

EXECUTION COPY

Dated 15th May 2024

NORTHERN LEAF PLC

INSTRUMENT CREATING UP TO £2,500,000 UNSECURED
CONVERTIBLE LOAN NOTES DUE 2027

Ogier

JERLAW-48142462-11



CONTENTS

1	Definitions and interpretation	1
2	Subscription and Issue	6
3	Form and status.....	6
4	Certificate	7
5	Use of proceeds.....	7
6	Execution and other Conditions	7
7	Conversion and Conversion Conditions.....	8
8	Repayment	9
9	Warranties	9
10	Register	10
11	Title to Loan Notes	10
12	No transfer	10
13	Notices.....	10
14	Decisions of Noteholder	11
15	Costs.....	11
16	General	11
17	Modifications	12
18	Governing law and jurisdiction	12
	SCHEDULE 1.....	13
	SCHEDULE 2.....	14
	SCHEDULE 3.....	15

This instrument (the **Instrument**) is executed on 15th May 2024

BY

Northern Leaf Plc, a public limited company incorporated under the laws of Jersey, (registered number 128967) whose registered office is at 13 Castle Street, St. Helier, JE1 1ES, Jersey (the **Company**),

IN FAVOUR OF



INTRODUCTION

- A The Company has authorised the creation and issue of the Loan Notes (as defined below).
- B The Loan Notes will be governed by the terms and conditions as set out in this Instrument, as may be modified from time to time in accordance with their terms.
- C This Instrument and the Schedules constitute the Loan Notes.

Operative provisions

1 Definitions and interpretation

- 1.1 In this Instrument and the Schedules, except where a different interpretation is necessary in the context, the words and expressions set out below shall have the following meanings:

Articles of Association means the articles of association of the Company as amended from time to time;

Business Day means a day (excluding Saturdays and any public holiday) on which banks are generally open for business in Jersey;

Certificate means a certificate for the Loan Notes issued in accordance with clause 4 and substantially in the form set out in the Schedule 1 to this Instrument;

Companies Law means the Companies (Jersey) Law 1991, as amended;

Conversion means the conversion of the Loan Notes into Ordinary Shares, on the terms sets out in clause 7 below;

Conversion Conditions has the meaning ascribed to it in clause 7.3;

Conversion Notice means a notice given by a Noteholder in accordance with clause 7.1;

A handwritten signature in black ink, located at the bottom right of the page.

Conversion Period means, subject to the satisfaction of the Conversion Conditions, the period commencing on the Funding Completion Date and expiring on the Maturity Date;

Conversion Rate means a price per Ordinary Share equal to a price such that immediately following Conversion, the number of Ordinary Shares issued to the Noteholder represent x % of the Issued Shares calculated as follows:

Conversion prior to IPO

Where Conversion occurs prior to the IPO, the Conversion shall be calculated as follows:

$$x \% = \frac{80\%}{£2,500,000} \times [\text{total Principal Amount paid by the Noteholder pursuant to this Instrument}], \text{ where the Conversion occurs prior to the IPO.}$$

Right of adjustment at IPO

Where Conversion occurs prior to IPO and at IPO the Company's valuation is £100,000,000 or less, the Noteholder shall be entitled to a right of adjustment to supplement the Conversion that occurred prior to the IPO which shall be calculated as follows:

$$x \% = \frac{10\%}{£2,500,000} \times [\text{total Principal Amount paid by the Noteholder pursuant to this Instrument}].$$

Right of adjustment where there is no IPO

Where Conversion has occurred and the Company fails to IPO prior to the Maturity Date, the Noteholder shall be entitled to a right of adjustment to supplement the Conversion which shall be calculated as follows:

$$x \% = \frac{10\%}{£2,500,000} \times [\text{total Principal Amount paid by the Noteholder pursuant to this Instrument}].$$

Conversion at or following IPO

Where Conversion occurs at or following the IPO, the Conversion shall be calculated as follows:

$$x \% = \frac{90\%}{£2,500,000} \times [\text{total Principal Amount paid by the Noteholder pursuant to this Instrument}], \text{ where the Conversion occurs at or following the IPO and the Company's valuation at IPO is £100,000,000 or less; or}$$

$x \% = \frac{80\%}{£2,500,000} \times [\text{total Principal Amount paid by the Noteholder pursuant to this Instrument}]$, where the Conversion occurs at or following the IPO and the Company's valuation at IPO is more than £100,000,000;

Directors means the directors of the Company from time to time;

Disclosed means fairly disclosed (with sufficient details to identify the nature and scope of the matter disclosed) pursuant to the Disclosure Letter;

Disclosure Letter means the letter, in agreed form, from the Company to the Noteholder, with the same date as this Instrument;

Extraordinary Resolution means a resolution in writing signed by the Noteholder;

Funding Completion Date means the date on which the Company is in receipt of the total Principal Amount due under the terms of this Instrument;

Funding Conditions has the meaning ascribed to it in clause 6.2;

Guarantee Facility Agreement means the agreement between the Company and Gerald Snyman pursuant to which the Company has agreed to make certain monthly payments in connection with personal guarantees given by Gerald Snyman in relation to various third-party facilities provided to the Company;

Initial Funding means the amount of £250,000 paid by the Noteholder to the Company on or around 23 April 2024;

IPO means an initial public offering of the Ordinary Shares and the admission to trading on a stock exchange or other recognised public market;

Issued Shares means 184,485,083 Ordinary Shares and 33,869,951 Preference Shares, representing the issued Shares of the Company as at the date of this Instrument;

Issued Shares Post CLN Conversion means the aggregate number of:

- (a) the Issued Shares;
- (b) the Ordinary Shares issued by the Company on the Conversion of the Loan Notes; and
- (c) the Ordinary Shares issued by the Company on the conversion of the Shareholder Funding Loan Notes;

Loan Notes means the up to £2,500,000 unsecured convertible loan notes of the Company due on the Maturity Date and constituted by this Instrument or the nominal amount of them for the time being issued and outstanding;

Longstop Date means 30 June 2024 or such later date as agreed in writing between the Company and the Noteholder;

Maturity Date means 30 April 2027 or such later date as agreed in writing between the Company and the Noteholder;

Nomination Agreement means the nomination agreement to be agreed and entered into between the Company and the Noteholder pursuant to which the Company will grant the Noteholder a right to nominate:

- (a) the majority in number of Directors for so long as the Noteholder holds Loan Notes convertible into Ordinary Shares and/or owns Ordinary Shares totalling 54% or more of the total number of Shares outstanding;
- (b) two Directors for so long as the Noteholder holds Loan Notes convertible into Ordinary Shares and/or owns Ordinary Shares totalling 25% or more of the total number of Shares outstanding; and
- (c) one Director for so long as the Noteholder holds Loan Notes convertible into Ordinary Shares and/or owns 10% or more of the total number of Shares outstanding;

Ordinary Shares means the ordinary shares of £0.01 each in the capital of the Company from time to time (and, if there is a sub-division, consolidation or reclassification of such shares, the shares resulting from that event), having the rights and being subject to the restrictions set out in the Articles of Association;

Preference Shares means the preference shares of £0.01 each in the capital of the Company from time to time (and, if there is a sub-division, consolidation or reclassification of such shares, the shares resulting from that event), having the rights and being subject to the restrictions set out in the Articles of Association;

Principal Amount has the meaning given in clause 3.1;

Register has the meaning ascribed to it in clause 10.1;

Relevant Date means the earlier of:

- (a) the date of the IPO; and
- (b) the date of the Sale;

Relevant Employees means the employees of the Company with a termination notice period over 2 months as notified by the Company to the Noteholder;

Sale means the completion of any transaction or series of transactions in which any persons or group of persons acting together acquires or otherwise obtains all of the Shares in the Company;

Shareholders' Approval means the prior approval of the members of the Company by way of a special resolution to authorise the allotment of Shares otherwise than in accordance with the pre-emption rights set out in the Articles of Association;

Shareholder Funding means the Company receiving a cash amount of up to £1,000,000 as part of a subscription for Shareholder Funding Loan Notes by existing shareholders and employees of the Company prior to the Tranche 2 Date;

Shareholder Funding Amount means the cash amount received by the Company pursuant to the Shareholder Funding;

Shareholder Funding Loan Notes means the up to £1,000,000 unsecured convertible loan notes to be issued by the Company to existing shareholders and employees of the Company pursuant to the Shareholder Funding;

Shares means shares in the capital of the Company (including, without limitation, the Ordinary Shares and the Preference Shares);

Subscription Date means a date when the Noteholder subscribes for the Loan Notes pursuant to clause 2;

Tranche 2 Date means the date of the Tranche 2 Subscription to be made on or around 23 May 2024;

Tranche 2 Funding means the relevant Principal Amount per Schedule 2 paid by the Noteholder to the Company on the Tranche 2 Date;

Warrant Instrument means the warrant instrument to be agreed and entered into between the Company and Wray Herbert-King pursuant to which the Company will grant Wray Herbert-King warrants to acquire for no additional consideration at the Relevant Date:

- (c) 5% of the total number of the Issued Shares Post CLN Conversion, if the Company's valuation at the Relevant Date is up to £50,000,000;
- (d) 3.75% of the total number of the Issued Shares Post CLN Conversion, if the Company's valuation at the Relevant Date is up to £75,000,000; or
- (e) 2.5% of the total number of the Issued Shares Post CLN Conversion, if the Company's valuation at the Relevant Date is £100,000,000 or more.

Warranties means the warranties given pursuant to clause 9 and set out in Schedule 3.

- 1.2 Words denoting the singular shall include the plural and vice versa. Words denoting the masculine gender shall include the feminine and neuter genders and vice versa. References to persons shall include bodies corporate, unincorporated associations and partnerships. References to any statute or statutory provision shall include any statute or statutory provision that amends, consolidates, extends or replaces it.

- 1.3 Words and phrases defined in the Companies Law shall, save as expressly provided in this Instrument, have the same meanings in this Instrument and the Schedules.
- 1.4 References to clauses and the Schedules shall be to clauses of and the Schedules to this Instrument. Headings in this Instrument are inserted for ease of reference only and shall not affect its interpretation.
- 1.5 The words **this Instrument** refer to the provisions of the Instrument and the Schedules to the Instrument (as from time to time modified under the terms of this Instrument) and any agreement or instrument expressed to be supplemental to this Instrument.

2 Subscription and issue

- 2.1 The Noteholder hereby agrees to subscribe for the Loan Notes in tranches on the relevant Subscription Date as set out in Schedule 2 in consideration of payment of the Principal Amount to the Company in accordance with the terms of this Instrument.
- 2.2 On or before each Subscription Date, the Noteholder shall pay the relevant Principal Amount per Schedule 2 by electronic transfer in cleared funds to such bank account designated by the Company as being suitable for receipt of such funds.
- 2.3 On each Subscription Date and subject to the Noteholder's compliance with clause 2.2:
- (a) the Company shall issue the relevant Loan Notes to the Noteholder (noting that on Tranche 2 Date, the Company shall issue the relevant Loan Notes due in respect of both the Initial Funding and the Tranche 2 Funding);
 - (b) the Company shall record the Noteholder as the holder of the relevant Loan Notes in the Register; and
 - (c) the Company shall issue the Certificate(s) in accordance with clause 4.

3 Form and status

- 3.1 The principal amount of the Loan Notes is up to £2,500,000 (including the Initial Funding) (the **Principal Amount**), payable to the Company in tranches as set out in Schedule 2.
- 3.2 The Principal Amount shall be adjusted on pro-rata basis to the Shareholder Funding Amount which shall be notified to the Noteholder by the Company. Any shortfall in Shareholder Funding shall be met by the Noteholder subscribing for additional Loan Notes per Schedule 2 up to the Principal Amount.
- 3.3 The Loan Notes are in registered form and shall be issued in denominations of £5,000 each and integral multiples of £1,000 in excess thereof, subject to and with the benefit of the provisions of this Instrument.

3.4 The Loan Notes shall constitute a direct and unsecured convertible obligation of the Company and shall rank pari passu in all respects without any discrimination or preference among themselves and as unsecured obligations of the Company.

3.5 Payments and repayments in relation to the Loan Notes shall be conditional upon the terms hereinafter appearing.

4 Certificate

4.1 The Noteholder shall be entitled to Certificate(s) (in the form set out in Schedule 1) stating the amount of the Loan Notes held by him and a copy of this Instrument. Joint holders of Loan Notes will be entitled to only one Certificate and one copy of this Instrument in respect of their joint holding and the Certificate(s) and the Instrument shall be delivered to that one of the joint holders who is first named in the Register in respect of the joint holding.

4.2 The Loan Notes and the Certificate(s) shall be held subject to the terms of this Instrument which shall be binding on the Company and the Noteholder and all persons claiming through or under them.

4.3 If a Certificate is defaced, lost or destroyed it may be renewed on payment by the Noteholder of the expenses of a renewal and on such terms (if any) as to evidence and indemnity as the Directors may require but, in the case of defacement, the defaced Certificate shall be surrendered before a new Certificate is issued.

5 Use of proceeds

The proceeds of all subscriptions for the Loan Notes shall be used to fund the Company's working capital and capital expenditure requirements.

6 Execution and other Conditions

6.1 This Instrument shall be binding between the parties from the date of this Instrument.

Funding Conditions

6.2 Any subsequent payments toward the Principal Amount (excluding the Initial Funding) are conditional upon satisfaction of the following conditions (the **Funding Conditions**):

- (a) the Company having agreed with Sancus Lending (Jersey) Limited the terms and conditions in respect of the existing debt in a form acceptable to the Noteholder;
- (b) the Company having agreed with the Relevant Employees reduced notice periods for termination of employment in accordance with Jersey law and on terms acceptable to the Noteholder;
- (c) the Company having agreed with [REDACTED] amended terms and conditions of the Guarantee Facility Agreement in a form acceptable to the Noteholder;

- (d) the execution by the parties of the Nomination Agreement; and
 - (e) the execution by the Company and [REDACTED] of the Warrant Instrument.
- 6.3 The Company shall use its reasonable efforts to procure the satisfaction of the Funding Conditions as soon as reasonably practicable after the date hereof and in any event by no later than 5:00pm on the Tranche 2 Date.
- 6.4 If, at any time, either the Company or the Noteholder becomes aware of:
- (a) a fact or circumstance that might prevent the Funding Conditions from being satisfied; or
 - (b) the Funding Conditions being satisfied,
- it shall as soon as reasonably practicable inform the other.
- 6.5 At any time on or before 5.00 pm on the Tranche 2 Date, the Noteholder may waive the Funding Conditions by notice in writing to the Company.

Shareholders' Approval

- 6.6 If the Company does not receive the Shareholders' Approval in respect of the Conversion by the Longstop Date, this Instrument shall automatically terminate with immediate effect (unless otherwise agreed between the parties). In such instance, all funding paid by the Noteholder to the Company pursuant to this Instrument shall become repayable (in whole or in parts) by the Company to the Noteholder as soon as practicably possible from the alternative sources of debt, equity or other form of funding received by the Company.
- 6.7 Each party's further rights and obligations shall cease immediately upon termination, but termination shall not affect a party's accrued rights and obligations at the time of such termination.

7 Conversion and Conversion Conditions

- 7.1 At any time during the Conversion Period, the Noteholder may issue a Conversion Notice stating that the Noteholder wishes to convert whole or part of its Loan Notes at the Conversion Rate and in accordance with clause 7.2.
- 7.2 Subject to clause 7.3, upon receipt of a Conversion Notice, the Company shall allot and issue to the Noteholder (or as it shall direct) the number of fully paid Ordinary Shares to which it is, in accordance with the Conversion Rate, entitled. Ordinary Shares so allotted and issued shall be in full satisfaction of the Loan Notes and discharge of the Loan Notes (and any accrued interest thereon).
- 7.3 The Conversion and the allotment and issuance of the Ordinary Shares shall be conditional upon satisfaction of the following conditions (the **Conversion Conditions**):

- (a) the Company receiving the Shareholders' Approval in respect of the Conversion in accordance with the terms of this Instrument;
- (b) consent in writing from Jersey's Chief Pharmacist to the change of ownership of the Company that will result upon Conversion per condition 15 of the Company's licence to cultivate, produce, possess and supply cannabis issued by the Minister for Health and Social Services at the Government of Jersey pursuant to powers granted under the Misuse of Drugs (Jersey) Law 1978; and
- (c) In circumstances only where the Conversion takes place otherwise than in conjunction with an IPO, prior written consent to the change of ownership of the Company shall be obtained from the Population Office in Jersey to satisfy conditions applied to each of the Company's property holding companies pursuant to the Control of Housing and Work (Jersey) Law 2012.

7.4 Following the Conversion, the Certificate(s) shall be returned by the Noteholder to the Company for cancellation. The Company retains the right to withhold any share certificates in respect of the Ordinary Shares until such time as the Certificate(s) is so delivered.

8 Repayment

8.1 Should the Conversion not occur prior to the expiry of the Conversion Period, the Loan Notes (together with any accrued but unpaid interest) shall be repaid on the Maturity Date.

8.2 All Loan Notes repaid by the Company in accordance with clause 8.1 shall be automatically and immediately cancelled and shall not be reissued.

8.3 For the avoidance of doubt, in the event of insolvency of the Company, you may not recover all monies invested pursuant to this Instrument.

9 Warranties

9.1 The Company warrants to the Noteholder, except as Disclosed on the date of this Instrument, each Warranty is true, accurate and not misleading.

9.2 The Warranties are given with effect on the date of this Instrument.

9.3 Warranties qualified by the expression "**so far as the Company is aware**" or any similar expression are deemed to be given to the best of the knowledge, information and belief of the the Directors.

9.4 Each of the Warranties is separate and, unless otherwise specifically provided, is not limited by reference to any other Warranty or any other provision in this Instrument.

10 Register

- 10.1 The Company shall cause a register (the **Register**) to be maintained showing the amount of the Loan Notes for the time being in issue, the date of issue and the name and address of the Noteholder and the amounts of Loan Notes held by him.
- 10.2 The Company shall not be bound to register more than two persons as the joint holders of any Loan Notes.
- 10.3 The Noteholder and any person authorised in writing by him may at all reasonable times during office hours inspect the Register and take copies of or extracts from the Register or any part of it. The Register may be closed at such times and for such periods as the Company may think fit provided that it shall not be closed for more than 30 days in any one year.

11 Title to Loan Notes

The Company will recognise the Noteholder as the sole absolute owner of the Loan Notes and will not, except as provided by statute or as ordered by a court of competent jurisdiction, be bound to take notice of or to see to the execution of any trust whether express, implied or constructive to which the Loan Notes may be subject. The receipt of such person (or in the case of joint holders of any one of such holders) for the moneys payable upon the repayment of the Loan Notes shall be a good discharge to the Company notwithstanding any notice it may have, whether express or otherwise, of the right, title, interest or claim of any other person to or in the Loan Notes.

12 No transfer

- 12.1 The Noteholder shall not be permitted to transfer its interest in the Loan Notes.
- 12.2 The Company shall not be entitled to assign or transfer any of its rights or obligations under this Instrument.

13 Notices

- 13.1 Any notice to be given under this Instrument:
- (a) must be in writing;
 - (b) may be given to the Company at its registered office for the time being;
 - (c) may be given to a Noteholder at its registered office for the time being or such other address as it may notify to the Company for such purpose; and
 - (d) will be effectively served:
 - (i) on the day of receipt, where any hand delivered letter or email is received on any Business Day before or during normal working hours;

- (ii) on the following Business Day, where any hand delivered letter or email is received either on any Business Day after normal working hours or on any day which is not a Business Day; or
- (iii) on the second Business Day following the day of posting, if sent by pre-paid letter by first class post to an address in Jersey; or
- (iv) on the fifth Business Day following the day of posting, if sent by pre-paid airmail to an address outside Jersey.

13.2 All notices with respect to Loan Notes registered in the names of joint holders shall be given to whichever of such persons is named first in the Register and any notice so given shall be sufficient notice to all the joint registered holders of such Loan Notes.

14 Decisions of Noteholder

All decisions of the Noteholder in respect of this Instrument or the Loan Notes shall be taken by Extraordinary Resolution.

15 Costs

Each of the Company and the Noteholder shall bear its own costs and expenses incurred in connection with the negotiation, preparation, execution and implementation of this Instrument and of all other documents referred to in it.

16 General

- 16.1 The failure to exercise or delay in exercising a right or remedy under this Instrument shall not constitute a waiver of the right or remedy or a waiver of any other rights or remedies and no single or partial exercise of any right or remedy under this Instrument shall prevent any further exercise of the right or remedy or the exercise of any other right or remedy.
- 16.2 The rights and remedies of the parties contained in this Instrument are cumulative and not exclusive of any rights or remedies provided by law.
- 16.3 The invalidity, illegality or unenforceability of any provision of this Instrument shall not affect or impair the continuation in force of the remainder of this Instrument.
- 16.4 This Instrument shall be binding on, and enure for the benefit of, the personal representatives or successors of the parties.
- 16.5 Time shall be of the essence as regards any date or period mentioned in any clause of this Instrument.
- 16.6 This Instrument and the documents referred to herein constitute the entire agreement and understanding between the parties hereto or any of them in connection with the issue of the Loan Notes and supersedes any previous agreement whether written or oral.

16.7 This Instrument may be executed in any number of counterparts and by each of the parties on separate counterparts, each of which when executed and delivered shall be deemed to be an original, but all the counterparts together shall constitute one and the same document.

16.8 None of the parties shall assign or transfer or purport to assign or transfer any of their rights or obligations under this Instrument.

17 Modifications

17.1 The Company and the Noteholder acknowledge and agree that this transaction has moved extraordinarily rapidly given the financial needs of the Company and that the Noteholder has not had the opportunity to retain and consult with local counsel in Jersey as to this Instrument. Accordingly, the Company and the Noteholder agree that the Noteholder maintains, and reserves the right, to consult with local Jersey counsel and solely modify this Instrument to comply with Jersey law to the extent that this Instrument does not accord with Jersey law and the Company agrees to accept and incorporate all such modifications suggested by the Noteholder prior to the Longstop Date in respect of any such non-compliance.

17.2 The Company and the Noteholder acknowledge and agree that the purpose of clause 17.1 above is to give comfort to the Noteholder solely in relation to matters of Jersey law and not to provide the Noteholder with the right to amend, vary or modify any other terms of this Instrument which would require the written consent of the Company.

18 Governing law and jurisdiction

18.1 This Instrument and any non-contractual obligations arising out of or in connection with it shall be governed by the law of Jersey.

18.2 The courts of Jersey have exclusive jurisdiction to settle any dispute arising out of or in connection with this instrument and/or the Loan Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with this instrument and/or the Loan Notes) and the Company and the Noteholder submit to the exclusive jurisdiction of the courts of Jersey.

18.3 The Company and the Noteholder waive any objection to the courts of Jersey on grounds that they are an inconvenient or inappropriate forum to settle any such dispute.

In witness of which this Instrument has been executed and has been delivered on the date which appears on the first page.

[remainder of the page left intentionally blank]

SCHEDULE 1

Certificate No:

Nominal Amount of Loan Notes:

£[•]

Issue of unsecured convertible loan notes due 2027 (the **Loan Notes**) created and issued by Northern Leaf Plc (the **Company**).

This is to certify that [name] of [insert address] is the registered holder of the face value stated above of the Loan Notes which Loan Notes are constituted by an instrument entered into by the Company on _____ 2024 (the **Instrument**) and are issued with the benefit of and subject to the provisions contained in the Instrument.

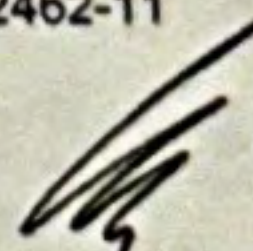
Signed for and on behalf of Northern Leaf Plc

Signature

Print name

Title

Dated _____ 2024



SCHEDULE 2

Principal Amount payable by the Noteholder in the event the Company is unable to obtain the Shareholder Funding	Principal Amount if the Company receives £1,000,000 as part of the Shareholder Funding*	Subscription Date
£250,000 (Initial Funding)	£250,000 (Initial Funding)	Paid on or around 23 April 2024
£150,000 (Tranche 2 Funding)	£150,000 (Tranche 2 Funding)	23 May 2024
£475,000	£184,000	31 May 2024
£625,000	£333,000	On the earlier of: (i) the receipt by the Company of the Shareholders' Approval in respect of the Conversion; and (ii) 30 June 2024 (Longstop Date)
£625,000	£333,000	23 July 2024
£375,000	£250,000	23 August 2024
Total: £2,500,000	£1,500,000	

*The Principal Amount to be scaled up on pro-rata basis depending on the actual Shareholder Funding Amount received by the Company as part of the Shareholder Funding.

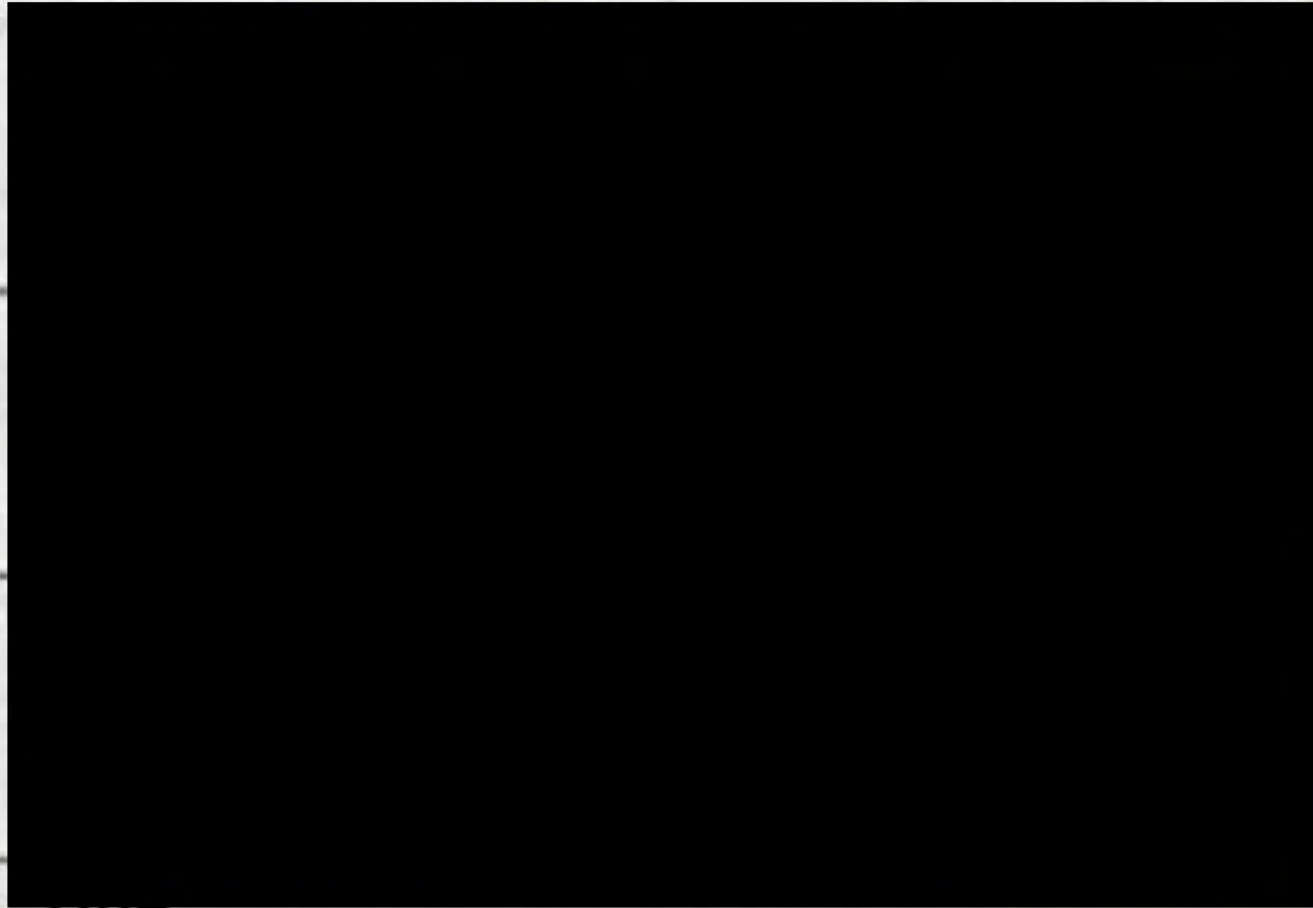
SCHEDULE 3

Warranties

1. The Company has the power and authority required to enter into this Instrument and perform fully their obligations under it in accordance with its terms.
2. The execution by the Company of this Instrument, do not, and the performance thereof will not:
 - (a) contravene any provision of existing law or regulations or any court or governmental order; or
 - (b) conflict with the Articles of Association.
3. This Instrument constitutes valid and legally binding obligations of the Company enforceable in accordance its terms (subject to any laws affecting the rights of creditors generally, and subject to the fact that a court of competent jurisdiction may decline to grant specific performance or any other equitable remedy with respect to the enforcement of any provision of this Instrument).
4. The Company is validly incorporated, in existence and duly registered under the laws of Jersey.
5. The Ordinary Shares, when issued and delivered in compliance with the provisions of this Instrument following a Conversion, will be validly issued and fully paid, issued in accordance with the Articles of Association and the Companies Law, and free of any liens or encumbrances.
6. The Company has all licences, permissions, authorisations and consents required for carrying on its business effectively in the places and in the manner in which such business is carried on.
7. Neither the Company nor its directors are engaged or involved in, or otherwise subject to any litigation or administrative, mediation, arbitration or other proceedings, or any claims, actions or hearings before any court, tribunal or any governmental, regulatory or similar body, or any department, board or agency (except for debt collection in the normal course of business).

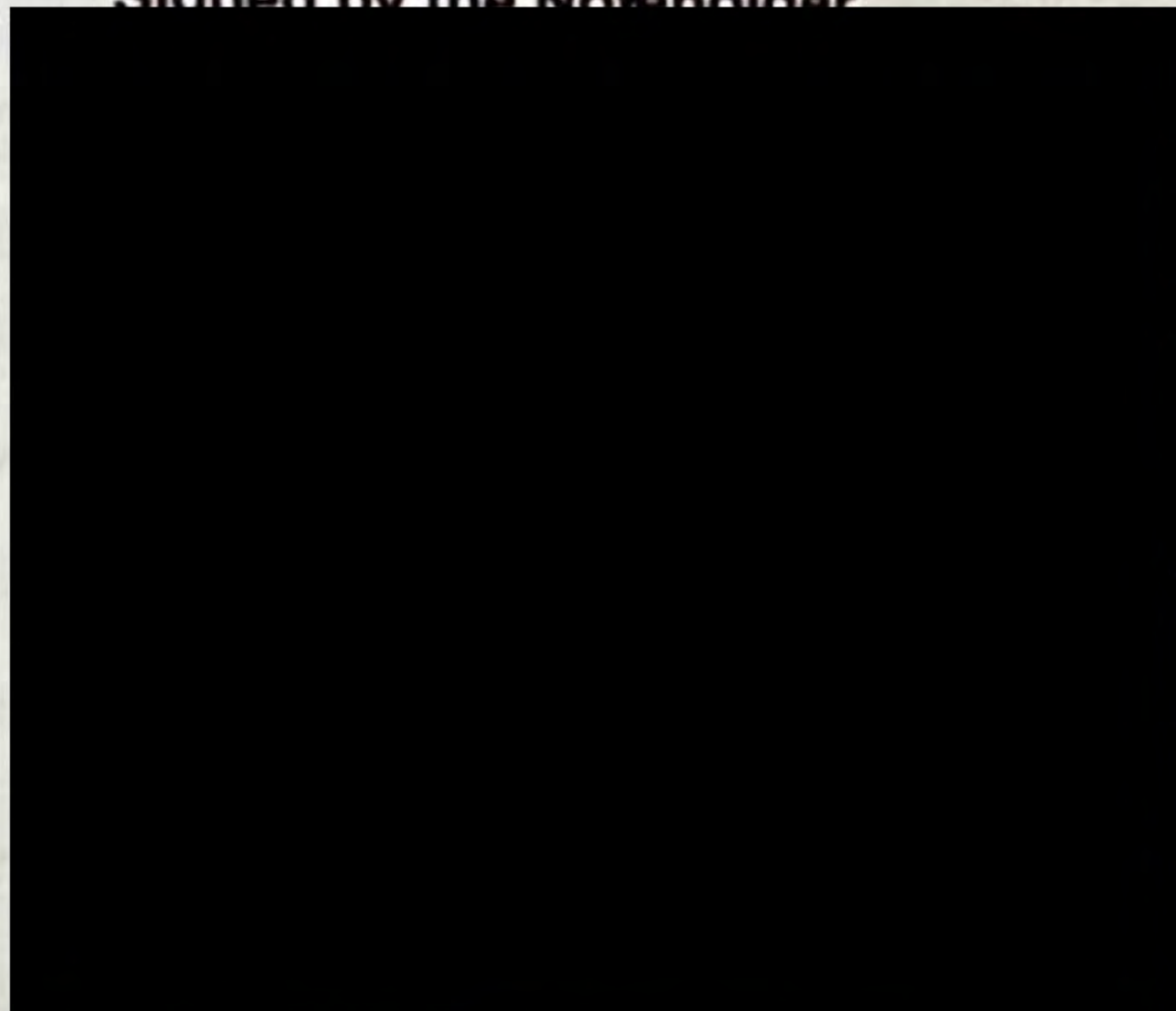
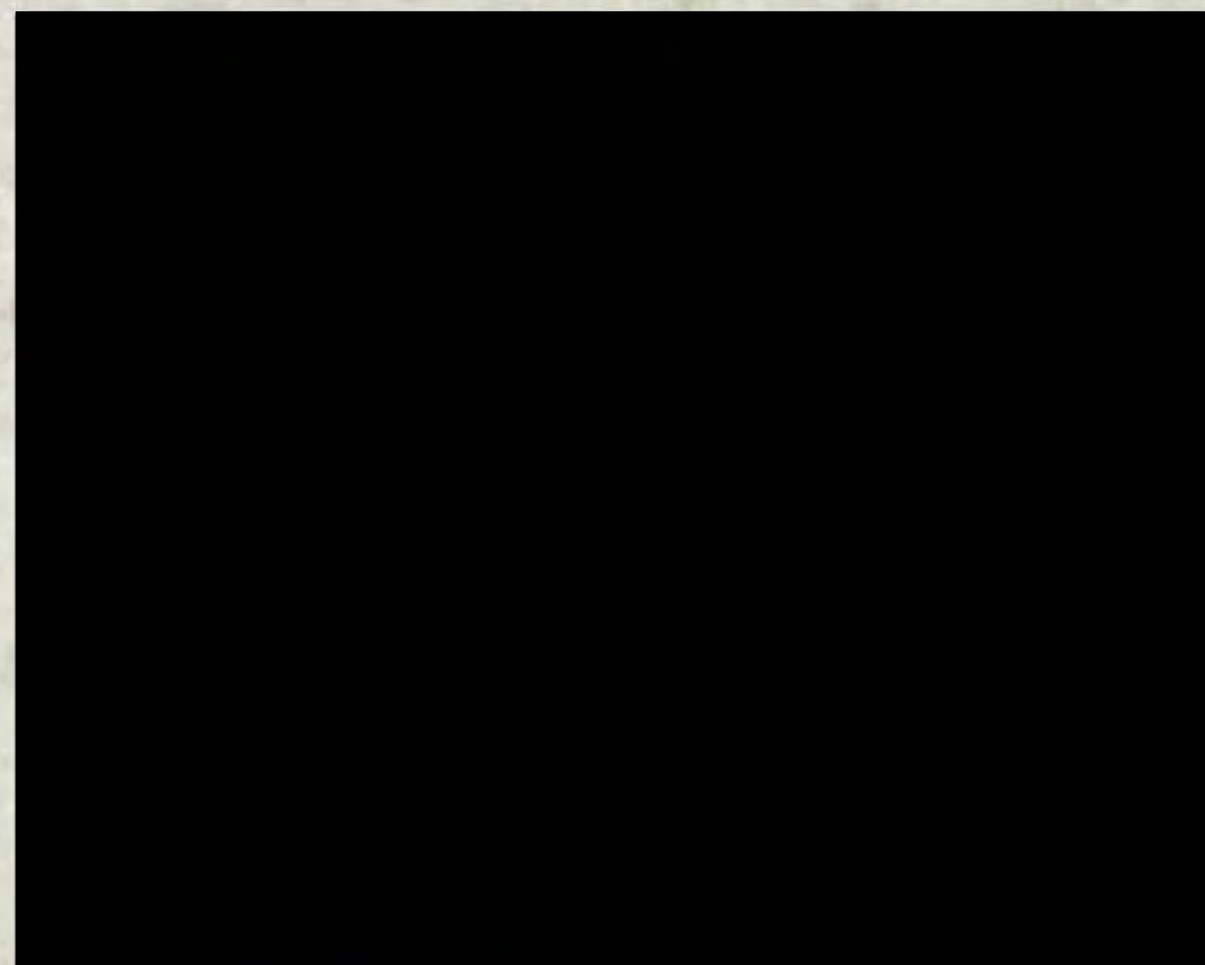
In witness whereof the parties hereto have executed this Instrument the day and year first above written.

Signed for and on behalf of Northern Leaf Plc

A large black rectangular redaction box covering the signature and name of the representative of Northern Leaf Plc.

Title

Signed by the Nottholder

A large black rectangular redaction box covering the signature and name of the Nottholder.A large black rectangular redaction box covering the signature and name of the second party.