

**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.**

Government restrictions on public gatherings have been imposed as a result of the Covid-19 pandemic, and as a result, **shareholders will not be permitted to attend the meeting in person.** Please see the Chairman's letter and the notes on the meeting at the end of this Notice concerning the venue and format of the meeting.

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 Thursday, 22 April 2021 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 Tuesday, 20 April 2021. 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 Tuesday, 20 April 2021. 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 Tuesday, 20 April 2021. 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.

# Letter from the Chairman of CLS Holdings plc

*CLS Holdings plc (the "Company")  
(Incorporated and registered in England with registered number 2714781)*

16 Tinworth Street  
London  
SE11 5AL

## Directors

**Lennart Sten** (Non-Executive Chairman)  
**Anna Seeley** (Non-Executive Vice Chair)  
**Fredrik Widlund** (Chief Executive Officer)  
**Andrew Kirkman** (Chief Financial Officer)  
**Elizabeth Edwards** (Non-Executive Director)  
**Bill Holland** (Non-Executive Director)  
**Denise Jagger** (Non-Executive Director)  
**Christopher Jarvis** (Non-Executive Director)  
**Bengt Mortstedt** (Non-Executive Director)

22 March 2021

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 Thursday, 22 April 2021 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 2020 (the "Annual Report"), which can also be found on the Company's website at [www.clsholdings.com](http://www.clsholdings.com).

As we reported when we announced our annual results on 10 March 2021, it is your Directors' intention to propose a distribution by way of a final dividend for the year ended 31 December 2020 of 5.20 pence per share. This is subject to the passing of Resolution 3.

## Coronavirus (Covid-19)

As a result of the UK Government's current guidance on social distancing and the prohibition on public gatherings due to the Covid-19 pandemic, it is expected that **shareholders will not be permitted to attend the AGM**.

The AGM will be convened in accordance with the Company's Articles of Association and in line with the UK Government guidance. As in previous years, voting on the resolutions to be proposed at the AGM will be conducted on a poll, rather than a show of hands. Therefore, shareholders are encouraged to vote via proxy and, where possible, online at [www.clsholdings.com/evoting](http://www.clsholdings.com/evoting), appointing the Chairman of the meeting as their proxy. This is the only way to ensure your vote is counted at the AGM as it is likely no other proxy will be permitted to attend the meeting.

To facilitate shareholder engagement, questions to the Board may be submitted in advance of the AGM by emailing questions to [cosec@clsholdings.com](mailto:cosec@clsholdings.com), or in writing addressed for the attention of the Company Secretary at our Registered Office. The last day for submitting questions is 10.00 a.m. on Tuesday, 20 April 2021 and responses which are relevant to the business of the meeting will be uploaded to our website at [www.clsholdings.com](http://www.clsholdings.com). We also encourage shareholders to view the recording of the presentation of our annual results, details of which are available on our website at [www.clsholdings.com/investors](http://www.clsholdings.com/investors).

The Board is closely monitoring the impact of the Covid-19 pandemic in the United Kingdom and should UK Government guidance change, a further announcement will be made via our website at [www.clsholdings.com/site-services/covid-19-statement](http://www.clsholdings.com/site-services/covid-19-statement) and through the Regulatory Information Service.

The health of our shareholders and colleagues remains our priority and the steps set out above are necessary to ensure their well-being during the Covid-19 pandemic.

## Electronic communications with shareholders

The Companies Act 2006 (the "Act") enables us, if shareholders agree to it, to supply documents by email or by use of website access instead of posting documents to them. If you would also like to receive documents by post, you may request this service by writing to our Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ or by contacting them online at [www.investorcentre.co.uk/contactus](http://www.investorcentre.co.uk/contactus).

## Annual General Meeting – explanatory notes

The AGM is to be held at 16 Tinworth Street, London SE11 5AL, on Thursday, 22 April 2021 at 10.00 a.m. You will find on pages 8 to 12 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 15 are ordinary resolutions. For these to be passed, more than half of the votes cast must be in favour of the relevant resolution. Resolutions 16 to 18 are special resolutions. For each of these to be passed, at least three quarters of the votes cast must be in favour of the resolution. 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 5.20 pence per ordinary share for the financial year ended 31 December 2020. If approved, the final dividend will be paid on 29 April 2021 to those shareholders on the Company's statutory register of members as at the close of business on 26 March 2021.

#### Resolutions 4 to 12 (Re-election of Directors)

The Board notes that the UK Corporate Governance Code (the "Code"), which applies to the Company, requires that all Directors be subject to annual re-election by shareholders. Accordingly, resolutions 4 to 12 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 re-elected, which contain specific details of their skills and experience that highlight why their contribution is, and continues to be, important to the Company's long-term sustainable success, are set out on page 7 of this Notice.

The Directors note that Mr Jarvis has served on the Board for more than nine years. In response to investor feedback in relation to the tenure of Mr Jarvis, the Board no longer considers him to be independent. Notwithstanding the tenure of Mr Jarvis, given his experience of the German real estate market, the Board recommends that shareholders vote in favour of his re-election at the AGM.

### 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 & 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 4, 8, 9 and 10 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 resolutions (as a proportion of the total votes cast by independent shareholders cast on the resolutions) 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.

# Letter from the Chairman of CLS Holdings plc continued

*CLS Holdings plc (the "Company")*  
*(Incorporated and registered in England with registered number 2714781)*

If a resolution to elect or 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 any of resolutions 4, 8, 9 and 10 are 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.

The Company is also required to provide certain information in relation to the proposed election or re-election of independent directors, being Lennart Sten, Elizabeth Edwards, Denise Jagger and Bill Holland. 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 other than by virtue of their term of office;
- 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 page 7 of this Notice, 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) prior to the appointment of each of the independent directors, 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 15 (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 approximately 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 22 July 2022, whichever is the earlier. Your Directors have no present intention of exercising this authority but the Board wishes to ensure that the Company has maximum flexibility in managing the financial resources of the Company.

## Special resolutions

### **Resolution 16 (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) as at 22 March 2021 (being the latest practicable date prior to the publication of this document). 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 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 22 July 2022, 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-preemptive basis without prior consultation with shareholders.

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

### **Resolution 17 (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 2021 (being the latest practicable date prior to the publication of this document). 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 2021 (being the latest practicable date prior to the publication of this document)). This authority will expire at the conclusion of the Company's next annual general meeting, or, if earlier, at 6.00 p.m. on 22 July 2022, being 15 months from the date of the passing of this resolution.

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 2020 the Company did not make any market purchases of its own shares pursuant to its general authority to make market purchases.

### **Resolution 18 (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 Act, 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.

# Letter from the Chairman of CLS Holdings plc continued

*CLS Holdings plc (the "Company")  
(Incorporated and registered in England with registered number 2714781)*

## Voting

You will find enclosed with this document a Form of Proxy for use in respect of the AGM. As a result of the UK Government's guidance on social distancing and prohibition on public gatherings due to the COVID-19 pandemic, **shareholders will not be permitted to attend the AGM**. Therefore 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 Tuesday, 20 April 2021.

As an alternative to completing the Form of Proxy, you can appoint proxies electronically via [www.cls Holdings plc/evoting](http://www.cls Holdings plc/evoting) to be received by the Registrar by no later than 10.00 a.m. on Tuesday, 20 April 2021. 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 Tuesday, 20 April 2021. 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.

## Further information

At 22 March 2021 (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. As at 22 March 2021, the total number of voting rights in the Company was, therefore, 407,395,760. At 22 March 2021, the Company operates the Performance Incentive Plan (the "Plan") which sets out share awards made to participants of Element B of the Plan and a Long-Term Incentive Plan. As at this date, there were awards outstanding under Element B of the Plan in respect of 1,681,120 shares and options outstanding under the Long-Term Incentive Plan in respect of 1,034,509 shares. Together, these represented 0.62 per cent of the Company's issued share capital on that date. If the authority to purchase shares set out in resolution 17 was exercised in full, the share awards would represent 0.68 per cent of the Company's issued share capital as at 22 March 2021.

## 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, 27,337,694 Ordinary Shares, representing approximately 6.71 per cent of the Company's issued share capital (excluding treasury shares).

Yours faithfully

**Lennart Sten**

Non-Executive Chairman

# Directors' biographies

## Lennart Sten

Independent Non-Executive Chairman

Appointment as a Director	1 August 2014
Nationality	Swedish
Tenure	6 years 4 months

Former roles: CEO, GE Capital Real Estate Europe. President, GE Real Estate Nordic. CEO Fabege AB. General Counsel, GE Capital Equipment Finances AB. Partner, Baker & McKenzie, Stockholm

Qualifications: Degree in Law, Stockholm University

Experience: International property industry. Founder and CEO of Svenska Handelsfastigheter. Board member, Interogo Holding AG. Chairman, Swedish Property Federation and Klara Bo Sverige AB

## Anna Seeley

Non-Executive Director and Vice Chair

Appointment as a Director	11 May 2015
Nationality	Swedish
Tenure	5 years 7 months

Former roles: European Property Surveyor, General Electric Corporate and BT Group. Group Property Director, CLS Holdings plc. Chartered Surveyor, Chestertons

Qualifications: Degree in Property Valuation, City University and Chartered Surveyor

Experience: 20+ years of property industry and business experience

## Fredrik Widlund

Chief Executive Officer

Appointment as a Director	3 November 2014
Nationality	Swedish
Tenure	6 years 1 month

Former roles: Global Commercial Leader, GE Capital International. Regional CEO, GE's European Leasing businesses. Managing Director, GE Capital Real Estate. CFO, GE Capital Equipment Finance. Various positions with Royal Dutch Shell

Qualifications: Degree in Business Administration, Stockholm University

Experience: Business leadership, property and finance experience in global organisations. Trustee of Morden College

## Andrew Kirkman

Chief Financial Officer

Appointment as a Director	1 July 2019
Nationality	British
Tenure	1 year 5 months

Former roles: Finance Director, Harworth Group plc. Finance Director, Viridor. Chief Finance Officer, Balfour Beatty Capital. Global Head of Corporate Finance, Bovis Lend Lease

Qualifications: Masters in Politics, Philosophy and Economics, Oxford University. Fellow, Institute of Chartered Accountants

Experience: Extensive plc, property, finance and operational experience. Non-Executive Director, A2Dominion Housing Limited, a social housing charity

## Elizabeth Edwards

Senior Independent Director

Appointment as a Director	13 May 2014
Nationality	British
Tenure	6 years 7 months

Former roles: Head, Property Lending, Landesbank Berlin. Senior positions with National Australia Bank, Berlin Hyp and Westdeutsche Immobilienbank. Management Consultant, PwC

Qualifications: Chartered Surveyor, Degree in Estate Management, South Bank University. Fellow, Royal Institution of Chartered Surveyors

Experience: Banking (primarily property-related). Trustee, Salvation Army International Trust. Trustee, Refuge. Member, Association of Property Lenders. Past Master, the Worshipful Company of Chartered Surveyors. Non-Executive Director, Schroders European REIT plc

## Christopher Jarvis

Non-Executive Director

Appointment as a Director	25 November 2008
Nationality	British
Tenure	12 years 1 month

Former roles: Owner, Jarvis & Partners real estate consultancy. Partner, HRO Group. MD, Richard Ellis Germany

Qualifications: Chartered Surveyor. Masters in Land Economy, Cambridge University

Experience: Advising on all property-related matters, from debt financing to asset acquisitions, primarily in the German market

## Denise Jagger

Non-Executive Director

Appointment as a Director	1 August 2019
Nationality	British
Tenure	1 year 4 months

Former roles: Solicitor, Slaughter and May, Director Asda Stores, Company Secretary and General Counsel Asda Group plc/Asda Wal Mart, Partner Eversheds Sutherland LLP

Qualifications: Law degree, Warwick University, Certificate in EU Studies Universite de Nice, Hon Doctorate of Law, Leeds Beckett University

Experience: Legal advisory (corporate finance, M&A, regulatory, compliance and governance). Retail and property sector specialism. Independent NED and SID Bellway plc; NED and Remuneration and Nominations Committee Chair, Pool Reinsurance; Chair and Pro Chancellor University of York; Chair St Giles Trust

## Bengt Mortstedt

Non-Executive Director

Appointment as a Director	7 March 2017
Nationality	Swedish
Tenure	3 years 9 months

Former roles: Director, CLS Holdings plc (1992–2010). Former Junior District Court Judge in Sweden

Qualifications: Degree in Law, Stockholm University

Experience: European property market and Group business. Developed and runs hotels in St Vincent & Grenadines, West Indies

## Bill Holland

Non-Executive Director

Appointment as a Director	20 November 2019
Nationality	British
Tenure	1 year 1 month

Former roles: Senior Partner, KPMG real estate audit practice

Qualifications: Fellow, Institute of Chartered Accountants. Degree in Economics

Experience: Real estate, finance and audit experience. Non-Executive Director, Urban&Civic plc and Ground Rents Income Fund plc. Governor, Winchester College



# Notice of Annual General Meeting

*CLS Holdings plc (the "Company")*  
*(Incorporated and registered in England with registered number 2714781)*

Notice is hereby given that the Annual General Meeting of CLS Holdings plc ("the Company") will be held at 16 Tinworth Street, London SE11 5AL, on 22 April 2021 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 2020 together with the Directors' Report and the Independent Auditor's 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, other than the part containing the Directors' Remuneration Policy, as set out on pages 90 to 109 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 2020 of 5.20 pence per ordinary share of 2.5 pence each payable on 29 April 2021 to those shareholders on the register of members at the close of business on 26 March 2021 be declared.
4. That Lennart Sten 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 Andrew Kirkman be re-elected as a Director.
8. That Elizabeth Edwards be re-elected as a Director.
9. That Bill Holland be re-elected as a Director.
10. That Denise Jagger 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 Deloitte LLP be re-appointed as auditors to hold office until the conclusion of the next annual general meeting.
14. That the Directors be authorised to determine the remuneration of the auditors.
15. 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 22 July 2022, 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.



### Special resolutions:

16. That subject to the passing of resolution 15 set out in the Notice convening this Meeting, the Directors be and are empowered in accordance with sections 570 and 573 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 16.a. 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 22 July 2022, 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.

17. 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") on such terms and in such manner as the Directors may determine 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, in each case exclusive of expenses;
- 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 next annual general meeting of the Company following the passing of this resolution (or, if earlier, at 6.00 p.m. on 22 July 2022, being 15 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.

18. 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  
22 March 2021

# Notice of Annual General Meeting continued

*CLS Holdings plc (the "Company")*  
*(Incorporated and registered in England with registered number 2714781)*

## Notes:

### Further information about the AGM

#### Coronavirus (Covid-19) and AGM attendance

As a result of the UK Government's current guidance on social distancing and prohibition on public gatherings due to the Covid-19 pandemic, **shareholders will not be permitted to attend the AGM**. The AGM will be convened in accordance with the Company's Articles of Association and in line with UK Government guidance. Voting on the resolutions to be proposed at the AGM will be conducted on a poll, rather than a show of hands. Therefore, shareholders are encouraged to vote via proxy, and where possible, vote by proxy online at [www.clsholdings.com/evoting](http://www.clsholdings.com/evoting), appointing the Chairman of the meeting as proxy as no other proxy will be permitted to attend the meeting.

The Board is closely monitoring the impact of the Covid-19 pandemic in the United Kingdom, and should the UK Government's guidance change, a further announcement will be made on our website at [www.clsholdings.com/site-services/covid-19-statement](http://www.clsholdings.com/site-services/covid-19-statement) and through a Regulatory Information Service.

1. All the resolutions put to the AGM will be voted on by a poll and not a 'show of hands' as this delivers a fairer representation of shareholder views and has become best practice at large company annual general meetings. The results of the poll will be announced to the market by the end of the day and published on the Company's website.
2. 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 their 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 "Act") to enjoy information rights (a "Nominated Person"). **As shareholders will not be permitted to attend the AGM, any proxy you appoint other than the Chairman of the meeting will be refused entry to the meeting.**
3. 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 6ZZ in each case no later than 10.00 a.m. on Tuesday, 20 April 2021; 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 Tuesday, 20 April 2021. 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 7 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 should this be permitted under applicable Covid-19 restrictions. As noted above, it is expected that, due to the prohibition on public gatherings, shareholders (other than those required for a quorum) will not be permitted to attend the meeting.

4. 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. To facilitate shareholder engagement, questions to the Board may be submitted in advance of the AGM by emailing questions to [cossec@clsholdings.com](mailto:cossec@clsholdings.com), or in writing addressed for the attention of the Company Secretary at our Registered Office. The last day for submitting questions is 10.00 a.m. on Tuesday, 20 April 2021 and responses which are relevant to the business of the meeting will be uploaded to our website at [www.clsholdings.com](http://www.clsholdings.com). We also encourage shareholders to view the recording of the presentation of our annual results, details of which is available on our website at [www.clsholdings.com/investors](http://www.clsholdings.com/investors).

5. Pursuant to section 360B of the 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 Tuesday, 20 April 2021 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.
6. 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.
7. 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 Tuesday, 20 April 2021.

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. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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).

8. 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 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.
9. The following documents are available for inspection at the registered office of the Company, CLS Holdings plc, 16 Tinworth Street, London SE11 5AL during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) until the conclusion of the AGM and will be available for inspection at the place of the AGM 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. In light of the shareholder attendance restrictions due to the Covid-19 pandemic, to make an appointment to view these documents please write to or email the Company Secretary at the registered office or via email at [cosec@clsholdings.com](mailto:cosec@clsholdings.com)
10. As at 22 March 2021 (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 2021 are 407,395,760.
11. The information required to be published by s.311(A) of the 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).

## Notice of Annual General Meeting continued

*CLS Holdings plc (the "Company")*  
*(Incorporated and registered in England with registered number 2714781)*

12. Under section 527 of the 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 Act.
13. 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 Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor 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 Act to publish on a website.
14. 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.
15. 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.