive any remuneration from the Company for services rendered as an alternate director.

18.6 A director who is also an alternate director shall be entitled to a separate vote for each director for whom he or she acts as alternate in addition to his or her own vote.

18.7 Save as otherwise provided in these Articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his or her own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

#### **Appointment ceases when the appointor ceases to be a director**

18.8 An alternate director shall automatically cease to be an alternate director if the director who appointed him ceases to be a director, or on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointer, would result in the termination of the appointer's appointment as a director.

### **19 Powers of directors**

#### **Powers of directors**

19.1 Subject to the provisions of the Law, the Memorandum, these Articles and any directions given by Special Resolution, the business of the Company shall be managed by the directors who may for that purpose exercise all the powers of the Company.

19.2 No prior act of the directors shall be invalidated by any subsequent alteration of the Memorandum or these Articles or any direction given by Special Resolution. However, to the extent allowed by the Law, Members may in accordance with the Law validate any prior or future act of the directors which would otherwise be in breach of their duties.

#### **Appointments to office**

19.3 The directors may appoint a director:

- (a) as chairperson of the board of directors;
- (b) as managing director;
- (c) to any other executive office,

for such period and on such terms, including as to remuneration, as they think fit.

19.4 The appointee must consent in writing to holding that office.

19.5 Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim for damages for breach of any agreement relating to the provision of the services of such director.

19.6 Where a chairperson is appointed he shall, unless unable to do so, preside at every meeting of directors.

- 19.7 If there is no chairperson, or if the chairperson is unable to preside at a meeting, that meeting may select its own chairperson; or the directors may nominate one of their number to act in place of the chairperson should he ever not be available.
- 19.8 Subject to the provisions of the Law and Article 19.9, the directors may also appoint any person, who need not be a director:
- (a) as Secretary; and
  - (b) to any office that may be required,
- for such period and on such terms, including as to remuneration, as they think fit. In the case of an Officer, that Officer may be given any title the directors decide.
- 19.9 The Secretary or Officer must consent in writing to holding that office.
- 19.10 A director, Secretary or other Officer of the Company may not hold office, or perform the services, of auditor.

## **Remuneration**

- 19.11 Every director may be remunerated by the Company for the services he provides for the benefit of the Company, whether as director, employee or otherwise, and shall be entitled to be paid for the expenses incurred in the Company's business including attendance at directors' meetings.
- 19.12 The remuneration or salary of any director appointed to hold any employment or executive office in accordance with these Articles may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the board, and may be in addition to or instead of any fee payable to them for their services as director under these Articles.
- 19.13 Remuneration may take any form and may include arrangements to pay pensions, health insurance, death or sickness benefits, whether to the director or to any other person connected to or related to him.
- 19.14 Unless his or her fellow directors determine otherwise, a director is not accountable to the Company for remuneration or other benefits received from any other company which is in the same group as the Company or which has common shareholdings.

## **20 Delegation of powers**

### **Power to delegate any of the directors' powers to a committee**

- 20.1 The directors may delegate any of their powers to any committee consisting of one or more persons. The committee may include non-directors so long as the majority of persons on the committee are directors.
- 20.2 The delegation may be collateral with, or to the exclusion of, the directors' own powers.

- 20.3 The delegation may be on such terms as the directors think fit, including provision for the committee itself to delegate to a sub-committee; save that any delegation must be capable of being revoked or altered by the directors at will.
- 20.4 Unless otherwise permitted by the directors, a committee must follow the procedures prescribed for the taking of decisions by directors.

#### **Power to appoint an agent of the Company**

- 20.5 The directors may appoint any person, either generally or in respect of any specific matter, to be the agent of the Company with or without authority for that person to delegate all or any of that person's powers. The directors may make that appointment:
- (a) by causing the Company to enter into a power of attorney or agreement; or
  - (b) in any other manner they determine.

#### **Power to appoint an attorney or authorised signatory of the Company**

- 20.6 The directors may appoint any person, whether nominated directly or indirectly by the directors, to be the attorney or the authorised signatory of the Company. The appointment may be:
- (a) for any purpose;
  - (b) with the powers, authorities and discretions;
  - (c) for the period; and
  - (d) subject to such conditions,

as they think fit. The powers, authorities and discretions, however, must not exceed those vested in, or exercisable by, the directors under these Articles. The directors may make such an appointment by power of attorney or any other manner they think fit.

- 20.7 Any power of attorney or other appointment may contain such provision for the protection and convenience of persons dealing with the attorney or authorised signatory as the directors think fit. Any power of attorney or other appointment may also authorise the attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in that person.

### **21 Meetings of directors**

#### **Regulation of directors' meetings**

- 21.1 Subject to the provisions of these Articles, the directors may regulate their proceedings as they think fit.

### **Calling meetings**

- 21.2 Any director may call a meeting of directors at any time. The Secretary must call a meeting of the directors if requested to do so by a director.

### **Notice of meetings**

- 21.3 Every director shall be given notice of a meeting, although a director may waive retrospectively the requirement to be given notice. Notice may be oral.

### **Use of technology**

- 21.4 A director may participate in a meeting of directors through the medium of conference telephone, video or any other form of communications equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting.
- 21.5 A director participating in this way is deemed to be present in person at the meeting and shall, subject to Article 22.5 and Article 22.6, be entitled to vote and be counted in the quorum accordingly.

### **Quorum**

- 21.6 The quorum for the transaction of business at a meeting of directors (including any adjourned meeting) shall be fixed by the directors and, unless so fixed at any greater number, shall be two directors (or their alternate directors) present and entitled to vote.
- 21.7 Subject to these Articles, an alternate director present at a meeting of directors shall, in the absence of the director for whom he acts as director, be counted in the quorum at the meeting and any director who is present and counts in the quorum at a board meeting shall also be counted in the quorum as one for each absent director for whom he acts as alternate director at the meeting.
- 21.8 If a quorum is not present within 15 minutes from the time specified for a meeting of directors, or if, during a meeting, a quorum ceases to be present, then the meeting shall be adjourned to the same day in the next week at the same time and place or such other day, time and place as the chairperson may determine and if, at such adjourned meeting, a quorum is not present within 15 minutes from the time specified for the meeting of directors, those directors present shall be a quorum.

### **Voting**

- 21.9 All decisions of the directors shall be made at a meeting of the board duly convened in accordance with these Articles and therefore no decisions of the directors shall be valid if purported to be approved pursuant to a resolution in writing.
- 21.10 A question which arises at a board meeting shall be decided by a majority of votes. If votes are equal the chairperson may, if he wishes and is eligible to do so, exercise a casting vote.

- 21.11 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

### **Validity**

- 21.12 Anything done at a meeting of directors is unaffected by the fact that it is later discovered that any person was not properly appointed, or had ceased to be a director, or was otherwise not entitled to vote.

### **Recording of dissent**

- 21.13 A director present at a meeting of directors shall be presumed to have assented to any action taken at that meeting unless:

- (a) His or her dissent is entered in the minutes of the meeting; or
- (b) he has filed with the meeting before it is concluded a signed dissent from that action; or
- (c) he has forwarded to the Company as soon as practical following the conclusion of that meeting a signed dissent.

A director who votes in favour of an action is not entitled to record his or her dissent to it.

### **Written resolutions**

- 21.14 The directors may pass a resolution in writing without holding a meeting if the following conditions are met:

- (a) all directors are given notice of the resolution; and
- (b) the resolution is set out in a document or documents indicating that it is a written resolution; and
- (c) all of the directors:
  - (i) sign a document; or
  - (ii) sign several documents in the like form each signed by one or more directors; or
  - (iii) provide confirmation of acceptance of the resolution by email; and
- (d) either,
  - (i) for the purposes of Articles 21.14(c)(i) and 21.14(c)(ii) the signed document or documents is or are delivered to the Company, including, if the Company so

nominates by delivery of an Electronic Record, by Electronic means to the address specified for that purpose; or

- (ii) for the purposes of Article 21.14(c)(iii), the email confirmation is sent to the Company and the other directors by Electronic means to the addresses specified for that purpose.

21.15 Such written resolution shall be as effective as if it had been passed at a meeting of the directors duly convened and held; and it shall be treated as having been passed on the day and at the time that the last director signs or sends his or her email confirmation (as the case may be).

## **22 Permissible directors' interests and disclosure**

### **Permissible interests subject to disclosure**

22.1 Save as expressly permitted by these Articles or as set out below, a director may not have a direct or indirect interest which to a material extent conflicts or may conflict with the interests of the Company or any subsidiary of the Company.

22.2 If, notwithstanding the prohibition in the preceding Article, a director discloses any direct or indirect interest in accordance with the next Article, he may:

- (a) be a party to, or otherwise interested in, any transaction or arrangement with the Company or any subsidiary of the Company or in which the Company or any such subsidiary is or may otherwise be interested; and
- (b) be interested in another body corporate promoted by the Company or any such subsidiary or in which the Company or any such subsidiary is otherwise interested. In particular, the director may be a director, secretary or officer of, or employed by, or be a party to any transaction or arrangement with, or otherwise interested in, that other body corporate.

22.3 The disclosure required by the preceding Article must be achieved by the interested director disclosing to his or her fellow directors, at the first meeting of the board at which the transaction or arrangement is considered after the director concerned becomes aware of the circumstances giving rise to his or her disclosure obligation or, failing this, as soon as practical after that meeting by notice in writing delivered to the Secretary, the nature and extent of his or her direct or indirect interest in a transaction or arrangement or series of transactions or arrangements entered into or proposed to be entered into by the Company or any subsidiary of the Company or in which the Company or any such subsidiary is or may otherwise be interested, which to a material extent conflicts or may conflict with the interests of the Company or any such subsidiary and of which the director is aware.

22.4 If a director has disclosed his or her interest in accordance with the preceding Article, then he shall not, by reason only of his or her office, be accountable to the Company for any benefit which he derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

## **Notification of interests**

- 22.5 For the purposes of the preceding Article, a director shall be taken to have sufficiently disclosed the nature and extent of any interest in a transaction or arrangement if:
- (a) the director gives a general notice to the other directors that a specific person or class of persons has an interest, of the nature and extent specified in the notice, in a transaction or arrangement; and
  - (b) the director meets the description of the specified person or class of persons.
- 22.6 A director shall not be treated as having an interest in a transaction or arrangement if he has no knowledge of that interest and it is unreasonable to expect the director to have that knowledge.

## **Voting where a director is interested in a matter**

- 22.7 A director may vote at a meeting of directors on any resolution concerning a matter in which that director has an interest or duty, whether directly or indirectly, so long as that director discloses his or her interest pursuant to these Articles. Subject to such disclosure, the director shall be counted towards a quorum of those present at the meeting and, if the director votes on the resolution, his or her vote shall be counted.
- 22.8 Where proposals are under consideration concerning the appointment of two or more directors to offices or employment with the Company, any subsidiary of the Company or any body corporate in which the Company is otherwise interested, the proposals may be divided and considered in relation to each director separately and each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his or her own appointment.

## **23 Minutes**

The Company shall cause minutes to be made in books kept for the purpose in accordance with the Law.

## **24 Accounts and audits**

### **Keeping and inspection of accounts**

- 24.1 The board shall ensure that accounting records are kept in accordance with the Law.
- 24.2 The accounting records shall be kept at the Company's registered office or, subject to the Law, at another place decided by the board and shall be available during business hours for the inspection of the directors and other officers. No Member (other than a director or other officer) has the right to inspect an accounting record or other document except if that right is conferred by the Law or he is authorised by the board or by an Ordinary Resolution.
- 24.3 Where the Company's Shares are admitted to trading on AIM, the accounts, the directors' report and the auditor's report of the Company shall be prepared in accordance with IFRS or any other



accounting standard permissible under the AIM Rules and approved by the Company by Ordinary Resolution.

**Accounts to be sent to Members etc.**

- 24.4 In respect of each financial year, a copy of the Company's annual accounts, the directors' report, the directors' remuneration report, the auditors' report on those accounts and on the auditable part of the directors' remuneration report shall be sent by post or delivered to:
- (a) every Member (whether or not entitled to receive notices of general meetings);
  - (b) every holder of debentures (whether or not entitled to receive notices of general meetings); and
  - (c) every other person who is entitled to receive notices of general meetings,
- 24.5 Not less than ~~24~~<sup>14</sup> Clear Days before the date of the meeting at which copies of those documents are to be laid in accordance with the Law. This Article does not require copies of the documents to which it applies to be sent or delivered to:
- (a) a Member or holder of debentures of whose Address the Company is unaware; or
  - (b) more than one of the joint holders of Shares or debentures.
- 24.6 The board may determine that persons entitled to receive a copy of the Company's annual accounts, the directors' report, the directors' remuneration report, the auditors' report on those accounts and on the auditable part of the directors' remuneration report are those persons entered on the register at the close of business on a day determined by the board, provided that, if the Company is a participating issuer, the day determined by the board may not be more than ~~24~~<sup>14</sup> Clear Days before the day that the relevant copies are being sent.
- 24.7 Where permitted by the Law, a summary financial statement derived from the Company's annual accounts, the directors' report and the directors' remuneration report in the form and containing the information prescribed by the Law may be sent by post or delivered to a person so electing in place of the documents required to be sent or delivered by Article 24.4.
- 24.8 Any documents required or permitted to be sent by the Company to a person pursuant to Articles 24.4 to 24.10 shall be treated as sent if:
- (a) sent by electronic communication in accordance with the 2000 Law to an Address for the time being notified to the Company by that person for that purpose; or
  - (b) published on a website, provided that the following conditions are met:
    - (i) the Company and that person have agreed that such documents may be accessed by him on a website (instead of their being sent by post or otherwise delivered to him);

- (ii) that person is notified, in a manner for the time being agreed for the purpose between him and the Company, of:
  - (A) the publication of the documents on a website;
  - (B) the Address of that website;
  - (C) the place on that website where the documents may be accessed; and
  - (D) how they may be accessed.

24.9 Documents treated in accordance with Article 24.8(b) above as sent to any person are to be treated as sent to him not less than ~~21~~14 Clear Days before the date of a meeting if, and only if:

- (a) the documents are published on the website throughout a period beginning at least ~~21~~14 Clear Days before the date of the meeting and ending with the conclusion of the meeting; and
- (b) the notification given for the purposes of Article 24.8(b)(ii) above is given not less than ~~21~~14 Clear Days before the date of the meeting.

24.10 Nothing in Article 24.9(b) above shall invalidate the proceedings of a meeting where any documents that are required to be published as mentioned in Article 24.9(a) above are by accident published in different places on the website or published for a part, but not all, of the period mentioned in that Article.

## **25 Record dates**

### **Record date for dividends, distributions, allotments and issuances**

- 25.1 Notwithstanding any other provision of these Articles but without prejudice to the rights attached to any Shares and subject always to the Law, the Company or the board may fix any time on any date as the record date (**record date**) by reference to which a dividend is to be declared or a distribution, allotment or issue is to be made. Such record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made.
- 25.2 In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made.

### **Record date for meetings**

- 25.3 In order that the Company may determine the Members entitled to vote at any meeting of Members or any adjournment thereof, and how many votes such person may cast, the board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed the record date for determining Members entitled to vote at a meeting of

Members shall, unless otherwise required by law, be at the close of business on the Business Day preceding the day on which notice is given.

#### **Record date for service**

- 25.4 Any notice, document or other information may be served, sent or supplied by the Company by reference to the register as it stands at any time not more than fifteen (15) days before the date of service, sending or supplying. No change in the register after that time shall invalidate that service, sending or supply.
- 25.5 Where any notice, document or other information is served on, sent or supplied to any person in respect of a Share in accordance with these Articles, no person deriving any title or interest in that Share shall be entitled to any further service, sending or supplying of that notice, document or other information.

#### **26 Dividends**

##### **Declaration of dividends by Members**

- 26.1 Subject to the provisions of the Law, the Company may by Ordinary Resolution declare dividends in accordance with the respective rights of the Members but no dividend shall exceed the amount recommended by the directors. Any such declared dividend, subject to it not exceeding the amount recommended by the directors, shall be a debt owed by the Company due on the date that such dividend is declared to be payable or, if no date is specified, immediately.

##### **Payment of interim dividends by directors**

- 26.2 Subject to the provisions of the Law, the directors may pay interim dividends in accordance with the respective rights of the Members. Any interim dividend shall not be a debt owed by the Company until such time as payment of the dividend is made.
- 26.3 In relation to Shares carrying differing rights to dividends or rights to dividends at a fixed rate, the following applies:
- (a) if the Company has different classes of Shares, the directors may pay dividends on Shares which confer deferred or non-preferred rights with regard to dividends as well as on Shares which confer preferential rights with regard to dividends but no dividend shall be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears;
  - (b) subject to the provisions of the Law, the directors may also pay, at intervals settled by them, any dividend payable at a fixed rate if it appears to them that there are sufficient funds of the Company lawfully available for distribution to justify the payment; and
  - (c) if the directors act in good faith, they shall not incur any liability to the Members holding Shares conferring preferred rights for any loss those Members may suffer by the lawful payment of the dividend on any Shares having deferred or non-preferred rights.

### **Apportionment of dividends**

- 26.4 Except as otherwise provided by the rights attached to Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amount paid up on the Shares during the time or part of the time in respect of which the dividend is paid. But if a Share is issued on terms providing that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly.

### **Right of set off**

- 26.5 The directors may deduct from a dividend or any other amount payable to a person in respect of a Share any amount due by that person to the Company on a call or otherwise in relation to a Share.

### **Power to pay other than in cash**

- 26.6 If the directors so determine, any resolution determining a dividend may direct that it shall be satisfied wholly or partly by the distribution of assets or the issue of Shares. If a difficulty arises in relation to the distribution, the directors may settle that difficulty in any way they consider appropriate. For example, they may do any one or more of the following:
- (a) issue fractional Shares;
  - (b) fix the value of assets for distribution and make cash payments to some Members on the footing of the value so fixed in order to adjust the rights of Members; and
  - (c) vest some assets in trustees.

### **How payments may be made**

- 26.7 A dividend or other monies payable on or in respect of a Share may be paid in any of the following ways:
- (a) if the Member holding that Share or other person entitled to that Share nominates a bank account for that purpose, by wire transfer to that bank account; or
  - (b) by cheque or warrant sent by post to the registered address of the Member holding that Share or other person entitled to that Share.
- 26.8 For the purpose of Article 26.7(a), the nomination may be in writing or in an Electronic Record and the bank account nominated may be the bank account of another person. For the purpose of Article 26.7(b), subject to any applicable law or regulation, the cheque or warrant shall be made to the order of the Member holding that Share or other person entitled to the Share or to his or her nominee, whether nominated in writing or in an Electronic Record, and payment of the cheque or warrant shall be a good discharge to the Company.

- 26.9 If two or more persons are registered as the holders of the Share or are jointly entitled to it by reason of the death or bankruptcy of the registered holder (**Joint Holders**), a dividend (or other amount) payable on or in respect of that Share may be paid as follows:
- (a) to the registered address of the Joint Holder of the Share who is named first on the register or to the registered address of the deceased or bankrupt holder, as the case may be; or
  - (b) to the address or bank account of another person nominated by the Joint Holders, whether that nomination is in writing or in an Electronic Record.
- 26.10 Any Joint Holder of a Share may give a valid receipt for a dividend (or other amount) payable in respect of that Share.

#### **Dividends or other monies not to bear interest in absence of special rights**

- 26.11 Unless provided for by the rights attached to a Share, no dividend or other monies payable by the Company in respect of a Share shall bear interest.

#### **Dividends unable to be paid or unclaimed**

- 26.12 If a dividend cannot be paid to a Member or remains unclaimed within six weeks after it was declared or both, the directors may pay it into a separate account in the Company's name. If a dividend is paid into a separate account, the Company shall not be constituted trustee in respect of that account and the dividend shall remain a debt due to the Member.
- 26.13 A dividend that remains unclaimed for a period of ten years after it became due for payment shall be forfeited to, and shall cease to remain owing by, the Company.

### **27 Capitalisation of profits**

#### **Capitalisation of profits or of any share premium account or capital redemption reserve**

- 27.1 Subject to the Law, the directors may resolve to capitalise any part of the Company's reserves not required for paying any preferential dividend.
- 27.2 The amount resolved to be capitalised must be appropriated to the Members who would have been entitled to it had it been distributed by way of dividend and in the same proportions. The benefit to each Member so entitled must be given in either or both of the following ways:
- (a) by paying up the amounts unpaid on that Member's Shares;
  - (b) by issuing fully paid Shares or debentures of the Company to that Member or as that Member directs. The directors may resolve that any Shares issued to the Member in respect of partly paid Shares (**Original Shares**) rank for dividend only to the extent that the Original Shares rank for dividend while those Original Shares remain partly paid.

### **Applying an amount for the benefit of members**

- 27.3 Subject to the Law, if a fraction of a Share or a debenture is allocated to a Member, the directors may issue a fractional certificate to that Member or pay him the cash equivalent of the fraction.

## **28 Seal**

### **Company seal**

- 28.1 The Company may have a seal if the directors so determine.

### **Official seal**

- 28.2 Subject to the provisions of the Law, the Company may also have:

- (a) an official seal or seals for use in any place or places outside the Island. Each such official seal shall be a facsimile of the original seal of the Company but shall have added on its face the name of the country, territory or place where it is to be used or the words "branch seal"; and
- (b) an official seal for use only in connection with the sealing of securities issued by the Company and such official seal shall be a copy of the common seal of the Company but shall in addition bear the word "securities".

### **When and how seal is to be used**

- 28.3 A seal may only be used by the authority of the directors. Unless the directors otherwise determine, a document to which a seal is affixed must be signed in one of the following ways:

- (a) by a director (or his or her alternate) and the Secretary; or
- (b) by a single director (or his or her alternate).

### **If no seal is adopted or used**

- 28.4 If the directors do not adopt a seal, or a seal is not used, a document may be executed in the following manner:

- (a) by a director (or his or her alternate) and the Secretary; or
- (b) by a single director (or his or her alternate); or
- (c) by any other person authorised by the directors; or
- (d) in any other manner permitted by the Law.

## **Power to allow non-manual signatures and facsimile printing of seal**

28.5 The directors may determine that either or both of the following applies:

- (a) that the seal or a duplicate seal need not be affixed manually but may be affixed by some other method or system of reproduction;
- (b) that a signature required by these Articles need not be manual but may be a mechanical or Electronic Signature.

## **Validity of execution**

28.6 If a document is duly executed and delivered by or on behalf of the Company, it shall not be regarded as invalid merely because, at the date of the delivery, the Secretary, or the director, or other Officer or person who signed the document or affixed the seal for and on behalf of the Company ceased to be the Secretary or hold that office and authority on behalf of the Company.

## **29 Indemnity**

### **Indemnity**

29.1 To the extent permitted by law, the Company shall indemnify each existing or former Secretary, director (including alternate director), and other Officer of the Company (including an administrator or liquidator) and their personal representatives against:

- (a) all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by the existing or former Secretary or Officer in or about the conduct of the Company's business or affairs or in the execution or discharge of the existing or former Secretary's or Officer's duties, powers, authorities or discretions; and
- (b) without limitation to Article 29.1(a), all costs, expenses, losses or liabilities incurred by the existing or former Secretary or Officer in defending (whether successfully or otherwise in accordance with the Law) any civil, criminal, administrative or investigative proceedings (whether threatened, pending or completed) concerning the Company or its affairs in any court or tribunal, whether in the Island or elsewhere.

No such existing or former Secretary or Officer, however, shall be indemnified in respect of any matter arising out of his or her own dishonesty.

29.2 To the extent permitted by law, the Company may make a payment, or agree to make a payment, whether by way of advance, loan or otherwise, for any legal costs incurred by an existing or former Secretary or Officer of the Company in respect of any matter identified in Article 29.1(a) or Article 29.1(b) on condition that the Secretary or Officer must repay the amount paid by the Company to the extent that it is ultimately found not liable to indemnify the Secretary or that Officer for those legal costs.

## **Release**

- 29.3 To the extent permitted by law, the Company may by Special Resolution release any existing or former director (including alternate director), Secretary or other Officer of the Company from liability for any loss or damage or right to compensation which may arise out of or in connection with the execution or discharge of the duties, powers, authorities or discretions of his or her office; but there may be no release from liability arising out of or in connection with that person's own dishonesty.

## **Insurance**

- 29.4 To the extent permitted by law, the Company may pay, or agree to pay, a premium in respect of a contract insuring each of the following persons against risks determined by the directors, other than liability arising out of that person's own dishonesty:
- (a) an existing or former director (including alternate director), Secretary or other Officer or auditor of:
    - (i) the Company;
    - (ii) a company which is or was a subsidiary of the Company;
    - (iii) a company in which the Company has or had an interest (whether direct or indirect); and
  - (b) a trustee of an employee or retirement benefits scheme or other trust in which any of the persons referred to in Article 29.4(a) is or was interested.

## **30 Notices**

### **Form of notices**

- 30.1 Save where these Articles provide otherwise, any notice to be given to or by any person pursuant to these Articles shall be:
- (a) in writing signed by or on behalf of the giver in the manner set out below for written notices;
  - (b) subject to Article 30.2, in an Electronic Record signed by or on behalf of the giver by Electronic Signature and authenticated in accordance with Articles about authentication of Electronic Records; or
  - (c) where these Articles expressly permit, by the Company by means of a website.



### **Electronic communications**

30.2 Without limitation to Articles 18.1 to 18.3 inclusive (relating to the appointment and removal of alternate directors by directors), a notice may only be given to the Company in an Electronic Record if:

- (a) the directors so resolve;
- (b) the resolution states how an Electronic Record may be given and, if applicable, specifies an email address for the Company; and
- (c) the terms of that resolution are notified to the Members for the time being and, if applicable, to those directors who were absent from the meeting at which the resolution was passed.

If the resolution is revoked or varied, the revocation or variation shall only become effective when its terms have been similarly notified.

30.3 A notice may not be given by Electronic Record to a person other than the Company unless the recipient has notified the giver of an Electronic address to which notice may be sent.

### **Persons authorised to give notices**

30.4 A notice by either the Company or a Member pursuant to these Articles may be given on behalf of the Company or a Member by a director or the Secretary or a Member. Without limitation to the Articles about the power to allow non-manual signatures and facsimile printing of the seal, the signature of a person on a notice given by the Company may be written, printed or stamped.

### **Delivery of written notices**

30.5 Save where these Articles provide otherwise, a notice in writing may be given personally to the recipient, or left at (as appropriate) the Member's or director's registered address or the Company's registered office, or posted to that registered address or registered office.

### **Joint holders**

30.6 Where Members are joint holders of a Share, all notices shall be given to the Member whose name first appears in the register.

### **Signatures**

30.7 A written notice shall be signed when it is autographed by or on behalf of the giver, or is marked in such a way as to indicate its execution or adoption by the giver.

30.8 An Electronic Record may be signed by an Electronic Signature.

### **Evidence of transmission**

- 30.9 A notice given by Electronic Record shall be deemed sent if an Electronic Record is kept demonstrating the time, date and content of the transmission, and if no notification of failure to transmit is received by the giver.
- 30.10 A notice given in writing shall be deemed sent if the giver can provide proof that the envelope containing the notice was properly addressed, pre-paid and posted, or that the written notice was otherwise properly transmitted to the recipient.

### **Giving notice to a deceased or bankrupt Member**

- 30.11 A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a Member by sending or delivering it, in any manner authorised by these Articles for the giving of notice to a Member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description, at the address, if any, supplied for that purpose by the persons claiming to be so entitled.
- 30.12 Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

### **Delivery of notices**

- 30.13 A notice shall be deemed to have been received by the intended recipient in accordance with the following table.

<b>Method for giving notice</b>	<b>When deemed to be received</b>
Personally	At the time and date of delivery
By leaving it at the Member's registered address	At the time and date it was left
If the recipient has an address within the Island, by posting it by prepaid post to the street or postal address of that recipient	On the day after the day when it was posted
If the recipient has an address outside the Island, by posting it by prepaid airmail to the street or postal address of that recipient	On the third day after the day when it was posted for an address within the United Kingdom, the Isle of Man, another Channel Island or Europe  On the fifth day after the day when it was posted for any other international address

By Electronic Record (other than publication on a website), to recipient's Electronic address	On the day after the day when it was sent
By publication on a website (notice of general meetings and sending of accounts and reports)	For notice of a general meeting of Members, at the time and date that the recipient is deemed to have received notice of the publication (Articles 13.14 and 13.16)  For accounts and reports specified in Article 24.8, in accordance with Article 24.9.

### **Saving provisions**

- 30.14 A Member present, either in person or by proxy, at any general meeting or at any meeting of the Members holding any class of Shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 30.15 Every person who becomes entitled to a Share shall be bound by any notice in respect of that Share which, before his or her name is entered in the register, has been duly given to a person from which he derives his or her title.
- 30.16 None of the preceding notice provisions shall derogate from the Articles about the delivery of written resolutions of directors.

## **31 Authentication of Electronic Records**

### **Application of Articles**

- 31.1 Without limitation to any other provision of these Articles, any notice, written resolution of directors or other document under these Articles that is sent by Electronic means by a Member, or by the Secretary, or by a director or other Officer of the Company, shall be deemed to be authentic if either Article 31.2 or Article 31.3 applies.

### **Authentication of documents sent by Members by Electronic means**

- 31.2 An Electronic Record of a notice or other document sent by Electronic means by or on behalf of one or more Members shall be deemed to be authentic if the following conditions are satisfied:
- (a) the Member or each Member, as the case may be, signed the document in a manner permitted by Article 31.4; and
  - (b) Article 31.5 does not apply.

### **Authentication of document sent by the Secretary or Officers by Electronic means**

31.3 An Electronic Record of a notice, written resolution of directors or other document sent by Electronic means by or on behalf of the Secretary or an Officer or Officers of the Company shall be deemed to be authentic if the following conditions are satisfied:

- (a) the Secretary or the Officer, as the case may be, signed the document in a manner permitted by Article 31.4; and
- (b) Article 31.5 does not apply.

This Article applies whether the document is sent by or on behalf of the Secretary or Officer in his or her own right or as a representative of the Company.

### **Manner of signing**

31.4 For the purposes of these Articles about the authentication of Electronic Records, a document will be taken to be signed if it is signed manually or in any other manner permitted by these Articles and to the extent permitted by law, a signature required by these Articles need not be manual but may be mechanical or Electronic Signature.

### **Saving provision**

31.5 A notice, written resolution of directors or other document under these Articles will not be deemed to be authentic if the recipient, acting reasonably:

- (a) believes that the signature of the signatory has been altered after the signatory had signed the original document; or
- (b) believes that the original document, or the Electronic Record of it, was altered, without the approval of the signatory, after the signatory signed the original document; or
- (c) otherwise doubts the authenticity of the Electronic Record of the document,

and the recipient promptly gives notice to the sender setting the grounds of its objection. If the recipient invokes this Article, the sender may seek to establish the authenticity of the Electronic Record in any way the sender thinks fit.

## **32 Winding up**

### **Distribution of assets in specie**

32.1 If the Company is wound up, the liquidator or the directors, as the case may be, may, subject to these Articles and any other sanction required by the Law, do either or both of the following, in accordance with the special rights attaching to each class of Shares:

- (a) divide in specie among the Members the whole or any part of the assets of the Company and, for that purpose, value any assets and determine how the division shall be carried out as between the Members or different classes of Members; and/or
- (b) vest the whole or any part of the assets in trustees for the benefit of Members and those liable to contribute to the winding up.

**No obligation to accept liability**

32.2 No Member shall be compelled to accept any assets if an obligation attaches to them.

**33 Regulatory**

The Company shall not carry out any activities which involve the possession and/or supply of cannabis for recreational purposes unless and until such time as such activities are permitted under the laws of Jersey and England & Wales.

## APPENDIX B

The proposed amended and restated articles of association of the Company

**Companies (Jersey) Law 1991**

**Company Limited by Shares**

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**AMENDED AND RESTATED ARTICLES OF ASSOCIATION  
OF  
NORTHERN LEAF PLC**

**ADOPTED BY SPECIAL RESOLUTION ON  
\_\_\_\_\_ 2024**

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**Companies (Jersey) Law 1991**  
**Company Limited by Shares**  
**Amended and Restated Articles of Association**  
**of**  
**Northern Leaf Plc**

**Adopted by special resolution on \_\_\_\_\_ 2024**

**1 Definitions, interpretation and exclusion of Standard Table**

**Definitions**

1.1 In these Articles, the following definitions apply:

**2000 Law** means the Electronic Communications (Jersey) Law 2000;

**2006 Act** means the Companies Act of 2006 of the United Kingdom as may be amended from time to time and any successor act thereto;

**Address** means, in relation to electronic communications, any number, email address or other form of address used for the purposes of such communications;

**AIM** means the AIM market of the London Stock Exchange;

**AIM Rules** means the AIM Rules for Companies and the AIM Rules for Nominated Advisors, as amended from time to time;

**Articles** means, as appropriate:

- (a) these Articles of Association as amended from time to time; or
- (b) two or more particular Articles of these Articles;

and **Article** refers to a particular Article of these Articles;

**Business Day** means a day (not being a Saturday or Sunday) on which clearing banks are open for normal banking business in London and in the Island;

**certificated** means, in relation to a Share, a Share which is not in uncertificated form;

**Clear Days**, in relation to a period of notice, means that period excluding:

- (a) the day when the notice is deemed to be received; and

(b) the day for which it is given or on which it is to take effect;

**Company** means the company incorporated under the Law in respect of which these Articles have been registered;

**Control** means the power of a person to secure that the affairs of the Member are conducted in accordance with the wishes of that person:

(a) by means of the holding of shares, or the possession of voting power, in or in relation to the Member or any other body corporate; or

(b) as a result of any powers conferred by the articles of association or any other document regulating the Member or any other body corporate;

**Default Rate** means 3% (three per cent) per annum over the base rate of the Bank of England from time to time;

**director** means any director for the time being of the Company appointed in accordance with these Articles;

**DTR5** means Chapter 5 of the Disclosure and Transparency Rules (as amended from time to time) of the Handbook;

**Electronic** has the meaning given to that term in the 2000 Law;

**Electronic Record** has the meaning given to that term in the 2000 Law;

**Electronic Signature** has the meaning given to that term in the 2000 Law;

**Employee Share Scheme** means any employee and/or executive incentive plan or scheme established for the benefit of employees and/or executives (which, for the purposes of this definition, includes executive directors only) of the Company and/or any of its subsidiaries (whether or not such plan or scheme is open to all employees, executives or not) and which is operated either by the Company or any of its subsidiaries or by a third party on their behalf and under the terms of which employees and/or executives may acquire and/or benefit from shares or any interest therein, whether directly or pursuant to any option, right or award over shares granted to them or otherwise;

**executed** includes, in relation to a document, execution under hand or under seal or by any other method permitted by law;

**Family Trust** means as regards any Member who is an individual (or deceased or former Member who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wherever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Member and/or any of the Privileged Relations of that Member (and so that for this purpose a person shall be considered

to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons);

**FCA** means the UK Financial Conduct Authority;

**fully paid** and **paid up** means that the agreed issue price for a Share has been fully paid or credited as paid in money or money's worth;

**Handbook** means the FCA Handbook;

**IFRS** means International Financial Reporting Standards as adopted by the European Union from time to time;

**Island** means Jersey, Channel Islands;

**JFSC** means the Jersey Financial Services Commission;

**Law** means the Companies (Jersey) Law 1991 including any statutory modification or re-enactment thereof for the time being in force and subordinate legislation made thereunder;

**London Stock Exchange** means London Stock Exchange plc or other principal stock exchange in the United Kingdom for the time being;

**Member** means any person or persons entered on the register of members from time to time as the holder of a Share;

**Memorandum** means the Memorandum of Association of the Company as amended from time to time;

**Nominated Adviser** means an adviser whose name appears on the register published by the London Stock Exchange and who is acting as the nominated adviser for the time being of the Company;

**Officer** means a person appointed to hold an office in the Company; and the expression includes a director, alternate director or liquidator, but does not include the Secretary;

**Operator** means a person approved as an operator by the JFSC under the Uncertificated Securities Order;

**Ordinary Share** means an ordinary share in the capital of the Company;

**Ordinary Resolution** means a resolution of a duly constituted general meeting of the Company passed by a simple majority of the votes cast by, or on behalf of, the Members entitled to vote. The expression also includes a written resolution signed by or on behalf of a simple majority of

the Members who, at the date when the resolution is deemed to be passed, would be entitled to vote on the resolution if it were proposed at a meeting;

**Permitted Transfer** means any transfer of Shares undertaken pursuant to Article 7;

**Permitted Transferee** means:

- (a) in relation to a Member who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust or any replacement trustee/nominee holder that will hold Shares on behalf of a Member on a bare trust only; or
- (b) in relation to a Member which is a company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company or which is otherwise under the same ultimate Control as the Member; or
- (c) another Member, with prior approval of the board of directors of the Company, with such approval not to be unreasonably withheld; or
- (d) a bona fide third party, with prior approval of the board of directors of the Company, with such approval not to be unreasonably withheld;

**Preference Share** means a preference share in the capital of the Company;

**Privileged Relation** means in relation to a Member who is an individual (or a deceased or former Member who is an individual), a spouse, civil partner, child or grandchild (including step or adopted or illegitimate children and their issue) of the Member;

**register** means the register of Members of the Company to be kept pursuant to Article 41 of the Law and/or the register of Members maintained pursuant to the Uncertificated Securities Order and, where the context requires, any register maintained by the Company or the approved Operator of persons holding any renounceable right of allotment of a Share and cognate expressions shall be construed accordingly;

**Regulatory Information Service** means a regulatory information service approved by the FCA for the dissemination of regulatory announcements required by, amongst other things, the AIM Rules and chosen by the Company to perform such function on behalf of the Company;

**Relevant Share** means a Share other than (a) a Share which, as respects dividends and capital, carries a right to participate only up to a specified amount in a distribution; and (b) a Share which is held by a person who acquired it in pursuance of an Employee Share Scheme or, in the case of Shares which have not been allotted, are to be allotted in pursuance of such an Employee Share Scheme or, in the case of Shares held by the Company as treasury shares, are to be transferred in pursuance of such an Employee Share Scheme;

**seal** means the common seal of the Company or any official or securities seal that the Company may have or may be permitted to have under the Law;



**Secretary** means the secretary for the time being of the Company or any other person appointed to perform any of the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

**Share** means an Ordinary Share, a Preference Share or any other Share in the share capital of the Company; and the expression:

- (a) includes stock (except where a distinction between shares and stock is expressed or implied); and
- (b) where the context permits, also includes a fraction of a share;

**Special Resolution** has the meaning given to that term in the Law, save that the relevant majority shall be three-quarters. The expression also includes a written resolution signed by or on behalf of the requisite majority of Members required for the passing of a Special Resolution who, at the date when the resolution is deemed to be passed, would be entitled to vote on the resolution if it were proposed at a meeting;

**subsidiary** has the meaning given to that term in Article 2 of the Law;

**uncertificated** means, in relation to a Share, a Share title to which is recorded in the register as being held in uncertificated form and title to which, by virtue of the Uncertificated Securities Order, may be transferred by means of a relevant system; and

**Uncertificated Securities Order** means the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended from time to time, including any provisions of or under the Law which alter or replace such regulations.

## Interpretation

1.2 In the interpretation of these Articles, the following provisions apply unless the context otherwise requires:

- (a) a reference in these Articles to a statute is a reference to a statute of the Island as known by its short title, and includes:
  - (i) any statutory modification, amendment or re-enactment; and
  - (ii) any subordinate legislation or regulations issued under that statute;
- (b) headings are inserted for convenience only and do not affect the interpretation of these Articles, unless there is ambiguity;
- (c) a word which denotes the singular also denotes the plural, a word which denotes the plural also denotes the singular, and a reference to any gender also denotes the other genders;

- (d) a reference to a **person** includes, as appropriate, a natural person, a company, trust, partnership, joint venture, association, body corporate or government agency;
- (e) where a word or phrase is given a defined meaning another part of speech or grammatical form in respect to that word or phrase has a corresponding meaning;
- (f) save as aforesaid, and unless the context otherwise requires, words or expressions defined in the Law shall have the same meaning where used in these Articles but excluding any statutory modification thereof not in force when these Articles became binding on the Company;
- (g) all references to time are to be calculated by reference to time in the place where the Company's registered office is located;
- (h) the words **written** and **in writing** include all modes of representing or reproducing words in a visible form, but do not include an Electronic Record where the distinction between a document in writing and an Electronic Record is expressed or implied;
- (i) the words **including**, **include** and **in particular** or any similar expression are to be construed without limitation;
- (j) the expressions **approved Operator**, **issuer**, and **participating security** have the meaning as in the Uncertificated Securities Order;
- (k) **relevant system** means a computer system which has the purposes described in Article 2 of the Uncertificated Securities Order;
- (l) all references in the Articles to the giving of instructions by means of a relevant system shall be deemed to relate to a properly authenticated dematerialised instruction given in accordance with the Uncertificated Securities Order. Notwithstanding the other provisions of these Articles, the giving of such instructions shall be subject to:
  - (i) the facilities and requirements of the relevant system;
  - (ii) the Uncertificated Securities Order; and
  - (iii) the extent to which such instructions are permitted by or practicable under the rules and practices from time to time of the approved operator of the relevant system;
- (m) subject to the provisions of Article 1.2(f), references to any statutory provision or statute includes all amendments thereto and all subordinate legislation made thereunder.

## **Exclusion of Standard Table**

- 1.3 The regulations contained in the Standard Table adopted pursuant to the Companies (Standard Table) (Jersey) Order 1992 and any other regulations contained in any statute or subordinate legislation are expressly excluded and do not apply to the Company.

## **2 Share capital and share certificates**

### **Share capital**

- 2.1 Subject to the provisions of Articles 2.9 to 2.12 and the Law, the directors have general and unconditional authority to allot, grant of options, rights or awards over, grant of warrants in respect of or otherwise dispose of any unissued Shares to such persons, at such times and on such terms as they think fit.
- 2.2 Without limitation to the preceding Article, the directors may so deal with the unissued Shares of the Company;
- (a) at an issue price determined by the directors;
  - (b) with the sanction of an Ordinary Resolution, with preferred, deferred or other special rights or restrictions whether in regard to dividend, voting, return of capital or otherwise;
  - (c) without preferred, deferred or other special rights or restrictions whether in regard to dividend, voting, return of capital or otherwise.
- 2.3 Subject to the relevant provisions of the Law, the Company may issue Shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or at the option of the Member holding such redeemable Shares and on such terms and in such manner as may be determined by the directors.
- 2.4 The Company may exercise the powers of paying commissions provided that the commission paid or agreed to be paid does not exceed 10% of the price at which the shares are issued.
- 2.5 Subject to the provisions of the Law, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares, by the grant of options, rights or awards or warrants in respect of Shares, or partly in one way and partly in the other(s).
- 2.6 Save as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any Share upon any trust and (save as otherwise provided by these Articles or by law) the Company shall not be bound by or recognise (even when having notice thereof) any interest in any Share save an absolute right of the Member of such Share to the entirety thereof.
- 2.7 The Company shall not be required to enter the names of more than four joint Members in respect of any Share in the register.

### **Authority to allot Relevant Shares**

2.8 The Company may, subject to Articles 2.9 to 2.12, from time to time pass an Ordinary Resolution referring to this Article and authorising the board to exercise all the powers of the Company to allot Relevant Shares and:

- (a) on the passing of the Ordinary Resolution the board shall be generally and unconditionally authorised to allot Relevant Shares up to the number of Shares specified in the Ordinary Resolution or up to a number of Shares not specified in the Ordinary Resolution but which will be determined by the application of an equation or formula set out in the Ordinary Resolution; and
- (b) unless previously revoked the authority shall expire on the day specified in the Ordinary Resolution (not being more than five years after the date on which the Ordinary Resolution is passed),

but any authority given under this Article shall allow the Company, before the authority expires, to make an offer or agreement which would or might require Relevant Shares to be allotted after it expires.

### **Rights of pre-emption on allotment of Shares**

2.9 Subject to Article 2.11, the Company, when proposing to allot Shares or fractions of Shares of any class:

- (a) shall not allot any of them on any terms to a person unless it has made an offer to each person who is a Member and who holds Shares of the relevant class on the same or more favourable terms a proportion of those Shares which is as nearly as practicable equal to the proportion in number held by the Member of the relevant class of Shares then in issue; and
- (b) shall not allot any of those Shares to a person unless the period during which any such offer may be accepted by the relevant current Members has expired or the Company has received a notice of the acceptance or refusal of every offer so made from such Members.

2.10 Article 2.9 shall not apply to the allotment of:

- (a) bonus shares;
- (b) Shares if these are, or are to be, wholly or partly paid up otherwise than in cash; and
- (c) Shares which would, apart from any renunciation or assignment of the right to their allotment, be held under or allotted or transferred pursuant to an Employee Share Scheme.

- 2.11 Notwithstanding the provisions of Article 2.9 and 2.10 the directors may be given by virtue of a Special Resolution the power to allot Shares for cash either generally or in respect of a specific allotment such that:
- (a) Article 2.9 shall not apply to the allotment; or
  - (b) Article 2.9 shall apply to the allotment with such modifications as the directors may determine; and
  - (c) the authority granted by the Special Resolution may be granted for such period of time as the Special Resolution permits and such authority may be revoked by a further Special Resolution.
- 2.12 A Special Resolution under Article 2.11 shall not be proposed in respect of a specific allotment unless it is recommended by the directors and there has been circulated, with the notice for the meeting at which the resolution is to be decided, a proposal to the Members entitled to have that notice a written statement by the directors setting out:-
- (a) their reasons for making the recommendations; and
  - (b) the amount to be paid to the Company in respect of the Shares to be allotted, if known.

### **Special rights attaching to Preference Shares**

- 2.13 On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of Shares), the assets of the Company available for distribution among the Members shall be applied in repaying to the holder of each Preference Share the total of the capital for the time being paid up on the Preference Share in priority to any repayment to the holders of any other class of Share.
- 2.14 The Preference Shares do not entitle the holders to any further right to participate in the assets of the Company available for distribution among the Members generally.

### **Special rights attaching to Shares generally**

- 2.15 Whenever the capital of the Company is divided into different classes of Shares, the special rights attached to any class may (unless otherwise provided by the terms of issue of the Shares of that class) be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up:
- (a) with the consent in writing of the Members of three-quarters in number of the issued Shares of that class; or
  - (b) with the sanction of a Special Resolution passed at a separate meeting of the Members of the issued Shares of that class.

- 2.16 Save as otherwise expressly provided in these Articles, the Shares rank *pari passu* in all respects.
- 2.17 The provisions of these Articles relating to general meetings or to the proceedings thereat shall apply, *mutatis mutandis*, to each separate meeting held in respect of different classes of Shares pursuant to this Article save that a quorum shall be at least two persons holding or representing by proxy not less than one-third in number of the issued Shares of that class but provided that if, at any adjourned meeting of such Members, a quorum as defined above is not present, those Members who are present shall be a quorum.
- 2.18 Subject to the terms on which any Shares may be issued, the rights or privileges attached to any class of Shares shall be deemed to be varied or abrogated by the reduction of the capital paid up on such Shares or by the allotment of further Shares ranking in priority for the payment of a dividend or in respect of capital or howsoever or which confer on the holders voting rights more favourable than those conferred by such first mentioned Shares but shall not be deemed to be varied or abrogated by the creation or issue of any new Shares ranking *pari passu* in all respects (save as to the date from which such new Shares shall rank for dividend) with or subsequent to those already issued or by the purchase or redemption by the Company of its own Shares in accordance with the provisions of the Law and these Articles.

#### **Uncertificated shares**

- 2.19 No person shall be entitled to receive a certificate in respect of any Share for so long as the title to that Share is evidenced otherwise than by a certificate and for so long as transfers of that Share may be made otherwise than by a written instrument by virtue of the Uncertificated Securities Order.
- 2.20 Subject to the Law, the requirements of the Nominated Adviser (where the Company's Shares are admitted to trading on AIM) and to the Uncertificated Securities Order, the board has the power to resolve that a class of Shares shall become a participating security and/or that a class of Shares shall cease to be a participating security.
- 2.21 Uncertificated Shares of a class are not to be regarded as forming a separate class from certificated Shares of that class.
- 2.22 A Member may, in accordance with the Uncertificated Securities Order, change a Share of a class which is a participating security from a certificated Share to an uncertificated Share and from an uncertificated Share to a certificated Share and the Company or a director may, as agent for the relevant Member, do all such acts and to execute all such documents and agreements on behalf of such Member in order to change an uncertificated Share into a certificated Share.
- 2.23 The Company may give notice to a Member requiring the Member to change uncertificated Shares to certificated Shares by the time stated in the notice. The notice may also state that the Member may not change certificated Shares to uncertificated Shares. If the Member does

not comply with the notice, the board may authorise a person to change the uncertificated Shares to certificated Shares in the name and on behalf of the Member.

2.24 While a class of Shares is a participating security, the Articles only apply to an uncertificated Share of that class to the extent that they are consistent with:

- (i) the holding of Shares of that class in uncertificated form;
- (ii) the transfer of title to Shares of that class by means of a relevant system; and
- (iii) the Uncertificated Securities Order.

### **Share certificates for certificated Shares**

2.25 The following provisions apply only in relation to certificated Shares:

- (a) Every Member, upon becoming a Member, shall be entitled without payment to one certificate for all the Shares of each class held by him (and, upon transferring a part of his holding of Shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his Shares upon payment, for every certificate after the first, of such reasonable sum as the directors may determine.
- (b) Every certificate shall either be sealed with the seal or signed by two directors or a director and the Secretary, or by such persons as the directors shall authorise from time to time, and shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and the amount or respective amounts paid up thereon and shall otherwise comply with the requirements of the Nominated Adviser (where the Company's Shares are admitted to trading on AIM). The Company shall not be bound to issue more than one certificate for Shares held jointly by several persons and delivery of a certificate to one joint Member shall be deemed delivery to all of them.
- (c) Where a Member holds two or more certificates for Shares of one class, the Company in the manner prescribed by the directors, may at his request, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate for certificated Shares of that class.
- (d) At the request of a Member, the Company, in the manner prescribed by the directors, may cancel a certificate and issue two or more in its place (representing certificated Shares in such proportions as the Member may specify) on surrender of the original certificate and on payment of such reasonable sum as the directors may decide.
- (e) If a Share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence in the manner as the directors may determine, but otherwise free of charge and (in the case of defacement or wearing out) on delivery up of the old certificate.

### **3 Lien on Shares**

#### **Nature and scope of lien**

- 3.1 The Company has a first and paramount lien on all Shares (which are not fully paid) registered in the name of a Member (whether solely or jointly with others). The lien is for all moneys payable to the Company by the Member or the Member's estate:
- (a) either alone or jointly with any other person, whether or not that other person is a Member; and
  - (b) whether or not those moneys are presently payable.
- 3.2 At any time the directors may declare any Share to be wholly or partly exempt from the provisions of this Article.

#### **Company may sell Shares to satisfy lien**

- 3.3 The Company may sell any Shares over which it has a lien if all of the following conditions are met:
- (a) the sum in respect of which the lien exists is presently payable;
  - (b) the Company gives notice to the Member holding the Share (or to the person entitled to it in consequence of the death or bankruptcy of that Member) demanding payment and stating that if the notice is not complied with the Shares may be sold; and
  - (c) that sum is not paid within 14 Clear Days after that notice is deemed to be given under these Articles.
- 3.4 The Shares may be sold in such manner as the directors determine.
- 3.5 To the maximum extent permitted by law, the directors shall incur no personal liability to the Member concerned in respect of the sale.

#### **Authority to execute instrument of transfer**

- 3.6 To give effect to a sale, the directors may authorise any person to execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee of the Shares shall not be affected by any irregularity or invalidity in the proceedings in respect of the sale.

#### **Consequences of sale of Shares to satisfy lien**

- 3.7 On sale pursuant to the preceding Articles:



- (a) the name of the Member concerned shall be removed from the register as the holder of those Shares; and
- (b) that person shall deliver to the Company for cancellation the certificate for those Shares.

Despite this, that person shall remain liable to the Company for all monies which, at the date of sale, were presently payable by him to the Company in respect of those Shares. That person shall also be liable to pay interest on those monies from the date of sale until payment at the rate at which interest was payable before that sale or, failing that, at the Default Rate. The directors may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of sale or for any consideration received on their disposal.

#### **Application of proceeds of sale**

- 3.8 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable. Any residue shall be paid to the person whose Shares have been sold:

- (a) if no certificate for the Shares was issued, at the date of the sale; or
- (b) if a certificate for the Shares was issued, upon surrender to the Company of that certificate for cancellation,

but, in either case, subject to the Company retaining a like lien for all sums not presently payable as existed on the Shares before the sale.

#### **4 Calls on Shares and forfeiture**

##### **Power to make calls and effect of calls**

- 4.1 Subject to the terms of allotment, the directors may make calls on the Members in respect of any moneys unpaid on their Shares including any premium. The call may provide for payment to be by instalments. Subject to receiving at least 14 Clear Days' notice specifying when and where payment is to be made, each Member shall pay to the Company the amount called on his or her Shares as required by the notice.
- 4.2 Before receipt by the Company of any sum due under a call, that call may be revoked in whole or in part and payment of a call may be postponed in whole or in part. Where a call is to be paid in instalments, the Company may revoke the call in respect of all or any remaining instalments in whole or in part and may postpone payment of all or any of the remaining instalments in whole or in part.
- 4.3 A Member on whom a call is made shall remain liable for that call notwithstanding the subsequent transfer of the Shares in respect of which the call was made. He shall not be liable for calls made after he is no longer registered as Member in respect of those Shares.

**Time when call made**

- 4.4 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.

**Liability of joint holders**

- 4.5 Members registered as the joint holders of a Share shall be jointly and severally liable to pay all calls in respect of the Share.

**Interest on unpaid calls**

- 4.6 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid:

- (a) at the rate fixed by the terms of allotment of the Share or in the notice of the call; or
- (b) if no rate is fixed, at the Default Rate.

The directors may waive payment of the interest wholly or in part.

**Deemed calls**

- 4.7 Any amount payable in respect of a Share, whether on allotment or on a fixed date or otherwise, shall be deemed to be payable as a call. If the amount is not paid when due the provisions of these Articles shall apply as if the amount had become due and payable by virtue of a call.

**Power to accept early payment**

- 4.8 The Company may accept from a Member the whole or a part of the amount remaining unpaid on Shares held by him although no part of that amount has been called up.

**Power to make different arrangements at time of issue of Shares**

- 4.9 Subject to the terms of allotment, the directors may make arrangements on the issue of Shares to distinguish between Members in the amounts and times of payment of calls on their Shares.

**Notice of default**

- 4.10 If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than 14 Clear Days' notice requiring payment of:

- (a) the amount unpaid;
- (b) any interest which may have accrued; and
- (c) any expenses which have been incurred by the Company due to that person's default.

4.11 The notice shall state the following:

- (a) the place where payment is to be made; and
- (b) a warning that if the notice is not complied with the Shares in respect of which the call is made will be liable to be forfeited.

#### **Forfeiture or surrender of Shares**

4.12 If the notice under the preceding Article is not complied with, the directors may, before the payment required by the notice has been received, resolve that any Share the subject of that notice be forfeited. The forfeiture shall include all dividends or other moneys payable in respect of the forfeited Share and not paid before the forfeiture. Despite the foregoing, the directors may determine that any Share the subject of that notice be accepted by the Company as surrendered by the Member holding that Share in lieu of forfeiture.

#### **Disposal of forfeited or surrendered Share and power to cancel forfeiture or surrender**

4.13 A forfeited or surrendered Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the former Member who held that Share or to any other person. The forfeiture or surrender may be cancelled on such terms as the directors think fit at any time before a sale, re-allotment or other disposition. Where, for the purposes of its disposal, a forfeited or surrendered Share is to be transferred to any person, the directors may authorise some person to execute an instrument of transfer of the Share to the transferee.

#### **Effect of forfeiture or surrender on former Member**

4.14 On forfeiture or surrender:

- (a) the name of the Member concerned shall be removed from the register as the holder of those Shares and that person shall cease to be a Member in respect of those Shares; and
- (b) that person shall surrender to the Company for cancellation the certificate (if any) for the forfeited or surrendered Shares.

4.15 Despite the forfeiture or surrender of his or her Shares, that person shall remain liable to the Company for all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of those Shares together with:

- (a) all expenses; and
- (b) interest from the date of forfeiture or surrender until payment:
  - (i) at the rate of which interest was payable on those moneys before forfeiture; or

- (ii) if no interest was so payable, at the Default Rate.

The directors, however, may waive payment wholly or in part.

#### **Evidence of forfeiture or surrender**

4.16 A declaration, whether statutory or under oath, made by a director or the Secretary shall be conclusive evidence of the following matters stated in it as against all persons claiming to be entitled to forfeited Shares:

- (a) that the person making the declaration is a director or Secretary of the Company; and
- (b) that the particular Shares have been forfeited or surrendered on a particular date.

Subject to the execution of an instrument of transfer, if necessary, the declaration shall constitute good title to the Shares.

#### **Sale of forfeited or surrendered Shares**

4.17 Any person to whom the forfeited or surrendered Shares are disposed of shall not be bound to see to the application of the consideration, if any, of those Shares nor shall his or her title to the Shares be affected by any irregularity in, or invalidity of the proceedings in respect of, the forfeiture, surrender or disposal of those Shares.

### **5 Transfer of shares**

#### **Form of transfer**

- 5.1 Subject to the provisions of Article 5.2, the instrument of transfer of a Share shall be in writing and may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the Shares are fully paid, by or on behalf of the transferee.
- 5.2 Where the Company's Shares are admitted to trading on AIM, a Member may transfer all or any of his uncertificated Shares in accordance with the Uncertificated Securities Order.
- 5.3 Subject to the provisions of the Uncertificated Securities Order the transferor of a Share is deemed to remain the Member until the name of the transferee is entered in the register in respect of it.
- 5.4 Subject to Articles 5.5 to 5.10 and 6, the Shares shall be free from any restriction on transfer.
- 5.5 Where the Shares are admitted to trading on AIM and are subject to the requirements of the AIM Rules and the Uncertificated Securities Order, the directors may, subject to Article 5.8, refuse to register a transfer of Shares.

- 5.6 Where the Company's Shares are in certificated form, the directors may, subject to Article 5.8, refuse to register a transfer of Shares which are not fully paid or relate to the transfer of a certificated Share on which the Company has a lien.
- 5.7 The Directors may also refuse to register a transfer unless the instrument of transfer, where relevant, is:
- (a) lodged at the Company's registered office or at such other place as the directors may appoint;
  - (b) accompanied by the certificates for the Shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and
  - (c) in respect of only one class of Shares.
- 5.8 If the directors refuse to register a transfer of a Share, they shall, as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal together with its reasons.

#### **Power to suspend registration**

- 5.9 The registration of transfers of Shares or of transfers of any class of Shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the directors may determine in their discretion. Unless otherwise permitted by the Uncertificated Securities Order, the Company may not close any register relating to a participating security without the consent of the approved Operator of the relevant system.

#### **Fee, if any, payable for registration**

- 5.10 If the directors so decide, the Company may charge a reasonable fee for the registration of any instrument of transfer or any other document relating to the title to any Share.

#### **Company may retain instrument of transfer**

- 5.11 The Company shall be entitled to retain any instrument of transfer which is registered but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

### **6 Pre-emption on transfer**

- 6.1 Any Member (a **Seller**) may transfer some or all of their Shares, provided that, before transferring or agreeing to transfer any Shares or any interest therein, such Member shall give notice in writing thereof (a **Transfer Notice**) to the Company and comply with this Article 6, except as permitted under Article 7 or in connection with transfer undertaken pursuant to Article 8 or Article 9.

6.2 The Transfer Notice shall:

- (a) specify the number of Shares that the Seller wishes to transfer (**Sale Shares**);
- (b) specify the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares;
- (c) specify the price per share (**Proposed Price**) at which the Seller wishes to transfer the Sale Shares;
- (d) constitute and appoint the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this Article 6; and
- (e) not be capable of variation or cancellation without the prior written consent of the Company.

6.3 As soon as practicable following the receipt of a Transfer Notice, the Company shall offer the Sale Shares to the Members other than the Seller in the proportion to which their existing holding of shares bears to the total number of Shares held by all Members (excluding the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **Offer Period**) for the maximum number of Sale Shares that each wishes to buy.

6.4 If at the end of the Offer Period not all Sale Shares are allocated following the applications pursuant to Article 6.3 and there are applications for Sale Shares that have not been satisfied in full, the Company shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in Article 6.3. The procedure set out in this Article 6.4 shall apply on any number of consecutive occasions until (a) either all Sale Shares have been allocated or (b) all applications for Sale Shares satisfied.

6.5 If after following the procedure set out in Article 6.4 there remain unallocated Sale Shares, the Company shall notify the Seller and the Seller shall be entitled to transfer such Shares to the buyer identified in the Transfer Notice (if any) (subject to the provisions of Article 8 and Article 9) at a price no lower than the Proposed Price and otherwise on the same terms within 3 months of the date of the Company's notification.

## **7 Permitted transfers**

7.1 A Member may at any time transfer some or all of his Shares to a Permitted Transferee without being required to follow the steps set out in Article 6 and without the application of Article 8 or Article 9.

7.2 A Member holding shares in the Company as a result of a Permitted Transfer made under the provisions of this Article 7 may at any time transfer all (but not some only) of its shares back to the original Member from whom it received those shares or to another Permitted Transferee of

such original Member, without being required to follow the steps set out in Article 6 and without the application of Article 8 or Article 9.

## **8 Drag along rights**

- 8.1 If a Member or Members (**Selling Members**) wish to transfer Shares (**Sellers' Shares**) to a bona fide third party purchaser on arm's length terms (**Proposed Buyer**), and such transfers would, if carried out, result in the Proposed Buyer holding or increasing their shareholding to 75% (or more) of all Shares, the Selling Members may require all other Members (**Called Members**) to sell and transfer all of their Shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article 8 (**Drag Along Option**).
- 8.2 The Selling Members may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Member. A Drag Along Notice shall specify:
- (a) that the Called Members are required to transfer all of their Shares (**Called Shares**) pursuant to this Article 8;
  - (b) the identity of the Proposed Buyer (and, if relevant, the transferees) nominated by the Proposed Buyer;
  - (c) the consideration payable for the Called Shares which shall be in cash and at least equal to the highest price per Share paid (and to be paid) by the Proposed Buyer, or any person connected with the Proposed Buyer, on the proposed transfer or in any related previous transaction in the 3 months preceding the proposed date of transfer of the Sellers' Shares; and
  - (d) the proposed date of completion of transfer of the Called Shares.
- 8.3 Once given, a Drag Along Notice may be revoked at any time prior to completion of the sale and purchase of the Called Shares.
- 8.4 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- (a) all of the Called Members and the Selling Members otherwise agree; or
  - (b) that date is less than 10 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 10 Business Days after the date of service of the Drag Along Notice.
- 8.5 If any Called Member fails to deliver to the Company a duly executed transfer in respect of the Called Shares held by him (together with the share certificates) in respect of those Called Shares (or a suitable indemnity in respect thereof), the defaulting Called Member shall be deemed to have appointed any person nominated for the purpose by the Selling Members to be their agent and attorney to execute and deliver all necessary transfers and take any

necessary steps on their behalf, against receipt by the Company of the consideration payable for the Called Shares.

## **9 Tag along rights**

9.1 The provisions of this Article 9 shall apply, subject to the other provisions of these Articles if, in one or a series of related transactions, one or more Members (each, a **Proposed Seller**) propose to transfer any Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person connected with the Buyer, holding or increasing their shareholding to more than 50% of all Shares.

9.2 Before making a Proposed Transfer, a Proposed Seller shall procure that the Buyer makes an offer (**Offer**) to the other Members to purchase all of the Shares held by them for a consideration per Share that is (at the election of the Proposed Seller(s)) either:

- (a) in the same form and amount as the consideration per Share paid (and to be paid) by the Buyer, or any person connected with the Buyer, in the Proposed Transfer and in any related previous transaction in the 3 months preceding the date of the Proposed Transfer; or
- (b) in cash for an amount at least equal to the highest price per Share paid (and to be paid) by the Buyer, or any person connected with the Buyer, in the Proposed Transfer or in any related previous transaction in the 3 months preceding the date of the Proposed Transfer,

**(Specified Price).**

9.3 The Offer shall be given by written notice (**Offer Notice**) at least 10 Business Days before the proposed sale date (**Sale Date**) and, to the extent not described in any accompanying documents, the Offer Notice shall set out:

- (a) the identity of the Buyer;
- (b) the Specified Price and other terms and conditions of payment;
- (c) the Sale Date; and
- (d) the number of Shares proposed to be purchased by the Buyer under the Proposed Transfer (**Offer Shares**).

9.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with Articles 9.2 and 9.3, the Proposed Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.



- 9.5 If the Offer is accepted by any Member (**Accepting Member**) in writing within 10 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by the Accepting Member.

## **10 Transmission of Shares**

### **Persons entitled on death of a Member**

- 10.1 If a Member dies, the only persons recognised by the Company as having any title to the deceased Members' interest are the following:
- (a) where the deceased Member was a joint holder, the survivor or survivors; and
  - (b) where the deceased Member was a sole holder, that Member's personal representative or representatives.
- 10.2 Nothing in these Articles shall release the deceased Member's estate from any liability in respect of any Share, whether the deceased was a sole holder or a joint holder.

### **Registration of transfer of a Share following death or bankruptcy**

- 10.3 A person becoming entitled to a Share in consequence of the death or bankruptcy of a Member may elect to do either of the following:
- (a) to become the holder of the Share; or
  - (b) to transfer the Share to another person.
- 10.4 That person must produce such evidence of his or her entitlement as the directors may properly require.
- 10.5 If the person elects to become the holder of the Share, he must give notice to the Company to that effect. For the purposes of these Articles, that notice shall be treated as though it were an executed instrument of transfer.
- 10.6 If the person elects to transfer the Share to another person then:
- (a) if the Share is fully paid, the transferor must execute an instrument of transfer; and
  - (b) if the Share is partly paid, the transferor and the transferee must execute an instrument of transfer.
- 10.7 All the Articles relating to the transfer of Shares shall apply to the notice or, as appropriate, the instrument of transfer.

## **Indemnity**

- 10.8 The directors may require a person registered as a Member by reason of the death or bankruptcy of another Member to indemnify the Company and the directors against any loss or damage suffered by the Company or the directors as a result of that registration.

## **Rights of person entitled to a Share following death or bankruptcy**

- 10.9 A person becoming entitled to a Share by reason of the death or bankruptcy of a Member shall have the rights to which he would be entitled if he were registered as the holder of the Share. But, until he is registered as Member in respect of the Share, he shall not be entitled to attend or vote at any meeting of the Company or at any separate meeting of the holders of that class of Shares in the Company.

## **11 Alteration of capital**

### **Increasing, consolidating, converting, dividing and cancelling share capital**

- 11.1 To the fullest extent permitted by the Law, the Company may by Special Resolution do any of the following (and amend its Memorandum and its Articles for that purpose):
- (a) increase its share capital in the manner prescribed by the resolution;
  - (b) consolidate and divide all or any of its share capital;
  - (c) convert all or any of its paid up Shares into stock, and reconvert that stock into paid up Shares of any denomination;
  - (d) sub-divide its Shares or any of them, including, in respect of any sub-division, so that the proportion between the amount paid and the amount, if any, unpaid on each sub-divided Share shall be the same as it was in case of the Share from which the sub-divided Share is derived; and the resolution may determine that, as between the Shares resulting from the sub-division, one or more of the Shares may, as compared with the others, have such preferred, deferred or other special rights, or be subject to such restrictions as the Company has power to attach to unissued or new Shares;
  - (e) cancel Shares which, at the date of the passing of the resolution to cancel them, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the Shares so cancelled or, in the case of Shares without nominal par value, diminish the number of Shares into which its capital is divided; and
  - (f) convert all or any of the Shares denominated in a particular currency into Shares denominated in a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current at the date of the resolution being a time within 40 days before the conversion takes effect.

## **Reducing share capital**

- 11.2 Subject to the Law and to any rights for the time being conferred on the Members holding a particular class of Shares, the Company may, by Special Resolution, reduce its share capital in any way.

## **Sale of fractions of Shares**

- 11.3 Whenever, as a result of a consolidation of Shares, any Members would become entitled to fractions of a Share, the directors may, in their absolute discretion, on behalf of those Members, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Law, the Company) and distribute the net proceeds of sale in due proportion among those Members, and the directors may authorise some person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his or her title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

## **Interests in Shares**

- 11.4 Each Member shall be under an obligation to make notifications in accordance with the provisions of Articles 11.5 to 11.8.
- 11.5 If at any time the Company shall have a class of Shares admitted to trading on AIM, the provisions of DTR5 shall be deemed to be incorporated by reference into these Articles and accordingly the vote holder and issuer notification rules set out in DTR5 shall apply to the Company and each Member, save that (i) notwithstanding the time limits for disclosure set out in DTR5, the Company must disclose such information without delay and (ii) the information must be notified by delivery of an announcement to a Regulatory Information Service for distribution to the public as opposed to "made public" in accordance with DTR5.
- 11.6 For the purposes of the incorporation by reference of DTR5 into these Articles and the application of DTR5 to the Company and each Member, the Company shall (for the purposes of Articles 11.4 to 11.8 only) be deemed to be an "issuer", as such term is defined in DTR5 (and not, for the avoidance of doubt, a "non-UK issuer", as such term is defined in DTR5).
- 11.7 For the purposes of Articles 11.4 to 11.8 only, defined terms in DTR5 shall bear the meaning set out in DTR5, and if the meaning of a defined term is not set out in DTR5, the defined term shall bear the meaning set out in the Glossary to the Handbook (in such case, read as the definition applicable to DTR5).
- 11.8 If at any time the Company shall have a class of Shares admitted to trading on AIM, the provisions of Section 793 of the 2006 Act, which provisions are incorporated by reference in these Articles and are available to the Members from the Secretary at no charge, shall apply to the Members of such listed Shares, provided that for the purposes of Articles 11.4 to 11.8, the following terms shall have the meanings set forth below:

**public company** shall mean the Company; and

**company's shares** shall mean the class of Shares of the Company admitted to trading on AIM.

11.9 If the Company determines that a Member (a **Defaulting Member**) has not complied with the provisions of DTR5 as set forth above with respect to some or all of such Shares held by such Member (the **Default Shares**), the Company shall have the right by delivery of notice to the Defaulting Member (a **Default Notice**) to:

- (a) suspend the right of such Defaulting Member to vote the Default Shares in person or by proxy at any meeting of the Company. Such a suspension shall have effect from the date on which the Default Notice is delivered by the Company to the Defaulting Member until a date that is not more than seven (7) days after the Company has determined in its sole discretion that the Defaulting Member has cured the non-compliance with the provisions of DTR5; provided however, that the Company may at any time by subsequent written notice cancel or suspend the operation of a Default Notice; and/or
- (b) (i) withhold, without any obligation to pay interest thereon, any dividend or other amount payable with respect to the Default Shares with such amount to be payable only after the Default Notice ceases to have effect with respect to the Default Shares, (ii) render ineffective any election to receive Shares of the Company instead of cash in respect of any dividend or part thereof, and/or (iii) prohibit the transfer of any Shares of the Company held by the Defaulting Member except with the consent of the Company or if the Defaulting Member can provide satisfactory evidence to the Company to the effect that, after due inquiry, such stockholder has determined that the Shares to be transferred are not Default Shares.

## **12 Redemption and purchase of Shares**

### **Power to issue redeemable Shares and to purchase Shares**

12.1 Subject to the Law, and to any rights for the time being conferred on the Members holding a particular class of Shares, the Company may by its directors:

- (a) issue Shares that are to be redeemed or liable to be redeemed, at the option of the Company or the Member holding those redeemable Shares, on the terms and in the manner its directors determine before the issue of those Shares;
- (b) convert existing non-redeemable limited shares, whether issued or not, into Shares that are to be redeemed or liable to be redeemed, at the option of the Company or the Member holding those redeemable Shares, on the terms and in the manner its directors determine before the conversion of those Shares; and
- (c) purchase all or any Shares of any class including any redeemable Shares.

### **Power to pay for redemption or purchase in cash or in specie**

- 12.2 When making a payment in respect of the redemption or purchase of Shares, the directors may make the payment in cash or in specie (or partly in one way and partly in the other way).

### **Effect of redemption or purchase of a Share**

- 12.3 The Company may hold Shares acquired by way of purchase or redemption in treasury in a manner authorised by the Law.

- 12.4 Upon the date of redemption or purchase of a Share:

- (a) the Member holding that Share shall cease to be entitled to any rights in respect of the Share other than the right to receive:
  - (i) the price for the Share; and
  - (ii) any dividend declared in respect of the Share prior to the date of redemption or purchase;
- (b) the Member's name shall be removed from the register with respect to the Share; and
- (c) the Share shall be cancelled or become a treasury share.

For the purpose of this Article, the date of redemption or purchase is the date when the redemption or purchase falls due.

- 12.5 The Company may make a payment in respect of the redemption or purchase of Shares in any manner authorised by the Law, including out of capital and otherwise than out of its profits or the proceeds of a fresh issue of Shares.

## **13 Meetings of members**

### **Power to call meetings**

- 13.1 The directors may call a general meeting at any time.
- 13.2 If there are insufficient directors to constitute a quorum and the remaining directors are unable to agree on the appointment of additional directors, the directors must call a general meeting for the purpose of appointing additional directors.
- 13.3 The directors must also call a general meeting if requisitioned in the manner set out in the next two Articles.
- 13.4 The requisition must be in writing and given by one or more Members who together hold at least 10% of the rights to vote at such general meeting.
- 13.5 The requisition must also:

- (a) specify the objects of the meeting;
  - (b) be signed by or on behalf of the requisitioners. The requisition may consist of several documents in like form signed by one or more of the requisitioners; and
  - (c) be deposited at the Company's registered office in accordance with the notice provisions.
- 13.6 Should the directors fail to call a general meeting within 21 days from the date of deposit of a requisition to be held within 2 months of that date, the requisitioners or any of them representing more than one half of the total voting rights of all of them, may call a general meeting to be held within three months from that date.
- 13.7 Without limitation to the foregoing, if there are insufficient directors to constitute a quorum and the remaining directors are unable to agree on the appointment of additional directors, any one or more Members who together hold at least 10% of the rights to vote at a general meeting may call a general meeting for the purpose of considering the business specified in the notice of meeting which shall include as an item of business the appointment of additional directors.
- 13.8 If the Members call a meeting under the above provisions, the Company shall reimburse their reasonable expenses.

#### **Annual general meetings**

- 13.9 The Company shall hold annual general meetings unless otherwise dispensed with in accordance with the Law. The first annual general meeting shall be held within a period of 18 months of the Company's incorporation and thereafter at least once in every calendar year. Not more than 18 months, where the Company is a public company, or 22 months, where the Company is a private company, may elapse between one annual general meeting and the next.

#### **Content of notice**

- 13.10 Notice of a general meeting shall specify each of the following:
- (a) the place, the date and the time of the meeting;
  - (b) if the meeting is to be held in two or more places, the technology that will be used to facilitate the meeting;
  - (c) subject to Article 13.10(d), the general nature of the business to be transacted;
  - (d) if a resolution is proposed as a Special Resolution, the text of that resolution; and
  - (e) in the case of an annual general meeting, that the meeting is an annual general meeting.
- 13.11 In each notice, there shall appear with reasonable prominence the following statements:

- (a) that a Member who is entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of that Member; and
- (b) that a proxy need not be a Member.

#### **Period of notice**

13.12 A general meeting, including an annual general meeting, shall be called by at least 14 Clear Days' notice. A meeting, however, may be called on shorter notice if it is so agreed:

- (a) in the case of an annual general meeting, by all the Members entitled to attend and vote at that meeting; and
- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at that meeting, being a majority together holding not less than:
  - (i) 95% where a Special Resolution is to be considered; or
  - (ii) 90% for all other meetings,of the total voting rights of the Members who have that right.

#### **Persons entitled to receive notice**

13.13 Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to the following people:

- (a) the Members;
- (b) persons entitled to a Share in consequence of the death or bankruptcy of a Member;
- (c) the directors;
- (d) the Company's auditor (if any); and
- (e) persons entitled to vote in respect of a Share in consequence of the incapacity of a Member.

#### **Publication of notice on a website**

13.14 Subject to the Law, a notice of a general meeting may be published on a website providing the recipient is given separate notice of:

- (a) the publication of the notice on the website;
- (b) the address of the website;
- (c) the place on the website where the notice may be accessed;

- (d) how it may be accessed; and
- (e) the place, date and time of the general meeting.

13.15 If a Member notifies the Company that he is unable for any reason to access the website, the Company must as soon as practicable give notice of the meeting to that Member in writing or by any other means permitted by these Articles but this will not affect when that Member is deemed to have been given notice of the meeting.

#### **Time a website notice is deemed to be given**

13.16 A website notice is deemed to be given when the Member is given notice of its publication.

#### **Required duration of publication on a website**

13.17 Where the notice of meeting is published on a website, it shall continue to be published in the same place on that website from the date of the notification until the conclusion of the meeting to which the notice relates.

#### **Accidental omission to give notice or non-receipt of notice**

13.18 Proceedings at a meeting shall not be invalidated by the following:

- (a) an accidental failure to give notice of the meeting to any person entitled to notice; or
- (b) non-receipt of notice of the meeting by any person entitled to notice.

13.19 In addition, where a notice of meeting is published on a website, proceedings at the meeting shall not be invalidated merely because it is accidentally published:

- (a) in a different place on the website; or
- (b) for part only of the period from the date of the notification until the conclusion of the meeting to which the notice relates.

### **14 Proceedings at meetings of Members**

#### **Quorum**

14.1 Save as provided in this Article 14, no business shall be transacted at any general meeting unless a quorum is present in person or by proxy. A quorum shall be two Members present in person or by proxy and entitled to attend and vote on the business to be transacted at the meeting.

#### **Lack of quorum**

14.2 If a quorum is not present within 15 minutes of the time appointed for the meeting, or if at any time during the meeting it becomes inquorate, then the following provisions apply:



- (a) if the meeting was requisitioned by Members entitled to vote, it shall be cancelled; or
- (b) in any other case, the meeting shall stand adjourned to the same time and place seven days hence, or to such other time or place as is determined by the directors. If a quorum is not present within 15 minutes of the time appointed for the adjourned meeting, then the Members present in person or by proxy and entitled to vote shall constitute a quorum.

### **Use of technology**

- 14.3 A person may participate in a general meeting through the medium of a conference telephone, video or any other form of communications equipment (**Electronic Facility**) provided all persons participating in the meeting are able to speak to each other throughout the meeting. A person participating in this way is deemed to be present at the meeting. The Company is under no obligation to offer or provide an Electronic Facility for the purposes of attending a general meeting.

### **Chairperson**

- 14.4 The chairperson of a general meeting shall be the chairperson of the board or such other director as the directors have nominated to chair board meetings in the absence of the chairperson of the board. Absent any such person being present within 15 minutes of the time appointed for the meeting, the directors present shall elect one of their number to chair the meeting.
- 14.5 If no director is present within 15 minutes of the time appointed for the meeting, or if no director is willing to act as chairperson, the Members present in person or by proxy and entitled to vote shall choose one of their number to chair the meeting.

### **Right of a director or auditor's representative to attend and speak**

- 14.6 Even if a director or a representative of the auditor (if any) is not a Member, he shall be entitled to attend and speak at any general meeting and at any separate meeting of Members holding a particular class of Shares.

### **Adjournment**

- 14.7 The chairperson may at any time adjourn a meeting with the consent of the Members constituting a quorum. The chairperson may adjourn the meeting if so directed by the meeting. No business, however, can be transacted at an adjourned meeting other than business which might properly have been transacted at the original meeting.
- 14.8 Should a meeting be adjourned for more than 14 Clear Days, whether because of a lack of quorum or otherwise, Members shall be given at least seven Clear Days' notice of the date, time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any notice of the adjournment.

## **Method of voting**

14.9 A resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of the show of hands, a poll is duly demanded. A poll may be demanded:

- (a) by the chairperson; or
- (b) by at least two Members having the right to vote on the resolution; or
- (c) by any Member or Members present who, individually or collectively, hold at least 10% of the voting rights of all those who have a right to vote on the resolution; or
- (d) by a Member or Members holding Shares conferring a right to vote on the resolution being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right,

and a demand by a person as proxy for a Member shall be the same as a demand by the Member.

## **Outcome of vote by show of hands**

14.10 Unless a poll is duly demanded, a declaration by the chairperson as to the result of a resolution and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the outcome of a show of hands without proof of the number or proportion of the votes recorded in favour of or against the resolution.

## **Withdrawal of demand for a poll**

14.11 The demand for a poll may be withdrawn before the poll is taken, but only with the consent of the chairperson. The chairperson shall announce any such withdrawal to the meeting and, unless another person forthwith demands a poll, any earlier show of hands on that resolution shall be treated as the vote on that resolution; if there has been no earlier show of hands, then the resolution shall be put to the vote of the meeting.

## **Taking of a poll**

14.12 A poll demanded on the question of adjournment shall be taken immediately.

14.13 A poll demanded on any other question shall be taken either immediately or at an adjourned meeting at such time and place as the chairperson directs, not being more than 30 Clear Days after the poll was demanded.

14.14 The demand for a poll shall not prevent the meeting continuing to transact any business other than the question on which the poll was demanded.

- 14.15 A poll shall be taken in such manner as the chairperson directs. He may appoint scrutineers (who need not be Members) and fix a place and time for declaring the result of the poll. If, through the aid of technology, the meeting is held in more than one place, the chairperson may appoint scrutineers in more than one place; but if he considers that the poll cannot be effectively monitored at that meeting, the chairperson shall adjourn the holding of the poll to a date, place and time when that can occur.

#### **Chairperson's casting vote**

- 14.16 If the votes on a resolution, whether on a show of hands or on a poll, are equal the chairperson may if he wishes exercise a casting vote.

#### **Amendments to resolutions**

- 14.17 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:

- (a) not less than 48 hours before the meeting is to take place (or such later time as the chairperson of the meeting may determine), notice of the proposed amendment is given to the Company in writing by a Member entitled to vote at that meeting; and
- (b) the proposed amendment does not, in the reasonable opinion of the chairperson of the meeting, materially alter the scope of the resolution.

- 14.18 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:

- (a) the chairperson of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
- (b) the amendment does not go beyond what the chairperson considers is necessary to correct a grammatical or other non-substantive error in the resolution.

- 14.19 If the chairperson of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairperson's error does not invalidate the vote on that resolution.

#### **Written resolutions**

- 14.20 Members may pass a resolution in writing without holding a meeting if the following conditions are met:

- (a) all Members entitled to vote must receive:
  - (i) a copy of the resolution; and
  - (ii) a statement informing the Members:

- (A) how to signify agreement to the resolution; and
  - (B) as to the date by which the resolution must be passed if it is not to lapse (or if no date is given the resolution shall lapse 28 days after the circulation date);
- (b) the specified majority of Members entitled to vote:
  - (i) sign a document; or
  - (ii) sign several documents in the like form each signed by one or more of those Members; and
- (c) the signed document or documents is or are delivered to the Company at the place and by the time nominated by the Company in the notice of the resolution including, if the Company so nominates, by delivery of an Electronic Record by Electronic means to the address specified for that purpose.

Such written resolution shall be as effective as if it had been passed at a meeting of all Members entitled to vote duly convened and held.

- 14.21 Each Member shall have one vote for each Share he holds which confers the right to receive and vote on a written resolution and unless the resolution in writing signed by the Member is silent, in which case all Shares held are deemed to have been voted, the number of Shares specified in the resolution in writing shall be deemed to have been voted.
- 14.22 If a written resolution is described as a Special Resolution or as an Ordinary Resolution, it has effect accordingly.

## **15 Voting rights of members**

### **Right to vote**

- 15.1 Unless their Shares carry no right to vote, or unless a call or other amount presently payable has not been paid, all Members are entitled to vote at a general meeting, whether on a show of hands or a poll, and all Members holding Shares of a particular class are entitled to vote at a meeting of the holders of that class of Shares.
- 15.2 Members may vote in person or by proxy.
- 15.3 On a show of hands, every Member who is entitled to vote shall have one vote. For the avoidance of doubt, an individual who represents two or more such Members, including a Member in that individual's own right, shall be entitled to a separate vote for each Member.
- 15.4 On a poll a Member who is entitled shall have one vote for each Share he holds, unless any Share carries special voting rights.

- 15.5 A fraction of a Share carrying the right to vote shall entitle its holder to an equivalent fraction of one vote.
- 15.6 No Member is bound to vote all his or her Shares or any of them; nor is he bound to vote each of his or her Shares in the same way.

### **Rights of joint holders**

- 15.7 If Shares are held jointly, only one of the joint holders may vote. If more than one of the joint holders tenders a vote, the vote of the holder whose name in respect of those Shares appears first in the register shall be accepted to the exclusion of the votes of the other joint holders.

### **Representation of corporate Members**

- 15.8 Save where otherwise provided, a corporate Member must act by one or more duly authorised representatives.
- 15.9 A corporate Member wishing to act by a duly authorised representative must identify that person to the Company by notice in writing.
- 15.10 The authorisation may be for any period of time, and must be delivered to the Company not less than 48 hours before the commencement of the meeting at which it is first used.
- 15.11 The directors of the Company may require the production of any evidence which they consider necessary to determine the validity of the notice.
- 15.12 Where a duly authorised representative is present at a meeting that Member is deemed to be present in person; and the acts of the duly authorised representative are personal acts of that Member.
- 15.13 A corporate Member may revoke the appointment of a duly authorised representative at any time by notice to the Company; but such revocation will not affect the validity of any acts carried out by the duly authorised representative before the directors of the Company had actual notice of the revocation.

### **Member with mental disorder**

- 15.14 A Member in respect of whom an order has been made by any court having jurisdiction (whether in the Island or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by that Member's receiver, curator bonis or other person authorised in that behalf appointed by that court.
- 15.15 For the purpose of the preceding Article, evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote must be received not less than 24 hours before holding the relevant meeting or the adjourned meeting in any manner specified for the delivery of forms of appointment of a proxy, whether in writing or by Electronic means. In default, the right to vote shall not be exercisable.

### **Objections to admissibility of votes**

- 15.16 An objection to the validity of a person's vote may only be raised at the meeting or at the adjourned meeting at which the vote is sought to be tendered. Any objection duly made shall be referred to the chairperson whose decision shall be final and conclusive.

### **Form of proxy**

- 15.17 An instrument appointing a proxy shall be in any common form or in any other form approved by the directors. A Member may appoint more than one proxy to attend on the same occasion.

- 15.18 The instrument must be in writing and signed in one of the following ways:

- (a) by the Member; or
- (b) by the Member's authorised attorney; or
- (c) if the Member is a corporation or other body corporate, under seal or signed by an authorised officer, secretary or attorney.

If the directors so resolve, the Company may accept an Electronic Record of that instrument delivered in the manner specified below and otherwise satisfying the Articles about authentication of Electronic Records.

- 15.19 The directors may require the production of any evidence which they consider necessary to determine the validity of any appointment of a proxy.
- 15.20 A Member may revoke the appointment of a proxy at any time by notice to the Company duly signed in accordance with Article 15.18; but such revocation will not affect the validity of any acts carried out by the proxy before the directors of the Company had actual notice of the revocation.

### **How and when proxy is to be delivered**

- 15.21 Subject to the following Articles, the form of appointment of a proxy and any authority under which it is signed, or a copy of the authority certified notarially or in any other way approved by the directors, must be delivered so that it is received by the Company 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote. When calculating such period, no account shall be taken of any part of a day that is not a working day (Saturday, Sunday or public holiday, per articles 4A and 4B of the Law). They must be delivered in either of the following ways:

- (a) in the case of an instrument in writing, it must be left at or sent by post:
  - (i) to the registered office of the Company; or

- (ii) to such other place within the Island specified in the notice convening the meeting or in any form of appointment of proxy sent out by the Company in relation to the meeting;
- (b) if, pursuant to the notice provisions, a notice may be given to the Company in an Electronic Record, an Electronic Record of an appointment of a proxy must be sent to the address specified pursuant to those provisions unless another address for that purpose is specified:
  - (i) in the notice convening the meeting; or
  - (ii) in any form of appointment of a proxy sent out by the Company in relation to the meeting; or
  - (iii) in any invitation to appoint a proxy issued by the Company in relation to the meeting.

15.22 Where a poll is taken:

- (a) if it is taken more than seven Clear Days after it is demanded, the form of appointment of a proxy and any accompanying authority (or an Electronic Record of the same) must be delivered as required under Article 15.21 not less than 48 hours before the time appointed for the taking of the poll;
- (b) if it is taken within seven Clear Days after it was demanded, the form of appointment of a proxy and any accompanying authority (or an Electronic Record of the same) must be delivered as required under Article 15.21 not less than 48 hours before the time appointed for the taking of the poll.

15.23 If the form of appointment of proxy is not delivered on time, it is invalid.

### **Voting by proxy**

15.24 A proxy shall have the same voting rights at a meeting or adjourned meeting as the Member would have had except to the extent that the instrument appointing him limits those rights. Notwithstanding the appointment of a proxy, a Member may attend and vote at a meeting or adjourned meeting. If a Member votes on any resolution a vote by his or her proxy on the same resolution, unless in respect of different Shares, shall be invalid.

## **16 Number of directors**

Unless otherwise determined by Ordinary Resolution, the minimum number of directors shall be two but there shall be no maximum number.

## **17 Appointment, disqualification and removal of directors**

### **First directors**

- 17.1 The first directors shall be appointed in writing by the subscriber or subscribers to the Memorandum.

### **No age limit**

- 17.2 There is no age limit for directors save that they must be aged at least 18 years.

### **Corporate directors**

- 17.3 Unless prohibited by law, a body corporate may be a director. If a body corporate is a director, the Articles about representation of corporate Members at general meetings apply, mutatis mutandis, to the Articles about directors' meetings.

### **No shareholding qualification**

- 17.4 Unless a shareholding qualification for directors is fixed by Ordinary Resolution, no director shall be required to own Shares as a condition of his or her appointment.

### **Appointment of directors**

- 17.5 A director may be appointed by Ordinary Resolution or by the directors. Any appointment may be to fill a vacancy or as an additional director.
- 17.6 A remaining director may appoint a director even though there is not a quorum of directors.
- 17.7 No appointment can cause the number of directors to exceed the maximum; and any such appointment shall be invalid.

### **Removal of directors**

- 17.8 A director may be removed by Ordinary Resolution. A director may also be removed by his or her fellow directors comprising at least two directors.

### **Retirement of directors**

- 17.9 At each annual general meeting of the Company all directors shall retire from office except any director appointed by the board after the notice of that annual general meeting has been given and before that annual general meeting has been held. A retiring director may offer himself for re-appointment by the members and a director that is so re-appointed will be treated as continuing in office without a break.



### **Deemed re-appointment**

- 17.10 A director who retires at an annual general meeting shall (unless they are removed from office or their office is vacated in accordance with these Articles) retain office until the close of the meeting at which they retire or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to elect another person in their place or the resolution to re-appoint them is put to the meeting and lost.
- 17.11 If the Company, at any meeting at which a director retires in accordance with these Articles does not fill the office vacated by such director, the retiring director, if willing to act, shall be deemed to be re-appointed unless at that meeting a resolution is passed not to fill the vacancy or elect another person in their place or unless the resolution to re-appoint them is put to the meeting and lost.

### **Resignation of directors**

- 17.12 A director may at any time resign the office by giving to the Company notice in writing or, if permitted pursuant to the notice provisions, in an Electronic Record delivered in either case in accordance with those provisions.
- 17.13 Unless the notice specifies a different date, the director shall be deemed to have resigned on the date on which the notice is delivered to the Company.

### **Termination of the office of director**

- 17.14 A director's office shall be terminated forthwith if:
- (a) he resigns his office by notice to the Company in accordance with Articles 17.12 and 17.13; or
  - (b) he is prohibited by the law of the Island from acting as a director; or
  - (c) where he has been appointed for a fixed term, the term expires; or
  - (d) he ceases to be eligible to be a director by virtue of a provision of the Law, is removed from office pursuant to the Articles or becomes prohibited by any other applicable law or the AIM Rules (where the Company's Shares are admitted to trading on AIM) from being a director; or
  - (e) he becomes bankrupt or has had a declaration en désastre in relation to his property made pursuant to the Bankruptcy (Désastre) Jersey Law 1990 or any similar event occurs under any foreign law; or
  - (f) in the opinion of a registered medical practitioner by whom he is being treated he becomes physically or mentally incapable of acting as a director; or

- (g) he is made subject to any law relating to mental health or incompetence, whether by court order or otherwise; or
- (h) without the consent of the other directors, he is absent from meetings of directors for a continuous period of six months; or
- (i) his conduct (whether or not concerning the affairs of the Company) is the subject of an investigation by the JFSC or any successor body or equivalent body in any foreign jurisdiction and the directors resolve it is undesirable in the interests of the Company that he remains a director of the Company.

17.15 If the office of director is terminated or vacated for any reason, he shall thereupon cease to be a member of any committee of the board of directors of the Company.

## **18 Alternate directors**

### **Appointment and removal**

- 18.1 Any director (other than an alternate director) may appoint any other person, including another director, to act in his or her place as an alternate director. No appointment shall take effect until the director has given notice of the appointment to the other directors.
- 18.2 A director may revoke his or her appointment of an alternate at any time. No revocation shall take effect until the director has given notice of the revocation to the other directors.
- 18.3 A notice of appointment or removal of an alternate director must be given to the Company by notice in writing in accordance with the notice provisions.

### **Notices**

- 18.4 All notices of meetings of directors shall continue to be given to the appointing director and not to the alternate.

### **Rights of alternate director**

- 18.5 An alternate director, where so appointed and acting, shall (subject to these Articles) be entitled to:
  - (a) attend and vote at any board meeting or meeting of a committee of the directors at which the appointing director is not personally present;
  - (b) sign any written resolution of the directors or a committee of the directors circulated for written consent; and
  - (c) generally perform all the functions of the appointing director in his or her absence.

An alternate director, however, is not entitled to receive any remuneration from the Company for services rendered as an alternate director.

- 18.6 A director who is also an alternate director shall be entitled to a separate vote for each director for whom he or she acts as alternate in addition to his or her own vote.
- 18.7 Save as otherwise provided in these Articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his or her own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

#### **Appointment ceases when the appointor ceases to be a director**

- 18.8 An alternate director shall automatically cease to be an alternate director if the director who appointed him ceases to be a director, or on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointer, would result in the termination of the appointer's appointment as a director.

### **19 Powers of directors**

#### **Powers of directors**

- 19.1 Subject to the provisions of the Law, the Memorandum, these Articles and any directions given by Special Resolution, the business of the Company shall be managed by the directors who may for that purpose exercise all the powers of the Company.
- 19.2 No prior act of the directors shall be invalidated by any subsequent alteration of the Memorandum or these Articles or any direction given by Special Resolution. However, to the extent allowed by the Law, Members may in accordance with the Law validate any prior or future act of the directors which would otherwise be in breach of their duties.

#### **Appointments to office**

- 19.3 The directors may appoint a director:
- (a) as chairperson of the board of directors;
  - (b) as managing director;
  - (c) to any other executive office,
- for such period and on such terms, including as to remuneration, as they think fit.
- 19.4 The appointee must consent in writing to holding that office.
- 19.5 Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim for damages for breach of any agreement relating to the provision of the services of such director.

- 19.6 Where a chairperson is appointed he shall, unless unable to do so, preside at every meeting of directors.
- 19.7 If there is no chairperson, or if the chairperson is unable to preside at a meeting, that meeting may select its own chairperson; or the directors may nominate one of their number to act in place of the chairperson should he ever not be available.
- 19.8 Subject to the provisions of the Law and Article 19.9, the directors may also appoint any person, who need not be a director:
- (a) as Secretary; and
  - (b) to any office that may be required,
- for such period and on such terms, including as to remuneration, as they think fit. In the case of an Officer, that Officer may be given any title the directors decide.
- 19.9 The Secretary or Officer must consent in writing to holding that office.
- 19.10 A director, Secretary or other Officer of the Company may not hold office, or perform the services, of auditor.

### **Remuneration**

- 19.11 Every director may be remunerated by the Company for the services he provides for the benefit of the Company, whether as director, employee or otherwise, and shall be entitled to be paid for the expenses incurred in the Company's business including attendance at directors' meetings.
- 19.12 The remuneration or salary of any director appointed to hold any employment or executive office in accordance with these Articles may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the board, and may be in addition to or instead of any fee payable to them for their services as director under these Articles.
- 19.13 Remuneration may take any form and may include arrangements to pay pensions, health insurance, death or sickness benefits, whether to the director or to any other person connected to or related to him.
- 19.14 Unless his or her fellow directors determine otherwise, a director is not accountable to the Company for remuneration or other benefits received from any other company which is in the same group as the Company or which has common shareholdings.

## **20 Delegation of powers**

### **Power to delegate any of the directors' powers to a committee**

- 20.1 The directors may delegate any of their powers to any committee consisting of one or more persons. The committee may include non-directors so long as the majority of persons on the committee are directors.
- 20.2 The delegation may be collateral with, or to the exclusion of, the directors' own powers.
- 20.3 The delegation may be on such terms as the directors think fit, including provision for the committee itself to delegate to a sub-committee; save that any delegation must be capable of being revoked or altered by the directors at will.
- 20.4 Unless otherwise permitted by the directors, a committee must follow the procedures prescribed for the taking of decisions by directors.

### **Power to appoint an agent of the Company**

- 20.5 The directors may appoint any person, either generally or in respect of any specific matter, to be the agent of the Company with or without authority for that person to delegate all or any of that person's powers. The directors may make that appointment:
  - (a) by causing the Company to enter into a power of attorney or agreement; or
  - (b) in any other manner they determine.

### **Power to appoint an attorney or authorised signatory of the Company**

- 20.6 The directors may appoint any person, whether nominated directly or indirectly by the directors, to be the attorney or the authorised signatory of the Company. The appointment may be:
  - (a) for any purpose;
  - (b) with the powers, authorities and discretions;
  - (c) for the period; and
  - (d) subject to such conditions,as they think fit. The powers, authorities and discretions, however, must not exceed those vested in, or exercisable by, the directors under these Articles. The directors may make such an appointment by power of attorney or any other manner they think fit.
- 20.7 Any power of attorney or other appointment may contain such provision for the protection and convenience of persons dealing with the attorney or authorised signatory as the directors think

fit. Any power of attorney or other appointment may also authorise the attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in that person.

## **21 Meetings of directors**

### **Regulation of directors' meetings**

21.1 Subject to the provisions of these Articles, the directors may regulate their proceedings as they think fit.

### **Calling meetings**

21.2 Any director may call a meeting of directors at any time. The Secretary must call a meeting of the directors if requested to do so by a director.

### **Notice of meetings**

21.3 Every director shall be given notice of a meeting, although a director may waive retrospectively the requirement to be given notice. Notice may be oral.

### **Use of technology**

21.4 A director may participate in a meeting of directors through the medium of conference telephone, video or any other form of communications equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting.

21.5 A director participating in this way is deemed to be present in person at the meeting and shall, subject to Article 22.5 and Article 22.6, be entitled to vote and be counted in the quorum accordingly.

### **Quorum**

21.6 The quorum for the transaction of business at a meeting of directors (including any adjourned meeting) shall be fixed by the directors and, unless so fixed at any greater number, shall be two directors (or their alternate directors) present and entitled to vote.

21.7 Subject to these Articles, an alternate director present at a meeting of directors shall, in the absence of the director for whom he acts as director, be counted in the quorum at the meeting and any director who is present and counts in the quorum at a board meeting shall also be counted in the quorum as one for each absent director for whom he acts as alternate director at the meeting.

21.8 If a quorum is not present within 15 minutes from the time specified for a meeting of directors, or if, during a meeting, a quorum ceases to be present, then the meeting shall be adjourned to the same day in the next week at the same time and place or such other day, time and place as the chairperson may determine and if, at such adjourned meeting, a quorum is not present

within 15 minutes from the time specified for the meeting of directors, those directors present shall be a quorum.

### **Voting**

- 21.9 All decisions of the directors shall be made at a meeting of the board duly convened in accordance with these Articles and therefore no decisions of the directors shall be valid if purported to be approved pursuant to a resolution in writing.
- 21.10 A question which arises at a board meeting shall be decided by a majority of votes. If votes are equal the chairperson may, if he wishes and is eligible to do so, exercise a casting vote.
- 21.11 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

### **Validity**

- 21.12 Anything done at a meeting of directors is unaffected by the fact that it is later discovered that any person was not properly appointed, or had ceased to be a director, or was otherwise not entitled to vote.

### **Recording of dissent**

- 21.13 A director present at a meeting of directors shall be presumed to have assented to any action taken at that meeting unless:
- (a) His or her dissent is entered in the minutes of the meeting; or
  - (b) he has filed with the meeting before it is concluded a signed dissent from that action; or
  - (c) he has forwarded to the Company as soon as practical following the conclusion of that meeting a signed dissent.

A director who votes in favour of an action is not entitled to record his or her dissent to it.

### **Written resolutions**

- 21.14 The directors may pass a resolution in writing without holding a meeting if the following conditions are met:
- (a) all directors are given notice of the resolution; and
  - (b) the resolution is set out in a document or documents indicating that it is a written resolution; and

- (c) all of the directors:
  - (i) sign a document; or
  - (ii) sign several documents in the like form each signed by one or more directors; or
  - (iii) provide confirmation of acceptance of the resolution by email; and
- (d) either,
  - (i) for the purposes of Articles 21.14(c)(i) and 21.14(c)(ii) the signed document or documents is or are delivered to the Company, including, if the Company so nominates by delivery of an Electronic Record, by Electronic means to the address specified for that purpose; or
  - (ii) for the purposes of Article 21.14(c)(iii), the email confirmation is sent to the Company and the other directors by Electronic means to the addresses specified for that purpose.

21.15 Such written resolution shall be as effective as if it had been passed at a meeting of the directors duly convened and held; and it shall be treated as having been passed on the day and at the time that the last director signs or sends his or her email confirmation (as the case may be).

## **22 Permissible directors' interests and disclosure**

### **Permissible interests subject to disclosure**

- 22.1 Save as expressly permitted by these Articles or as set out below, a director may not have a direct or indirect interest which to a material extent conflicts or may conflict with the interests of the Company or any subsidiary of the Company.
- 22.2 If, notwithstanding the prohibition in the preceding Article, a director discloses any direct or indirect interest in accordance with the next Article, he may:
- (a) be a party to, or otherwise interested in, any transaction or arrangement with the Company or any subsidiary of the Company or in which the Company or any such subsidiary is or may otherwise be interested; and
  - (b) be interested in another body corporate promoted by the Company or any such subsidiary or in which the Company or any such subsidiary is otherwise interested. In particular, the director may be a director, secretary or officer of, or employed by, or be a party to any transaction or arrangement with, or otherwise interested in, that other body corporate.



- 22.3 The disclosure required by the preceding Article must be achieved by the interested director disclosing to his or her fellow directors, at the first meeting of the board at which the transaction or arrangement is considered after the director concerned becomes aware of the circumstances giving rise to his or her disclosure obligation or, failing this, as soon as practical after that meeting by notice in writing delivered to the Secretary, the nature and extent of his or her direct or indirect interest in a transaction or arrangement or series of transactions or arrangements entered into or proposed to be entered into by the Company or any subsidiary of the Company or in which the Company or any such subsidiary is or may otherwise be interested, which to a material extent conflicts or may conflict with the interests of the Company or any such subsidiary and of which the director is aware.
- 22.4 If a director has disclosed his or her interest in accordance with the preceding Article, then he shall not, by reason only of his or her office, be accountable to the Company for any benefit which he derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

#### **Notification of interests**

- 22.5 For the purposes of the preceding Article, a director shall be taken to have sufficiently disclosed the nature and extent of any interest in a transaction or arrangement if:
- (a) the director gives a general notice to the other directors that a specific person or class of persons has an interest, of the nature and extent specified in the notice, in a transaction or arrangement; and
  - (b) the director meets the description of the specified person or class of persons.
- 22.6 A director shall not be treated as having an interest in a transaction or arrangement if he has no knowledge of that interest and it is unreasonable to expect the director to have that knowledge.

#### **Voting where a director is interested in a matter**

- 22.7 A director may vote at a meeting of directors on any resolution concerning a matter in which that director has an interest or duty, whether directly or indirectly, so long as that director discloses his or her interest pursuant to these Articles. Subject to such disclosure, the director shall be counted towards a quorum of those present at the meeting and, if the director votes on the resolution, his or her vote shall be counted.
- 22.8 Where proposals are under consideration concerning the appointment of two or more directors to offices or employment with the Company, any subsidiary of the Company or any body corporate in which the Company is otherwise interested, the proposals may be divided and considered in relation to each director separately and each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his or her own appointment.

## **23 Minutes**

The Company shall cause minutes to be made in books kept for the purpose in accordance with the Law.

## **24 Accounts and audits**

### **Keeping and inspection of accounts**

- 24.1 The board shall ensure that accounting records are kept in accordance with the Law.
- 24.2 The accounting records shall be kept at the Company's registered office or, subject to the Law, at another place decided by the board and shall be available during business hours for the inspection of the directors and other officers. No Member (other than a director or other officer) has the right to inspect an accounting record or other document except if that right is conferred by the Law or he is authorised by the board or by an Ordinary Resolution.
- 24.3 Where the Company's Shares are admitted to trading on AIM, the accounts, the directors' report and the auditor's report of the Company shall be prepared in accordance with IFRS or any other accounting standard permissible under the AIM Rules and approved by the Company by Ordinary Resolution.

### **Accounts to be sent to Members etc.**

- 24.4 In respect of each financial year, a copy of the Company's annual accounts, the directors' report, the directors' remuneration report, the auditors' report on those accounts and on the auditable part of the directors' remuneration report shall be sent by post or delivered to:
- (a) every Member (whether or not entitled to receive notices of general meetings);
  - (b) every holder of debentures (whether or not entitled to receive notices of general meetings); and
  - (c) every other person who is entitled to receive notices of general meetings,
- 24.5 Not less than 14 Clear Days before the date of the meeting at which copies of those documents are to be laid in accordance with the Law. This Article does not require copies of the documents to which it applies to be sent or delivered to:
- (a) a Member or holder of debentures of whose Address the Company is unaware; or
  - (b) more than one of the joint holders of Shares or debentures.
- 24.6 The board may determine that persons entitled to receive a copy of the Company's annual accounts, the directors' report, the directors' remuneration report, the auditors' report on those accounts and on the auditable part of the directors' remuneration report are those persons entered on the register at the close of business on a day determined by the board, provided

that, if the Company is a participating issuer, the day determined by the board may not be more than 14 Clear Days before the day that the relevant copies are being sent.

- 24.7 Where permitted by the Law, a summary financial statement derived from the Company's annual accounts, the directors' report and the directors' remuneration report in the form and containing the information prescribed by the Law may be sent by post or delivered to a person so electing in place of the documents required to be sent or delivered by Article 24.4.
- 24.8 Any documents required or permitted to be sent by the Company to a person pursuant to Articles 24.4 to 24.10 shall be treated as sent if:
- (a) sent by electronic communication in accordance with the 2000 Law to an Address for the time being notified to the Company by that person for that purpose; or
  - (b) published on a website, provided that the following conditions are met:
    - (i) the Company and that person have agreed that such documents may be accessed by him on a website (instead of their being sent by post or otherwise delivered to him);
    - (ii) that person is notified, in a manner for the time being agreed for the purpose between him and the Company, of:
      - (A) the publication of the documents on a website;
      - (B) the Address of that website;
      - (C) the place on that website where the documents may be accessed; and
      - (D) how they may be accessed.
- 24.9 Documents treated in accordance with Article 24.8(b) above as sent to any person are to be treated as sent to him not less than 14 Clear Days before the date of a meeting if, and only if:
- (a) the documents are published on the website throughout a period beginning at least 14 Clear Days before the date of the meeting and ending with the conclusion of the meeting; and
  - (b) the notification given for the purposes of Article 24.8(b)(ii) above is given not less than 14 Clear Days before the date of the meeting.
- 24.10 Nothing in Article 24.9(b) above shall invalidate the proceedings of a meeting where any documents that are required to be published as mentioned in Article 24.9(a) above are by accident published in different places on the website or published for a part, but not all, of the period mentioned in that Article.

## **25 Record dates**

### **Record date for dividends, distributions, allotments and issuances**

- 25.1 Notwithstanding any other provision of these Articles but without prejudice to the rights attached to any Shares and subject always to the Law, the Company or the board may fix any time on any date as the record date (**record date**) by reference to which a dividend is to be declared or a distribution, allotment or issue is to be made. Such record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made.
- 25.2 In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made.

### **Record date for meetings**

- 25.3 In order that the Company may determine the Members entitled to vote at any meeting of Members or any adjournment thereof, and how many votes such person may cast, the board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed the record date for determining Members entitled to vote at a meeting of Members shall, unless otherwise required by law, be at the close of business on the Business Day preceding the day on which notice is given.

### **Record date for service**

- 25.4 Any notice, document or other information may be served, sent or supplied by the Company by reference to the register as it stands at any time not more than fifteen (15) days before the date of service, sending or supplying. No change in the register after that time shall invalidate that service, sending or supply.
- 25.5 Where any notice, document or other information is served on, sent or supplied to any person in respect of a Share in accordance with these Articles, no person deriving any title or interest in that Share shall be entitled to any further service, sending or supplying of that notice, document or other information.

## **26 Dividends**

### **Declaration of dividends by Members**

- 26.1 Subject to the provisions of the Law, the Company may by Ordinary Resolution declare dividends in accordance with the respective rights of the Members but no dividend shall exceed the amount recommended by the directors. Any such declared dividend, subject to it not exceeding the amount recommended by the directors, shall be a debt owed by the Company

due on the date that such dividend is declared to be payable or, if no date is specified, immediately.

#### **Payment of interim dividends by directors**

- 26.2 Subject to the provisions of the Law, the directors may pay interim dividends in accordance with the respective rights of the Members. Any interim dividend shall not be a debt owed by the Company until such time as payment of the dividend is made.
- 26.3 In relation to Shares carrying differing rights to dividends or rights to dividends at a fixed rate, the following applies:
- (a) if the Company has different classes of Shares, the directors may pay dividends on Shares which confer deferred or non-preferred rights with regard to dividends as well as on Shares which confer preferential rights with regard to dividends but no dividend shall be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears;
  - (b) subject to the provisions of the Law, the directors may also pay, at intervals settled by them, any dividend payable at a fixed rate if it appears to them that there are sufficient funds of the Company lawfully available for distribution to justify the payment; and
  - (c) if the directors act in good faith, they shall not incur any liability to the Members holding Shares conferring preferred rights for any loss those Members may suffer by the lawful payment of the dividend on any Shares having deferred or non-preferred rights.

#### **Apportionment of dividends**

- 26.4 Except as otherwise provided by the rights attached to Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amount paid up on the Shares during the time or part of the time in respect of which the dividend is paid. But if a Share is issued on terms providing that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly.

#### **Right of set off**

- 26.5 The directors may deduct from a dividend or any other amount payable to a person in respect of a Share any amount due by that person to the Company on a call or otherwise in relation to a Share.

#### **Power to pay other than in cash**

- 26.6 If the directors so determine, any resolution determining a dividend may direct that it shall be satisfied wholly or partly by the distribution of assets or the issue of Shares. If a difficulty arises in relation to the distribution, the directors may settle that difficulty in any way they consider appropriate. For example, they may do any one or more of the following:

- (a) issue fractional Shares;
- (b) fix the value of assets for distribution and make cash payments to some Members on the footing of the value so fixed in order to adjust the rights of Members; and
- (c) vest some assets in trustees.

#### **How payments may be made**

26.7 A dividend or other monies payable on or in respect of a Share may be paid in any of the following ways:

- (a) if the Member holding that Share or other person entitled to that Share nominates a bank account for that purpose, by wire transfer to that bank account; or
- (b) by cheque or warrant sent by post to the registered address of the Member holding that Share or other person entitled to that Share.

26.8 For the purpose of Article 26.7(a), the nomination may be in writing or in an Electronic Record and the bank account nominated may be the bank account of another person. For the purpose of Article 26.7(b), subject to any applicable law or regulation, the cheque or warrant shall be made to the order of the Member holding that Share or other person entitled to the Share or to his or her nominee, whether nominated in writing or in an Electronic Record, and payment of the cheque or warrant shall be a good discharge to the Company.

26.9 If two or more persons are registered as the holders of the Share or are jointly entitled to it by reason of the death or bankruptcy of the registered holder (**Joint Holders**), a dividend (or other amount) payable on or in respect of that Share may be paid as follows:

- (a) to the registered address of the Joint Holder of the Share who is named first on the register or to the registered address of the deceased or bankrupt holder, as the case may be; or
- (b) to the address or bank account of another person nominated by the Joint Holders, whether that nomination is in writing or in an Electronic Record.

26.10 Any Joint Holder of a Share may give a valid receipt for a dividend (or other amount) payable in respect of that Share.

#### **Dividends or other monies not to bear interest in absence of special rights**

26.11 Unless provided for by the rights attached to a Share, no dividend or other monies payable by the Company in respect of a Share shall bear interest.

## **Dividends unable to be paid or unclaimed**

- 26.12 If a dividend cannot be paid to a Member or remains unclaimed within six weeks after it was declared or both, the directors may pay it into a separate account in the Company's name. If a dividend is paid into a separate account, the Company shall not be constituted trustee in respect of that account and the dividend shall remain a debt due to the Member.
- 26.13 A dividend that remains unclaimed for a period of ten years after it became due for payment shall be forfeited to, and shall cease to remain owing by, the Company.

## **27 Capitalisation of profits**

### **Capitalisation of profits or of any share premium account or capital redemption reserve**

- 27.1 Subject to the Law, the directors may resolve to capitalise any part of the Company's reserves not required for paying any preferential dividend.
- 27.2 The amount resolved to be capitalised must be appropriated to the Members who would have been entitled to it had it been distributed by way of dividend and in the same proportions. The benefit to each Member so entitled must be given in either or both of the following ways:
- (a) by paying up the amounts unpaid on that Member's Shares;
  - (b) by issuing fully paid Shares or debentures of the Company to that Member or as that Member directs. The directors may resolve that any Shares issued to the Member in respect of partly paid Shares (**Original Shares**) rank for dividend only to the extent that the Original Shares rank for dividend while those Original Shares remain partly paid.

### **Applying an amount for the benefit of members**

- 27.3 Subject to the Law, if a fraction of a Share or a debenture is allocated to a Member, the directors may issue a fractional certificate to that Member or pay him the cash equivalent of the fraction.

## **28 Seal**

### **Company seal**

- 28.1 The Company may have a seal if the directors so determine.

### **Official seal**

- 28.2 Subject to the provisions of the Law, the Company may also have:
- (a) an official seal or seals for use in any place or places outside the Island. Each such official seal shall be a facsimile of the original seal of the Company but shall have added on its face the name of the country, territory or place where it is to be used or the words "branch seal"; and

- (b) an official seal for use only in connection with the sealing of securities issued by the Company and such official seal shall be a copy of the common seal of the Company but shall in addition bear the word "securities".

#### **When and how seal is to be used**

28.3 A seal may only be used by the authority of the directors. Unless the directors otherwise determine, a document to which a seal is affixed must be signed in one of the following ways:

- (a) by a director (or his or her alternate) and the Secretary; or
- (b) by a single director (or his or her alternate).

#### **If no seal is adopted or used**

28.4 If the directors do not adopt a seal, or a seal is not used, a document may be executed in the following manner:

- (a) by a director (or his or her alternate) and the Secretary; or
- (b) by a single director (or his or her alternate); or
- (c) by any other person authorised by the directors; or
- (d) in any other manner permitted by the Law.

#### **Power to allow non-manual signatures and facsimile printing of seal**

28.5 The directors may determine that either or both of the following applies:

- (a) that the seal or a duplicate seal need not be affixed manually but may be affixed by some other method or system of reproduction;
- (b) that a signature required by these Articles need not be manual but may be a mechanical or Electronic Signature.

#### **Validity of execution**

28.6 If a document is duly executed and delivered by or on behalf of the Company, it shall not be regarded as invalid merely because, at the date of the delivery, the Secretary, or the director, or other Officer or person who signed the document or affixed the seal for and on behalf of the Company ceased to be the Secretary or hold that office and authority on behalf of the Company.



## **29 Indemnity**

### **Indemnity**

29.1 To the extent permitted by law, the Company shall indemnify each existing or former Secretary, director (including alternate director), and other Officer of the Company (including an administrator or liquidator) and their personal representatives against:

- (a) all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by the existing or former Secretary or Officer in or about the conduct of the Company's business or affairs or in the execution or discharge of the existing or former Secretary's or Officer's duties, powers, authorities or discretions; and
- (b) without limitation to Article 29.1(a), all costs, expenses, losses or liabilities incurred by the existing or former Secretary or Officer in defending (whether successfully or otherwise in accordance with the Law) any civil, criminal, administrative or investigative proceedings (whether threatened, pending or completed) concerning the Company or its affairs in any court or tribunal, whether in the Island or elsewhere.

No such existing or former Secretary or Officer, however, shall be indemnified in respect of any matter arising out of his or her own dishonesty.

29.2 To the extent permitted by law, the Company may make a payment, or agree to make a payment, whether by way of advance, loan or otherwise, for any legal costs incurred by an existing or former Secretary or Officer of the Company in respect of any matter identified in Article 29.1(a) or Article 29.1(b) on condition that the Secretary or Officer must repay the amount paid by the Company to the extent that it is ultimately found not liable to indemnify the Secretary or that Officer for those legal costs.

### **Release**

29.3 To the extent permitted by law, the Company may by Special Resolution release any existing or former director (including alternate director), Secretary or other Officer of the Company from liability for any loss or damage or right to compensation which may arise out of or in connection with the execution or discharge of the duties, powers, authorities or discretions of his or her office; but there may be no release from liability arising out of or in connection with that person's own dishonesty.

### **Insurance**

29.4 To the extent permitted by law, the Company may pay, or agree to pay, a premium in respect of a contract insuring each of the following persons against risks determined by the directors, other than liability arising out of that person's own dishonesty:

- (a) an existing or former director (including alternate director), Secretary or other Officer or auditor of:

- (i) the Company;
  - (ii) a company which is or was a subsidiary of the Company;
  - (iii) a company in which the Company has or had an interest (whether direct or indirect); and
- (b) a trustee of an employee or retirement benefits scheme or other trust in which any of the persons referred to in Article 29.4(a) is or was interested.

## **30 Notices**

### **Form of notices**

- 30.1 Save where these Articles provide otherwise, any notice to be given to or by any person pursuant to these Articles shall be:
- (a) in writing signed by or on behalf of the giver in the manner set out below for written notices;
  - (b) subject to Article 30.2, in an Electronic Record signed by or on behalf of the giver by Electronic Signature and authenticated in accordance with Articles about authentication of Electronic Records; or
  - (c) where these Articles expressly permit, by the Company by means of a website.

### **Electronic communications**

- 30.2 Without limitation to Articles 18.1 to 18.3 inclusive (relating to the appointment and removal of alternate directors by directors), a notice may only be given to the Company in an Electronic Record if:
- (a) the directors so resolve;
  - (b) the resolution states how an Electronic Record may be given and, if applicable, specifies an email address for the Company; and
  - (c) the terms of that resolution are notified to the Members for the time being and, if applicable, to those directors who were absent from the meeting at which the resolution was passed.

If the resolution is revoked or varied, the revocation or variation shall only become effective when its terms have been similarly notified.

- 30.3 A notice may not be given by Electronic Record to a person other than the Company unless the recipient has notified the giver of an Electronic address to which notice may be sent.

### **Persons authorised to give notices**

- 30.4 A notice by either the Company or a Member pursuant to these Articles may be given on behalf of the Company or a Member by a director or the Secretary or a Member. Without limitation to the Articles about the power to allow non-manual signatures and facsimile printing of the seal, the signature of a person on a notice given by the Company may be written, printed or stamped.

### **Delivery of written notices**

- 30.5 Save where these Articles provide otherwise, a notice in writing may be given personally to the recipient, or left at (as appropriate) the Member's or director's registered address or the Company's registered office, or posted to that registered address or registered office.

### **Joint holders**

- 30.6 Where Members are joint holders of a Share, all notices shall be given to the Member whose name first appears in the register.

### **Signatures**

- 30.7 A written notice shall be signed when it is autographed by or on behalf of the giver, or is marked in such a way as to indicate its execution or adoption by the giver.
- 30.8 An Electronic Record may be signed by an Electronic Signature.

### **Evidence of transmission**

- 30.9 A notice given by Electronic Record shall be deemed sent if an Electronic Record is kept demonstrating the time, date and content of the transmission, and if no notification of failure to transmit is received by the giver.
- 30.10 A notice given in writing shall be deemed sent if the giver can provide proof that the envelope containing the notice was properly addressed, pre-paid and posted, or that the written notice was otherwise properly transmitted to the recipient.

### **Giving notice to a deceased or bankrupt Member**

- 30.11 A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a Member by sending or delivering it, in any manner authorised by these Articles for the giving of notice to a Member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description, at the address, if any, supplied for that purpose by the persons claiming to be so entitled.
- 30.12 Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

## Delivery of notices

30.13 A notice shall be deemed to have been received by the intended recipient in accordance with the following table.

Method for giving notice	When deemed to be received
Personally	At the time and date of delivery
By leaving it at the Member's registered address	At the time and date it was left
If the recipient has an address within the Island, by posting it by prepaid post to the street or postal address of that recipient	On the day after the day when it was posted
If the recipient has an address outside the Island, by posting it by prepaid airmail to the street or postal address of that recipient	On the third day after the day when it was posted for an address within the United Kingdom, the Isle of Man, another Channel Island or Europe  On the fifth day after the day when it was posted for any other international address
By Electronic Record (other than publication on a website), to recipient's Electronic address	On the day after the day when it was sent
By publication on a website (notice of general meetings and sending of accounts and reports)	For notice of a general meeting of Members, at the time and date that the recipient is deemed to have received notice of the publication (Articles 13.14 and 13.16)  For accounts and reports specified in Article 24.8, in accordance with Article 24.9.

## Saving provisions

30.14 A Member present, either in person or by proxy, at any general meeting or at any meeting of the Members holding any class of Shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

- 30.15 Every person who becomes entitled to a Share shall be bound by any notice in respect of that Share which, before his or her name is entered in the register, has been duly given to a person from which he derives his or her title.
- 30.16 None of the preceding notice provisions shall derogate from the Articles about the delivery of written resolutions of directors.

## **31 Authentication of Electronic Records**

### **Application of Articles**

- 31.1 Without limitation to any other provision of these Articles, any notice, written resolution of directors or other document under these Articles that is sent by Electronic means by a Member, or by the Secretary, or by a director or other Officer of the Company, shall be deemed to be authentic if either Article 31.2 or Article 31.3 applies.

### **Authentication of documents sent by Members by Electronic means**

- 31.2 An Electronic Record of a notice or other document sent by Electronic means by or on behalf of one or more Members shall be deemed to be authentic if the following conditions are satisfied:
- (a) the Member or each Member, as the case may be, signed the document in a manner permitted by Article 31.4; and
  - (b) Article 31.5 does not apply.

### **Authentication of document sent by the Secretary or Officers by Electronic means**

- 31.3 An Electronic Record of a notice, written resolution of directors or other document sent by Electronic means by or on behalf of the Secretary or an Officer or Officers of the Company shall be deemed to be authentic if the following conditions are satisfied:
- (a) the Secretary or the Officer, as the case may be, signed the document in a manner permitted by Article 31.4; and
  - (b) Article 31.5 does not apply.

This Article applies whether the document is sent by or on behalf of the Secretary or Officer in his or her own right or as a representative of the Company.

### **Manner of signing**

- 31.4 For the purposes of these Articles about the authentication of Electronic Records, a document will be taken to be signed if it is signed manually or in any other manner permitted by these Articles and to the extent permitted by law, a signature required by these Articles need not be manual but may be mechanical or Electronic Signature.

### **Saving provision**

31.5 A notice, written resolution of directors or other document under these Articles will not be deemed to be authentic if the recipient, acting reasonably:

- (a) believes that the signature of the signatory has been altered after the signatory had signed the original document; or
- (b) believes that the original document, or the Electronic Record of it, was altered, without the approval of the signatory, after the signatory signed the original document; or
- (c) otherwise doubts the authenticity of the Electronic Record of the document,

and the recipient promptly gives notice to the sender setting the grounds of its objection. If the recipient invokes this Article, the sender may seek to establish the authenticity of the Electronic Record in any way the sender thinks fit.

### **32 Winding up**

#### **Distribution of assets in specie**

32.1 If the Company is wound up, the liquidator or the directors, as the case may be, may, subject to these Articles and any other sanction required by the Law, do either or both of the following, in accordance with the special rights attaching to each class of Shares:

- (a) divide in specie among the Members the whole or any part of the assets of the Company and, for that purpose, value any assets and determine how the division shall be carried out as between the Members or different classes of Members; and/or
- (b) vest the whole or any part of the assets in trustees for the benefit of Members and those liable to contribute to the winding up.

#### **No obligation to accept liability**

32.2 No Member shall be compelled to accept any assets if an obligation attaches to them.

### **33 Regulatory**

The Company shall not carry out any activities which involve the possession and/or supply of cannabis for recreational purposes unless and until such time as such activities are permitted under the laws of Jersey and England & Wales.