

Dated 28 May 2024

**NORTHERN LEAF PLC**

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**INSTRUMENT CREATING UP TO £1,000,000 UNSECURED  
CONVERTIBLE LOAN NOTES DUE 2027**

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This Instrument which constitutes an investment in the Loan Notes (defined herein) is only suitable for sophisticated investors who understand the risks involved in acquiring such an investment.

This Instrument does not constitute a prospectus for the purposes of the Companies (Jersey) law 1991 and the consent of the registrar of companies in Jersey to the circulation of this Instrument is not required, because (a) the invitation is addressed to either or both – (i) qualified investors as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (OJ L 168, 30.6.2017, p. 12), as amended from time to time, or (ii) professional investors as defined in the Financial Services (Investment Business (Special Purpose Investment Business – Exemption)) (Jersey) Order 2001; (b) the number of persons (other than qualified investors and professional investors) to whom the invitation is addressed does not exceed 50 in Jersey and 150 elsewhere; (c) the minimum consideration which may be paid or given by a person for securities to be acquired by that person is at least EUR 100,000 (or an equivalent amount in another currency); (d) the securities to be acquired or applied for are denominated in amounts of at least EUR 100,000 (or an equivalent amount in another currency); (e) the invitation relates to the issue of shares or other securities by a company to its members in satisfaction, in whole or in part, of a distribution to be made by that company; (f) the invitation relates to a scheme specified in Article 3(2)(c) of the Companies (General Provisions) (Jersey) Order 2002; or (g) any combination of (a) to (f) applies. The investment or investment activity to which this Instrument relates is available only to such persons. It is not intended that this Instrument be distributed or passed on, directly or indirectly, to any other class of person and in any event, and under no circumstances should persons of any other description rely on or act upon the contents of this Instrument.

The directors of Northern Leaf plc have taken all reasonable care to ensure that the facts stated therein are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document and that they/it accept responsibility accordingly.



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This instrument (the **Instrument**) is executed on 28 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**

 (the **Noteholder**).

**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 6 below;

**Conversion Condition** has the meaning ascribed to it in clause 6.3;

**Conversion Notice** means a notice given by a Noteholder in accordance with clause 6.1;

**Conversion Period** means, subject to the satisfaction of the Conversion Condition, the period commencing on the Subscription 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:

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

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

$x \% = \frac{80\%}{£2,500,000} \times [total\ Principal\ Amount\ paid\ by\ the\ Noteholder\ pursuant\ to\ this\ Instrument]$ , 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;

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

**Investor Loan Notes** means the up to £2,500,000 unsecured convertible loan notes of the Company constituted by the Investor Loan Note Instrument;

**Investor Loan Notes Instrument** means an instrument entered into by the Company and certain third party investors on or around the date hereof;

**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;

**Loan Notes** means the up to £1,000,000 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;

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

**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;

**Pre-funding Notification Date** means the date the Company issues a written notice to the Noteholder confirming that the funding conditions under the Investor Loan Notes Instrument have been satisfied or waived in accordance with its terms and conditions;

**Principal Amount** has the meaning given in clause 3.1;

**Register** has the meaning ascribed to it in clause 9.1;

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

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

**Subscription Date** means a date which is the second Business Day after the Pre-funding Notification Date.

- 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 on the Subscription Date in consideration of payment of the Principal Amount to the Company in accordance with the terms of this Instrument.
- 2.2 On or before the Subscription Date, the Noteholder shall pay the Principal Amount by electronic transfer in cleared funds to such bank account designated by the Company as being suitable for receipt of such funds.
- 2.3 As soon as reasonably practicable following the Subscription Date and subject to the Noteholder's compliance with clause 2.2:
  - (a) the Company shall issue the Loan Notes to the Noteholder;
  - (b) the Company shall record the Noteholder as the holder of the Loan Notes in the Register; and
  - (c) the Company shall issue the Certificate in accordance with clause 4.

## **3 Form and status**

- 3.1 The principal amount of the Loan Notes is £17,000.00(the **Principal Amount**).
- 3.2 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.

3.3 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.

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

#### **4 Certificate**

4.1 Each Noteholder shall be entitled to a Certificate (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 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 shall be held subject to the terms of this Instrument which shall be binding on the Company and the Noteholders and all persons claiming through or under them.

4.3 If the 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 Conversion**

6.1 At any time during the Conversion Period, a 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 6.2.

6.2 Subject to clause 6.3, 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).

6.3 The Conversion and the allotment and issuance of the Ordinary Shares shall be conditional upon the Company receiving the Shareholders' Approval in respect of the Conversion (the **Conversion Condition**).

6.4 Following the Conversion, the Certificate 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 is so delivered.

## **7 Repayment**

7.1 Should the Conversion not occur prior to the expiry of the Conversion Period, the Loan Notes shall be repaid on the Maturity Date.

7.2 All Loan Notes repaid by the Company in accordance with clause 7.1 shall be automatically and immediately cancelled and shall not be reissued.

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

## **8 Representations and warranties**

8.1 The Company warrants to each Noteholder as follows:

- (a) the Company is validly incorporated, in existence and duly registered under the laws of Jersey;
- (b) 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;
- (c) the execution by the Company of this Instrument, do not, and the performance thereof will not:
  - (i) contravene any provision of existing law or regulations or any court or governmental order; or
  - (ii) conflict with the Articles of Association;
- (d) 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);
- (e) the Loan Notes will be issued in accordance with article 4 of the Control of Borrowing (Jersey) Order 1958; and
- (f) 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.



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

## **9 Register**

9.1 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 names and addresses of the Noteholders and the amounts of Loan Notes held by them respectively.

9.2 The Company shall not be bound to register more than two persons as the joint holders of any Loan Notes.

9.3 A 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.

## **10 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.

## **11 No transfer**

11.1 The Noteholder shall not be permitted to transfer its interest in the Loan Notes.

11.2 The Company shall not be entitled to assign or transfer any of its rights or obligations under this Instrument.

## **12 Notices**

12.1 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.

12.2 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.

### **13 Meetings of Noteholders**

The provisions of Schedule 2 shall have effect.

### **14 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.

### **15 General**

15.1 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.

15.2 The rights and remedies of the parties contained in this Instrument are cumulative and not exclusive of any rights or remedies provided by law.

15.3 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.

15.4 This Instrument shall be binding on, and enure for the benefit of, the personal representatives or successors of the parties.

15.5 Time shall be of the essence as regards any date or period mentioned in any clause of this Instrument.

15.6 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.

15.7 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.

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

**16 Governing law and jurisdiction**

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

16.2 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.

16.3 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**

### **Provisions for meetings of Noteholders**

1      Calling of meetings

1.1     The Company may at any time convene a meeting of the Noteholders. The Company shall also convene a meeting of the Noteholders if so required in writing signed by Noteholders holding not less than 25 per cent. of the Loan Notes.

1.2     Every such meeting and every adjourned meeting shall be held at the registered office of the Company for the time being or such other place as the Company may specify.

2      Notice of meetings

2.1     At least seven clear days' notice of any meeting of Noteholders shall be given to the Noteholders.

2.2     Any such notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted at the meeting but, except in the case of a resolution to be proposed as an Extraordinary Resolution, it shall not be necessary to specify the terms of any resolution to be proposed. Any such notice shall include a statement to the effect that proxies may be appointed in accordance with the provisions of this Schedule.

2.3     The accidental omission to give notice to, or the non-receipt of notice by, any of the Noteholders shall not invalidate the proceedings at any meeting.

3      Chairman

A person (who need not be a Noteholder) nominated in writing by the Company shall be entitled to take the chair at a meeting of the Noteholders but if no such nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for the holding of the meeting the Noteholders present shall choose one of their number to be chairman.

4      Quorum

At a meeting of the Noteholders one or more persons present in person or by proxy holding or representing a majority of the Loan Notes shall form a quorum for the transaction of business. No business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

5      Absence of quorum

If within 15 minutes from the time appointed for a meeting of the Noteholders a quorum is not present, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case it shall stand adjourned to such day and time (being not less than 14 nor more

than 42 clear days after the time of the original meeting) and to such place as the chairman may decide. At such adjourned meeting, one or more Noteholders present in person or by proxy shall form a quorum.

6 Notice of adjourned meeting

At least seven clear days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and such notice shall state the quorum required at such adjourned meeting.

7 Adjournment of meeting

The chairman may with the consent of (and shall if directed by) any meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the original meeting.

8 Voting on a show of hands

8.1 Every question submitted to a meeting of Noteholders shall be decided in the first instance by a show of hands.

8.2 Unless a poll is lawfully demanded, a declaration by the chairman that the resolution has been carried or carried by a particular majority or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

9 Demand for poll

A poll may be demanded (before or on the declaration of the result of the show of hands) by the chairman, the Company or by one or more persons holding Loan Notes or being proxies and being or representing in the aggregate the holders of not less than one-twentieth of the Loan Notes then outstanding.

10 Manner of taking poll

10.1 If at any meeting a poll is so demanded it shall be taken in such manner below as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll.

10.2 Any poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment. A poll demanded on any other question shall be taken at such time and place as the chairman may direct. No notice need be given of a poll not taken immediately.

10.3 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn.

11 Persons entitled to attend and vote

Any persons duly authorised by the Company shall be entitled to attend and speak at any meeting of the Noteholders. No person shall otherwise be entitled to attend or vote at any meeting of the Noteholders unless he is registered as a Noteholder or is a representative of a corporation which is a Noteholder or a proxy of a person who is a Noteholder.

12 Voting

12.1 At any meeting of Noteholders:

- (a) on a show of hands every Noteholder who (being an individual) is present in person or by proxy or (being a corporation) is present by its duly authorised representative or by proxy, shall have one vote; and
- (b) on a poll every person who is so present shall have one vote in respect of every £1 nominal of Loan Notes of which he is the holder or in respect of which he is a representative or proxy.

Without prejudice to the obligations of any proxies any person entitled to more than one vote on a poll need not use all his votes or cast all the votes to which he is entitled in the same way.

13 Proxies

13.1 A Noteholder may appoint a proxy (who need not be a Noteholder) by instrument in writing in any usual or common form or in any other form which the Directors may approve or accept. The instrument appointing a proxy shall be signed by the appointor or his agent authorised in writing or, if the appointor is a corporation, shall either be executed under its common seal or be signed by an agent or officer authorised for that purpose. The Company may, but shall not be bound to, require evidence of the authority of any such agent or officer.

13.2 An instrument appointing a proxy shall, unless the contrary is stated in it, be valid for any adjournment of a meeting as well as for the meeting to which it relates. No instrument appointing a proxy shall be valid after the expiration of 12 months from its date of execution.

13.3 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no intimation in writing of such death, insanity or revocation was received by the Company at its registered office before the commencement of the meeting or adjourned meeting, or of the taking of the poll, at which the proxy is used.

14 Deposit of proxies

An instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at such place as the Company may, in the notice convening the meeting, direct or, if no such

place is appointed, at the registered office of the Company before the time appointed for holding the meeting or taking the poll at which the person named in the instrument proposes to vote and in default the instrument shall not be treated as valid.

15 Corporate representatives

Any corporation which is a Noteholder may by resolution of its directors or other governing body authorise any person to act as its representative at any meeting of Noteholders and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Noteholder present in person at the meeting.

16 Powers of meeting

16.1 A meeting of the Noteholders shall in addition to all other powers (but without prejudice to any powers conferred on other persons in the Instrument) have the following powers exercisable only by Extraordinary Resolution, namely:

- (a) to sanction any proposal by the Company for any modification, abrogation, variation, compromise or extinguishing of, or arrangement in respect of, the rights of the Noteholders against the Company whether such rights arise under the Instrument or otherwise;
- (b) to sanction the exchange or substitution for the Loan Notes of (other than pursuant to the Conversion) other obligations or securities of the Company or any other person or entity;
- (c) to assent to any modifications of the provisions of this instrument which is proposed by the Company;
- (d) to authorise any person to execute and do all such documents, deeds, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;
- (e) to give any authority or sanction which under the provisions of this instrument is required to be given by Extraordinary Resolution; and
- (f) to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution.

17 Effect of Extraordinary Resolution

An Extraordinary Resolution passed at a meeting of the Noteholders duly convened and held in accordance with this instrument shall be binding upon all the Noteholders, whether present or not at such meeting, and each of the Noteholders shall be bound to give effect to it



accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances of any such resolution justify its passing.

18 Minutes

Minutes of all resolutions and proceedings at every meeting of Noteholders shall be made and duly entered in books to be from time to time provided for that purpose by the Company. Any such minutes, if they purport to be signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding meeting of the Noteholders, shall be conclusive evidence of the matters therein contained. Until the contrary is proved, every meeting in respect of which minutes of the proceedings have been made and signed as aforesaid shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed and transacted.

19 Extraordinary Resolution

**Extraordinary Resolution** means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of this Instrument and carried by a majority of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority of the votes cast on such poll.

20 Resolutions in writing

A resolution in writing signed by Noteholders holding a majority of the Loan Notes shall be as valid and effectual as if it had been passed as an Extraordinary Resolution at a meeting of the Noteholders duly convened and held. Such resolution in writing may be contained in one document or in several documents in or substantially in like form each signed by one or more of the relevant Noteholders. Notice of the substance of any such resolution in writing shall be given to each Noteholder not a signatory to the resolution promptly after the passing thereof.

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**



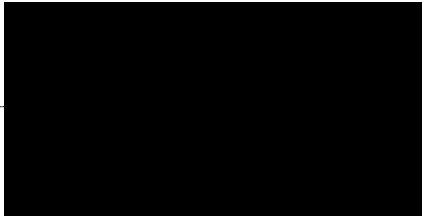
Geoffrey Eyre

**Print name**

Chief Executive Officer

**Title**

**Signed by the Noteholder**



**Print name**

**Title**