

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to any aspect of the proposals referred to in the document or as to the action you should take, you are recommended to seek your own advice from a stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000, if you are a resident of the United Kingdom, or, if not, another appropriately authorised independent professional adviser.**

**If you have sold or otherwise transferred all of your shares in Tern plc, please forward this document, together with the accompanying documents (except for any personalised forms), as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.**

## **Notice of Annual General Meeting**

To be held at the offices of Allenby Capital,  
5 St Helen's Place London, EC3A 6AB  
on 27 June 2024 at 9.30 a.m.

**Tern plc**

Notice of Annual General Meeting

---

## Chairman's Letter

### **Tern plc**

Registered office:

27/28 Eastcastle Street

London W1W 8DH

Telephone: 020 3807 0222

Website: ternplc.com

Incorporated in

England and Wales

No. 5131386

30 May 2024

## Notice of Annual General Meeting

Dear Shareholder

### **INTRODUCTION**

We are writing to you regarding the Annual General Meeting (the "**AGM**") of Tern plc ("**Tern**" or the "**Company**") which is to be held at 9.30 a.m. on Thursday 27 June 2024 at the offices of Allenby Capital, 5 St Helen's Place, London, EC3A 6AB.

The resolutions to be proposed at the AGM (the "**Resolutions**") are detailed below and the purpose of this circular is to provide you with details of, and the reasons for, the Resolutions.

### **BACKGROUND AND REASONS FOR THE RESOLUTIONS**

The Resolutions cover ordinary business, *inter alia*, the approval of the Company's annual report and accounts for the year ended 31 December 2023, the reappointment of the auditors and the re-election of a director who retires by rotation, together with special business to grant the directors of the Company (the "**Directors**") the authority to issue new Ordinary Shares generally and for cash whilst dis-applying the pre-emption rights of existing shareholders in relation to such an issue (the "**Share Issuance Resolutions**"), and to conduct share buy-backs.

At the 2023 Annual General Meeting held on 29 June 2023 (the "**2023 AGM**"), resolutions to grant the Directors the authority to allot securities and to grant the Directors the authority to issue new Ordinary Shares for cash did not achieve the requisite number of votes to be passed. Following the failure to pass these resolutions at the 2023 AGM, the Directors convened a General Meeting of the Company on 26 September 2023 at which authority was granted for the Directors to issue up to 37,500,000 new Ordinary Shares (representing approximately 9.6 per cent. of the Company's then existing issued ordinary share capital) generally and for cash whilst dis-applying the pre-emption rights of existing shareholders in relation to such an issue.

The Share Issuance Resolutions would permit the Directors to issue up to 50,000,000 new Ordinary Shares (representing approximately 11.6 per cent. of the Company's existing issued ordinary share capital) generally and for cash whilst dis-applying the pre-emption rights of existing shareholders in relation to such an issue.

## Tern plc

### Notice of Annual General Meeting

---

The Directors believe that having the continuing authority to issue a limited number of new Ordinary Shares is extremely important for the Company as it:

- provides the Company with the flexibility to raise, or have access to, funding to support its portfolio companies as required, where such funding:
  - gives the Company negotiating leverage when dealing with potential third-party investors in discussions regarding Tern's portfolio companies.
  - enables the Company to participate, potentially at short notice, in potential fundraisings by its portfolio companies. If this is not possible, the Company could find that either, or both, its shareholdings in its portfolio companies are diluted and their valuation reduces, which may then adversely impact upon the Company.
- having the ability to issue new Ordinary Shares would enable the Company to potentially access the remaining £2.5 million of the £3.0 million loan facility (the "**Facility**") entered into on 12 June 2023, which requires warrants over Ordinary Shares to be issued in relation to any Facility drawdown. Without the Directors having the authority to issue Ordinary Shares and to disapply pre-emption rights the Company is unable to make any further drawdowns from the Facility.

**Should the Share Issuance Resolutions not be passed the Company will likely be required to seek to satisfy its further funding requirements from the disposal of holdings in its portfolio in the short-term and in a timeframe and potentially in a manner that may not be in the best interests of the Company and its shareholders. In these circumstances the Directors believe that the Company may also suffer greater dilution of its remaining portfolio holdings than if the Company was able to drawdown further on the Facility or had access to potential funding through the issue of Ordinary Shares. The Directors believe that failure to pass the Share Issuance Resolutions will likely therefore result in a lower value being ultimately achieved for the Company's shareholders than if they are passed.**

#### ANNUAL GENERAL MEETING

You will find set out at the end of this letter the notice convening the AGM to be held on 27 June 2024 at the offices of Allenby Capital, 5 St Helen's Place, London, EC3A 6AB.

The following Resolutions will be proposed at the AGM:

1. Resolution 1, which will be proposed as an ordinary resolution, is to receive and adopt the Company's annual accounts for the financial year ended 31 December 2023, together with the Directors' Report and Auditors' Report on those accounts.
2. Resolution 2, which will be proposed as an ordinary resolution, is to re-appoint Evelyn Partners as auditors to the Company at a remuneration to be determined by the directors.
3. Resolution 3, which will be proposed as an ordinary resolution, is to re-appoint Ian Ritchie as a director of the Company.
4. Resolution 4, which will be proposed as an ordinary resolution, is to authorise the Directors to allot and grant rights to subscribe for, or convert any security into, Ordinary Shares up to a total nominal value of £10,000 (representing a total of up to 50,000,000 new Ordinary Shares).
5. Resolution 5, which will be proposed as a special resolution and which is subject to the passing of resolution 4, is to disapply statutory pre-emption rights, provided that such authority shall be limited to an aggregate nominal value of £10,000 (representing a total of up to 50,000,000 new Ordinary Shares).
6. Resolution 6, which will be proposed as a special resolution, is to authorise the Company to make market purchases of its Ordinary Shares, subject to certain restrictions.

**Tern plc**

Notice of Annual General Meeting

---

## **ACTION TO BE TAKEN**

The Form of Proxy for use at the AGM is enclosed with this letter.

The Form of Proxy should be returned to the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX as soon as possible and, in any event, so as not to arrive later than 9.30 a.m. on 25 June 2024 (or, in the case of an adjournment of the AGM, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

Alternatively, CREST members who wish to appoint a proxy or proxies via CREST may do so in accordance with the procedures set out in the notice of General Meeting and the Form of Proxy.

## **RECOMMENDATION**

**The Directors consider that the proposed Resolutions are in the interests of the Company and of its shareholders as a whole. The Directors believe that failure to pass the Resolutions will likely result in a lower value being ultimately achieved for the Company's shareholders than if they are passed. Accordingly, they unanimously recommend that you vote in favour of the Resolutions to be proposed at the AGM, as the Directors and members of Tern's senior management team intend to do in respect of their own beneficial shareholdings amounting to 21,444,230 Ordinary Shares, representing approximately 5 per cent. of the issued share capital of the Company.**

Yours sincerely

**Ian Ritchie**  
*Chairman*

**Tern plc**

**Notice of Annual General Meeting**

---

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Tern plc (the "Company") will be held at 9.30 a.m. on Thursday 27 June 2024 at the offices of Allenby Capital, 5 St Helen's Place London, EC3A 6AB.

**BUSINESS OF THE MEETING**

To consider, and if thought fit, to pass the following resolutions, of which resolutions 1, 2, 3 and 4 will be proposed as ordinary resolutions and resolutions 5 and 6 will be proposed as special resolutions:

**ORDINARY BUSINESS**

1. To receive and adopt the Company's annual accounts for the financial year ended 31 December 2023, together with the Directors' Report and Auditors' Report on those accounts.
2. To re-appoint Evelyn Partners as auditors to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company at a remuneration to be determined by the directors
3. Ian Ritchie retires by rotation, in accordance with the Articles of Association of the Company and having consented to be considered for re-appointment, is hereby re-appointed as a director of the Company.

**SPECIAL BUSINESS**

4. That for the purpose of section 551 of the Companies Act 2006 (the "Act") the directors of the Company be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (within the meaning of Section 560 of the Act) up to an aggregate nominal amount of £10,000 provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require relevant equity securities to be allotted after such expiry and the board may allot relevant equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

This authority is in substitution for all subsisting authorities previously conferred upon the directors for the purposes of section 551 of the Act, without prejudice to any allotments made pursuant to the terms of such authorities.

5. That, subject to the passing of resolution 4 above, the directors of the Company be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) pursuant to the authority conferred by resolution 4 above as if section 561 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 for cash in connection with an issue or offer of equity securities (including, without limitation, under a rights issue, open offer or similar arrangement) to holders of equity securities in proportion (as nearly as may be practicable) to their respective holdings of equity securities subject only to such exclusions or other arrangements as the board may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange in any territory; and
  - b. the allotment (otherwise than pursuant to sub-paragraph a of this resolution (5)) of equity securities up to an aggregate nominal value of £10,000.

The power conferred by this resolution 5 shall expire (unless previously renewed, revoked or varied by the Company in general meeting), at such time as the general authority conferred on the board by resolution 4 above expires, except that the Company may at any time before such expiry make

## **Tern plc**

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

---

any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot or sell equity securities for cash in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

6. That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the 2006 Act) of its Ordinary Shares provided that:
  - a. the maximum number of Ordinary Shares authorised to be purchased is 50 per cent. of the entire issued share capital of the Company;
  - b. the minimum price which may be paid for an Ordinary Share is £0.0002;
  - c. the maximum price which may be paid for an Ordinary Share is an amount equal to 105 per cent. of the average of the middle-market prices shown in the quotation for an Ordinary Share as derived from the Stock Exchange Alternative Trading Service of the Stock Exchange for the 5 business days immediately preceding the day on which the Ordinary Share is purchased;
  - d. the authority hereby conferred shall expire on the earlier of the date falling 15 months after the Annual General Meeting or on the conclusion of the next annual general meeting of the Company to be held in 2025; and
  - e. the Company may make a contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such contract.

By Order of the Board

### **MSP Corporate Services Limited**

*Company Secretary*

30 May 2024

### **Notes to the General Meeting notice**

1. Shareholders will only be entitled to attend and vote at the Annual General Meeting if they are registered as the holders of Ordinary Shares at 9.30 a.m. on 25 June 2024. If shareholders attend they must bring photo ID with them to enable attendance at the Annual General Meeting. Representatives must bring their printed letter of Corporate Representative together with photo ID to enable attendance at the Annual General Meeting. If the Annual General 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 vote at the adjourned meeting is 48 hours (ignoring any part of a day that is not a working day) prior to the date and time fixed for the adjourned meeting. Changes to entries on the register of members of the Company later than the time and date falling 48 hours (ignoring any part of a day that is not a working day) prior to the meeting (or any adjournment thereof) will be disregarded in determining the rights of any person to vote at the meeting.
2. A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, vote and speak at the meeting provided each proxy is appointed to exercise rights attached to different shares. A proxy need not be a shareholder of the Company.

## Tern plc

### Notice of Annual General Meeting

---

3. You can register your vote(s) for the Annual General Meeting either:
- by visiting [www.shareregistrars.uk.com](http://www.shareregistrars.uk.com), clicking on the “Proxy Vote” button and then following the on-screen instructions (you can locate your user name and access code on the top of the proxy form);
  - by post or by hand to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX using the proxy form accompanying this notice;
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in notes 6 - 9 below.

In order for a proxy appointment to be valid the proxy must be received by Share Registrars Limited by 9.30 a.m. on 25 June 2024.

4. Shareholders can:
- appoint a proxy or proxies and give proxy instructions by voting online or returning the enclosed form of proxy by post (see note 5); or
  - if a CREST member, register their proxy appointment by utilising the CREST electronic proxy appointment service (see notes 6-9).
5. A form of proxy is enclosed for use by the shareholders of the Company. To be effective, it must be deposited with the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX so as to be received no later than 48 hours (ignoring any part of a day that is not a working day) before the time appointed for holding the meeting. Completion of the proxy does not preclude a shareholder from subsequently attending and voting at the meeting if he or she so wishes. In the case of a shareholder which is a company, the form of proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be included with the form of proxy.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). 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.
7. For a proxy appointment or instructions made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID:7RA36) no later than 9.30 a.m. on 25 June 2024, or, in the event of an adjournment of the General Meeting, 48 hours (ignoring any part of a day that is not a working day) before the adjourned meeting. 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.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. 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/her CREST sponsor or voting service provider(s) take(s)) such action as shall be

**Tern plc****Notice of Annual General Meeting**

---

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.

9. 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.
10. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
11. The notes to the form of proxy explain how to direct your proxy how to vote on each resolution or withhold their vote.
12. To change your proxy instructions, simply submit a new proxy appointment using one of the methods set out above. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If the Company receives more than one appointment of a proxy in respect of any one share, the appointment received last revokes each earlier appointment and the Company's decision as to which appointment was received last is final.
13. In order to revoke a proxy appointment, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Share Registrars Limited no later than 9.30 a.m. on 25 June 2024, or 48 hours (ignoring any part of a day that is not a working day) before any adjourned meeting.
14. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
15. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
16. Any person to whom this Notice of Meeting is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a **Nominated Person**) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such Proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of Proxies in paragraphs 2 and 3 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by shareholders of the Company.



## **Tern plc**

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

---

17. Any shareholder attending a meeting of the Company 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:
  1. to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
  2. the answer has already been given on a website in the form of an answer to a question; or
  3. it is undesirable in the interests of the Company or the good order of the meeting that the questions be answered
  
18. As at 29 May 2024, being the latest practicable date before publication of this notice, the Company had 432,700,318 Ordinary Shares in issue. Each Ordinary Share carries one vote.

