

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt as to the action you should take you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all your Ordinary Shares in the Company, please send this document and the accompanying documents at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

## CLS Holdings plc

### Notice of Annual General Meeting

Notice of the Annual General Meeting of the Company convened for 10.00 a.m. on Wednesday, 25 April 2018 is set out in Part II of this document.

A Form of Proxy for use at the Annual General Meeting is enclosed. To be valid, the Form of Proxy must be completed and returned so as to reach the registrars by hand or by post at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY (the "Registrars") by no later than 10.00 a.m. on Monday, 23 April 2018. As an alternative to completing the hard copy form, shareholders can appoint proxies electronically via [www.clsholdings.com/evoting](http://www.clsholdings.com/evoting) so that it is received by the Registrar by no later than 10.00 a.m. on Monday, 23 April 2018. CREST members can also appoint proxies by using the CREST electronic proxy appointment service and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Registrar (under CREST participant 3RA50) by no later than 10.00 a.m. on Monday, 23 April 2018. The time of receipt will be taken to be the time from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

# PART I

## LETTER FROM THE CHAIRMAN OF CLS HOLDINGS PLC

CLS HOLDINGS PLC (THE "COMPANY")  
(INCORPORATED AND REGISTERED IN ENGLAND WITH REGISTERED NUMBER 2714781)

Registered and Head Office:  
(until 23 March 2018)  
86 Bondway  
London  
SW8 1SF

(from 24 March 2018)  
12th Floor, Westminster Tower  
3 Albert Embankment  
London  
SE1 7SP

### DIRECTORS

**E. Henry Klotz** (Executive Chairman)  
**Anna Seeley** (Non-Executive Vice Chairman)  
**Fredrik Widlund** (Chief Executive Officer)  
**John Whiteley** (Chief Financial Officer)  
**Sten Mortstedt** (Executive Director and Founding Shareholder)  
**Malcolm Cooper** (Non-Executive Director)  
**Elizabeth Edwards** (Non-Executive Director)  
**Christopher Jarvis** (Non-Executive Director)  
**Bengt Mortstedt** (Non-Executive Director)  
**Lennart Sten** (Non-Executive Director)

23 March 2018

Dear Shareholder,

### INTRODUCTION

The purpose of this circular is to give you details of the Company's Annual General Meeting ("AGM") which is to be held on Wednesday, 25 April 2018 at 10.00 a.m. and the resolutions to be proposed at it. I am pleased to enclose a copy of the Company's Annual Report & Accounts for the year ended 31 December 2017 (the "Annual Report").

As we reported when we announced our annual financial report on 7 March 2018, it is your Directors' intention to propose a distribution by way of a final dividend for the year ended 31 December 2017 of 4.30 pence per share. This is subject to the passing of Resolution 3.

### ELECTRONIC COMMUNICATIONS WITH SHAREHOLDERS

You may be aware that the Companies Act 2006 (the "Act") aims to encourage use of electronic communications with shareholders and enables companies, if their shareholders agree to it, to supply documents to their shareholders by email or by use of website access instead of posting documents to them. As we currently have under 1,000 shareholders, the Company intends to continue to post documents to all the names on the share register. However, if you would also like to receive documents by email, you may request this service by writing to CLS (marked for the attention of the Company Secretary) or by emailing [enquiries@clsholdings.com](mailto:enquiries@clsholdings.com).

### ANNUAL GENERAL MEETING – EXPLANATORY NOTES

The AGM is to be held in the Seminar Room at Spring Mews - Fresh Student Living, 10 Tinworth Street, Lambeth, London, SE11 5AL, on Wednesday, 25 April 2018 at 10.00am. You will find on pages 7 to 11 of this document the Notice convening the AGM. A form of proxy for use in connection with the AGM is enclosed with this document.

Resolutions 1 to 16 are ordinary resolutions; Resolutions 17 to 19 are special resolutions. I set out below further information on certain of the resolutions proposed.

## ORDINARY RESOLUTIONS

### **Resolution 3 (Declaration of final dividend)**

Pursuant to the Board's recommendation, the authority sought from shareholders under this Resolution is to declare a final dividend of 4.30 pence per ordinary share for the financial year ended 31 December 2017. If approved, the final dividend will be paid on 27 April 2018 to those shareholders on the Company's statutory register of members as at the close of business on 3 April 2018.

### **Resolutions 4 to 13 (Re-election of Directors)**

The Board notes that the UK Corporate Governance Code (the "Code"), which applies to the Company, requires that all directors of FTSE 350 companies be subject to annual re-election by shareholders. Accordingly, resolutions 4 to 13 propose the re-election of each of the Directors.

I can confirm to shareholders that, following a formal performance evaluation, the performance of each of the Directors continues to be effective and demonstrates commitment to their roles.

Biographies of all the Directors proposed to be elected and re-elected are set out on pages 46 and 47 of the Annual Report.

### **Dual Voting System**

The Company is required to comply with the provisions of the UK Listing Rules of the Financial Conduct Authority (the "Listing Rules") relating to controlling shareholders and the election or re-election of independent directors. Listing Rule 9.2.2E requires that the election or re-election of an independent director by the shareholders be approved by an ordinary resolution of the shareholders as a whole and separately approved by the non-controlling shareholders. For the purposes of the Listing Rules, certain companies directly held and beneficially owned by the Sten and Karin Mortstedt Family and Charity Trust control more than 30% of the voting rights of the Company. This means that any resolutions for the election or re-election of any independent directors must be approved by a majority vote of both:

- i) the shareholders of the Company; and
- ii) the independent shareholders of the Company (that is, the shareholders of the Company entitled to vote on the election of directors who are not controlling shareholders of the Company).

Therefore, resolutions 9, 10, 11 and 13 are being proposed as ordinary resolutions which all shareholders can vote on, but in addition the Company will separately count the number of votes cast by independent shareholders in favour of the resolution (as a proportion of the total votes cast by independent shareholders cast on the resolution) to determine whether the second threshold referred to in ii) above has been met. The Company will announce the results of those resolutions on this basis as well as announcing the results of the ordinary resolutions of all shareholders.

If a resolution to re-elect an independent director is not approved by a majority vote of both the shareholders as a whole and the independent shareholders, the Company may propose a further resolution to re-elect that director at a meeting to be held between 90 and 120 days from the date of the original vote. Therefore, if either resolution 9, 10, 11 or 13 is not approved by a majority of the independent shareholders at the AGM, the relevant director will be treated as having been re-elected only from the period of the date of the AGM to the earlier of:

- i) the close of any general meeting of the Company, convened for a date more than 90 days after the AGM, but within 120 days of the AGM, to propose a further resolution to re-elect the relevant director;
- ii) the date which is 120 days after the AGM; and
- iii) the date of any announcement by the Board that it does not intend to hold a second vote.

In the event that the director's re-election is approved by a majority vote of all shareholders at a second meeting, the director will then be re-elected until the next AGM.

## PART I continued

### LETTER FROM THE CHAIRMAN OF CLS HOLDINGS PLC

CLS HOLDINGS PLC (THE "COMPANY")  
(INCORPORATED AND REGISTERED IN ENGLAND WITH REGISTERED NUMBER 2714781)

The Company is also required to provide certain information in relation to the proposed re-election of independent directors, being Malcolm Cooper, Elizabeth Edwards, Christopher Jarvis and Lennart Sten. This includes details of any existing or previous relationship, transaction or arrangement the independent director has with the Company, its directors, any controlling shareholder or an associate of a controlling shareholder, together with a description of why the Company considers the independent directors will be effective, how it has determined their independence and the process followed for their selection. The Company:

- i) is satisfied, having received confirmation from each of the independent directors who are seeking re-election, that those independent directors do not, and have not previously had, any relationship, transaction or arrangement with the Company, its directors, any controlling shareholder or any associate of a controlling shareholder;
- ii) believes that these appointments have strengthened its knowledge base, broadened its experience and they each continue to add value to Board discussions. Each independent director's biography is set out on pages 46 and 47 of the Annual Report, which outlines their relevant experience;
- iii) following a rigorous review of the relationships or circumstances which are likely to affect, or could appear to affect, the directors judgement, determined that each of the proposed directors are independent for the purpose of the Code; and
- iv) reviewed a list of suitable candidates identified through external contacts, which was followed up by an interview process that included meetings with the senior independent director and other independent directors.

#### **Resolution 16 (Renewal of the Board's authority to allot shares)**

It is proposed to authorise the Board to allot shares or grant such subscription rights as are contemplated by sections 551(1) (a) and (b) respectively of the Act up to a maximum aggregate nominal value of £3,394,964 representing one-third of the issued share capital of the Company excluding treasury shares (as set out in the paragraph entitled "Further information" below). This is the maximum permitted amount under best practice corporate governance guidelines. This will replace the equivalent resolution passed at the last annual general meeting and will expire at the conclusion of the next annual general meeting or at 6:00 p.m. on 25 July 2019, whichever is the earlier. Your Directors have no present intention of exercising this authority.

#### **SPECIAL RESOLUTIONS**

##### **Resolution 17 (Disapplication of pre-emption rights)**

It is proposed to empower the Board to allot equity securities for cash without first offering them to existing shareholders in proportion to their holdings, subject to certain limits which comply with best practice corporate governance guidelines. This Resolution will enable the Board, in appropriate circumstances, to allot for cash (other than in connection with a rights issue or open offer) equity securities with an aggregate nominal value of up to £509,244, being up to 20,369,760 ordinary shares of 2.5 pence each in the Company ("Ordinary Shares") and representing approximately five per cent. of the issued equity share capital of the Company (excluding treasury shares). The allotment of equity securities as referred to in this resolution includes the sale of any shares which the Company holds in treasury. The Resolution also disapplies the statutory pre-emption provisions in connection with a rights issue or open offer and allows the Directors, in the case of a rights issue or open offer, to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems. This will replace the equivalent resolution passed at the last annual general meeting and will expire at the conclusion of the next annual general meeting or at 6:00 p.m. on 25 July 2019, whichever is the earlier. It is intended that in any three year period no more than seven and a half per cent. of the issued share capital (excluding treasury shares) will be issued on a non-pre-emptive basis.

This Resolution is proposed so as to give your Board flexibility to take advantage of business opportunities as they arise.

##### **Resolution 18 (Renewal of general authority to make market purchases of Ordinary Shares)**

It is proposed to renew the authority to make market purchases of Ordinary Shares, such authority being limited to the purchase of 10 per cent. of the Ordinary Shares in issue as at 22 March 2018. Shares purchased further to this authority will be cancelled, unless the Company decides otherwise, in which case they may be held as treasury shares, subject to any applicable limits. No dividends are paid on shares while held in treasury and no voting rights attach to treasury shares.

The minimum price which may be paid for any Ordinary Shares pursuant to this authority will be 2.5 pence (being an amount equal to the nominal value of an Ordinary Share). The maximum price which may be paid for any Ordinary Share is the higher of an amount equal to 5 per cent. above the average of the closing middle-market quotations for the Ordinary Shares as derived from SEDOL for the five dealing days immediately preceding the day on which the purchase is made, and an amount equal to a price no higher than the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Trading System SETS, in each case exclusive of expenses.

The maximum per cent. aggregate number of Ordinary Shares hereby authorised to be purchased is 40,739,576 Ordinary Shares (representing 10 per cent. of the Ordinary Shares in issue as at 22 March 2018).

The authority to purchase the Company's own shares will only be exercised if the Directors consider that there is likely to be a beneficial impact on earnings per Ordinary Share and that it is in the best interests of the Company at the time. The Directors have no present intention of exercising this authority.

During the year to 31 December 2017 the Company did not make any market purchases of its own shares pursuant to its general authority to make market purchases.

#### **Resolution 19 (Ability to hold general meetings on 14 clear days' notice)**

It is proposed to seek authority from shareholders to hold general meetings (other than Annual General Meetings) on 14 clear days' notice. This is permissible under the existing Articles of Association of the Company and the Act. Under the Companies Act 2006, specific shareholder approval is required annually in order to retain this option. The Directors believe that there may be circumstances in which it will be important for the Company to be able to call meetings at such short notice. Accordingly, the Directors believe that it is important for the Company to retain this flexibility.

The Company will only use the shorter notice period where it is merited by the purpose of the meeting, the proposals are time sensitive and it would clearly be to the advantage of shareholders as a whole.

#### **VOTING**

You will find enclosed with this document a Form of Proxy for use in respect of the AGM. Whether or not you intend to be present at the AGM, you are requested to complete and sign the Form of Proxy and return it, in accordance with the instructions printed on it to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY (the "Registrar") as soon as possible and, in any event, to arrive by no later than 10.00 a.m. on Monday, 23 April 2018.

As an alternative to completing the Form of Proxy, you can appoint proxies electronically via [www.clsholdings.com/evoting](http://www.clsholdings.com/evoting) to be received by the Registrar by no later than 10.00 a.m. on Monday, 23 April 2018. CREST members can also appoint proxies by using the CREST electronic proxy appointment service and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the issuer's agent (under ID 3RA50) by no later than 10.00 a.m. on Monday, 23 April 2018. The time of receipt will be taken to be the time from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Appointment of a proxy will not prevent you from attending the Meeting and voting in person should you wish to do so.

**PART I** continued  
**LETTER FROM THE CHAIRMAN OF CLS HOLDINGS PLC**

CLS HOLDINGS PLC (THE "COMPANY")  
(INCORPORATED AND REGISTERED IN ENGLAND WITH REGISTERED NUMBER 2714781)

**FURTHER INFORMATION**

At 22 March 2018 (being the latest practicable date prior to the publication of this document), the issued share capital of the Company was 438,777,780 Ordinary Shares, of which 31,382,020 Ordinary Shares are held by the Company as treasury shares. At 22 March 2018, the Company operates the Performance Incentive Plan (the "Plan") which sets out share awards made to participants of Element B of the Plan. As at this date, there were awards outstanding under Element B of the Plan in respect of 845,210 shares. This represented 0.19 per cent. of the Company's issued share capital on that date. If the authority to purchase shares set out in resolution 18 was exercised in full, the share awards would represent 0.21 per cent. of the Company's issued share capital as at 22 March 2018.

**RECOMMENDATION**

Your Directors consider that the proposals in this document are in the best interests of shareholders as a whole and unanimously recommend that shareholders vote in favour of the Resolutions proposed in the Notice as they intend to do in respect of their interest in, and/or own shareholdings of, 236,856,850 Ordinary Shares, representing approximately 58.14 per cent. of the Company's issued share capital (excluding treasury shares).

Yours faithfully

**Henry Klotz**  
Executive Chairman

**PART II**  
**CLS HOLDINGS PLC (THE "COMPANY")**  
**(INCORPORATED AND REGISTERED IN ENGLAND WITH REGISTERED NUMBER 2714781)**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of CLS Holdings plc ("the Company") will be held in the Seminar Room at Spring Mews - Fresh Student Living, 10 Tinworth Street, Lambeth, London, SE11 5AL, on 25 April 2018 at 10.00 a.m. for the following purposes:

**ORDINARY RESOLUTIONS:**

1. That the Company's Annual Report & Accounts for the year ended 31 December 2017 together with the Directors' Report and the Independent Auditors' Report on those Accounts and on the auditable part of the Directors' Remuneration Report, be and are hereby received and adopted.
2. That the Directors' Annual Remuneration Report, as set out on pages 62 to 76 of the Annual Report & Accounts (as referred to in Resolution 1 above), be and is hereby approved.
3. That a final dividend for the financial year ended 31 December 2017 of 4.30 pence per ordinary share of 2.5 pence each payable on 27 April 2018 to those shareholders on the register of members at the close of business on 3 April 2018 be approved.
4. That Henry Klotz be re-elected as a director.
5. That Anna Seeley be re-elected as a director.
6. That Fredrik Widlund be re-elected as a director.
7. That John Whiteley be re-elected as a director.
8. That Sten Mortstedt be re-elected as a director.
9. That Malcolm Cooper be re-elected as a director.
10. That Elizabeth Edwards be re-elected as a director.
11. That Christopher Jarvis be re-elected as a director.
12. That Bengt Mortstedt be re-elected as a director.
13. That Lennart Sten be re-elected as a director.
14. That Deloitte LLP be re-appointed as auditors to hold office until the conclusion of the next annual general meeting.
15. That the Directors be authorised to fix the remuneration of the auditors.
16. That for the purposes of section 551 Companies Act 2006 (and so that expressions used in this resolution shall bear the same meanings as in the said section 551):
  - a. the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Companies Act 2006 respectively up to a maximum nominal amount of £3,394,964 to such persons and at such times and on such terms as they think proper during the period expiring at the conclusion of the next annual general meeting or at 6:00 p.m. on 25 July 2019, whichever is the earlier (unless previously renewed, revoked or varied by the Company in general meeting); and
  - b. the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require such shares or rights to be allotted or granted after the expiry of the said period and the Directors may allot such shares or grant such rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution,

so that all previous authorities of the Directors pursuant to the said section 551 be and are hereby revoked.

**PART II** continued  
CLS HOLDINGS PLC (THE "COMPANY")  
(INCORPORATED AND REGISTERED IN ENGLAND WITH REGISTERED NUMBER 2714781)

**NOTICE OF ANNUAL GENERAL MEETING** continued

**SPECIAL RESOLUTIONS:**

17. That subject to the passing of resolution 16 set out in the Notice convening this Meeting, the Directors be and are empowered in accordance with section 570 Companies Act 2006 to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash, pursuant to the authority conferred on them to allot such shares or grant such rights by that resolution and/or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the Act, as if section 561(1) and sub-sections (1) – (6) of section 562 of the Act did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to:

- a. the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with treasury shares, fractional entitlements, record dates or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
- b. the allotment (otherwise than pursuant to paragraph 17a above) of equity securities up to an aggregate nominal value not exceeding £509,244;

and this power, unless renewed, shall expire at the conclusion of the next annual general meeting or at 6:00 p.m. on 25 July 2019, whichever is the earlier, but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

18. That the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Companies Act 2006 (the "Act") to make one or more market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 2.5 pence each in the capital of the Company ("Ordinary Shares") provided that:

- a. the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 40,739,576 (representing approximately 10 per cent. of the Company's issued share capital excluding treasury shares);
- b. the minimum price which shall be paid for any Ordinary Share pursuant to this authority shall be 2.5 pence, being the nominal value of an Ordinary Share;
- c. the maximum price which may be paid for any Ordinary Share is the higher of an amount equal to 5 per cent. above the average of the closing middle-market quotations for the Ordinary Shares as derived from SEDOL for the five dealing days immediately preceding the day on which the purchase is made, and an amount equal to a price no higher than the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Trading System SETS;
- d. unless previously revoked or varied, the authority hereby conferred shall, subject as provided in paragraph (e) of this resolution, expire at the conclusion of the annual general meeting of the Company following the passing of this resolution (or, if earlier, 18 months from the date of the passing of this resolution); and
- e. the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares pursuant to any such contract or contracts as if such authority had not expired.



19. That a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.

BY ORDER OF THE BOARD

**David Fuller**

Company Secretary  
Dated 23 March 2018

86 Bondway  
London  
SW8 1SF

**PART II** continued  
CLS HOLDINGS PLC (THE "COMPANY")  
(INCORPORATED AND REGISTERED IN ENGLAND WITH REGISTERED NUMBER 2714781)

**NOTICE OF ANNUAL GENERAL MEETING** continued

**Notes:**

1. A member entitled to attend and vote at the Meeting convened by the above Notice is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and speak and vote on his behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. The right to appoint a proxy does not apply to any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "2006 Act") to enjoy information rights (a "Nominated Person").
2. To appoint a proxy you may:
  - (a) use the Form of Proxy enclosed with this Notice of Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be received by post or (during normal business hours only) by hand at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY in each case no later than 10.00 a.m. on Monday, 23 April 2018; or
  - (b) appoint proxies electronically via [www.clsholdings.com/evoting](http://www.clsholdings.com/evoting). For an electronic proxy appointment to be valid, the appointment must be received by the Company's Registrars by no later than 10.00 a.m. on Monday, 23 April 2018. Any electronic communication sent by a member to the Company's Registrars which is found to contain a virus will not be accepted by the Company; or
  - (c) if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service as described in Note 6 below.

Completion of the Form of Proxy or the appointment of a proxy electronically via [www.clsholdings.com/evoting](http://www.clsholdings.com/evoting) or through CREST will not prevent a member from attending and voting in person.

3. Any member attending the meeting has the right to ask questions. The company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.
4. Pursuant to section 360B of the 2006 Act, and Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only shareholders registered in the register of members of the Company as at 5:00 p.m. on Monday, 23 April 2018 shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at such time. If the Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned Meeting is 5.00 p.m. on the date that is two days prior to the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
5. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual ([www.euroclear.com](http://www.euroclear.com)). The message must be transmitted so as to be received by the issuer's agent (ID 3RA50), by 10.00 a.m. on Monday, 23 April 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended). Please refer to the CREST Manual at [www.euroclear.com](http://www.euroclear.com).

7. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the Meeting. In accordance with the provisions of the 2006 Act each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.
8. The following documents are available for inspection at the registered office of the Company, CLS Holdings plc, 86 Bondway, London, SW8 1SF, (until 23 March 2018) and 12th Floor, Westminster Tower, 3 Albert Embankment, London, SE1 7SP, (from 24 March 2018) during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) until the conclusion of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the Meeting:
  - (a) copies of the terms and conditions of appointment of the non-executive directors; and
  - (b) the Articles of Association.
9. As at 22 March 2018 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 438,777,780 ordinary shares (of which 31,382,020 ordinary shares are held by the Company as treasury shares), carrying one vote each. Therefore, the total voting rights in the Company as at 22 March 2018 are 407,395,760
10. The information required to be published by s.311(A) of the 2006 Act (information about the contents of this notice and numbers of shares in the company and voting rights exercisable at the meeting and details of any members' statements, members' resolutions and members' items of business received after the date of this notice) may be found at [www.clsholdings.com](http://www.clsholdings.com).
11. Under section 527 of the 2006 Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the 2006 Act.
12. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.
13. A Nominated Person may under an agreement between him/her and the member who nominated him/her, have a right to be appointed (or to have someone else appointed) as a proxy entitled to attend and speak and vote at the Meeting. Nominated Persons are advised to contact the member who nominated them for further information on this and the procedure for appointing any such proxy.
14. If a Nominated Person does not have a right to be appointed, or to have someone else appointed, as a proxy for the Meeting, or does not wish to exercise such a right, he/she may still have the right under an agreement between himself/herself and the member who nominated him/her to give instructions to the member as to the exercise of voting rights at the Meeting. Such Nominated Persons are advised to contact the members who nominated them for further information on this.

