



Adopted by the Board on: 23 April 2021

The Group consists of Oxford Cannabinoid Technologies Holdings plc and Oxford Cannabinoid Technologies Ltd.

The following matters are subject to Board approval.

Financial Direction

Review and approval of:

- Annual Budgets;
- Sale of assets in accordance with limits specified by the Board from time to time;
- Expenditure or investments in accordance with limits specified by the Board from time to time;
- Substantial leasing or other financial commitments;
- Any material research and development expenditure;
- Vary the salary or benefit of any senior employee or director whose salary exceeds £50,000 per annum;
- Dismiss any senior employee (including directors);
- Enter into any service agreement with any employee (including directors) containing a notice period in excess of 3 months;
- Pay any bonus to employees or establish any profit sharing, profit related bonus or incentive scheme;
- Significant changes in accounting policies and practice;
- General treasury and foreign exchange policy and practice and any material changes;
- Insurance arrangements (including, inter alia, Directors and Officers Liability Insurance) and other risk management policies;
- Changes in major banking relationships;
- Alter any bank mandate;
- Internal control procedures and the effectiveness statement of internal control;
- Operational results, operating expenses and general and administrative expenses and income;
- Material litigation and approval of settlement terms;
- Enter into any partnership or joint venture;
- Terms of material contracts in accordance with the authority limits and all contracts with related parties;
- Lend any money (other than to a financial institution) other than advances against expenses of the business to be incurred not exceeding £1,000 per employee outstanding at any one time or as a salary advance not exceeding £5,000 per employee outstanding at any one time nor provide and guarantee in respect of any third party;
- Allotment, calls or forfeiture of shares; and
- Terms and conditions of new loan and other borrowing facilities.

Organisational Matters

Review and approval of:

- Appointment to and removal from the Board;
- Appointment and removal of Company Secretary;
- Contracts in which the Directors have an interest;
- Terms of reference and membership of Board Committees;
- Changes relating to the Company's capital structure including the issue of options and warrants;
- Changes to the Memorandum and Articles of Association;

- Changes to the nature and scope of the Group's activities;
- Change to the Company's accounting reference date; and
- The terms of appointment of the Chairman and other Non-Executive Directors.

Shareholders

Review and approval of:

- Interim and final results announcements and published financial statements;
- Recommendation of interim and final dividends;
- Directors' Report and Strategic Report to shareholders;
- All circulars and prospectuses issued to shareholders and the calling of shareholder meetings; and
- Response to a bid approach.

General

Review and approval of:

- The rules of company pension schemes where applicable;
- Governance of company pension schemes and appointment of company nominees as trustee
- Policy regarding charitable donations (note: political donations are not allowed under company policy);
- Health and Safety, Environmental, Business Continuity, security and similar policies;
- Audit Committee will change or recommend a change of auditors; and
- Auditors' Management Letters.

Management structure and appointments

- Senior management appointments and responsibilities
- Board and other senior management appointments or removals
- Board and senior management succession, training, development and appraisal
- Appointment or removal of Company Secretary
- Appointment or removal of internal auditor
- Remuneration, contracts, grants of options and incentive arrangements for senior management
- Delegation of the board's powers
- Agreeing membership and terms of reference of board committees and task forces
- Establishment of managerial authority limits for smaller transactions
- Matters referred to the board by the board committees.

Strategic/Policy considerations

- Business strategy
- Diversification/retrenchment policy
- Specific risk management policies including insurance, hedging, borrowing limits and corporate security
- Agreement of codes of ethics and business practices
- Receipt and review of regular reports on internal controls
- Annual assessment of significant risks and effectiveness of internal controls
- Avoidance of wrongful or fraudulent trading

Transactions

- Acquisitions and disposals of subsidiaries or other assets over, say 5% of net assets/profits
- Investment and other capital projects over a similar level
- Substantial commitments including;
 - i. Pension funding
 - ii. Contracts in excess of one year's duration
 - iii. Giving securities over significant Group assets (including mortgages and charges over the Group's property)
- Contracts not in the ordinary course of business
- Actions or transactions where there may be doubt over property
- Approval of certain announcements, prospectuses, circulars and similar documents
- Disclosure of directors' interests
- Transactions with directors or other related parties

Finance

- Raising new capital and confirmation of major financing facilities
- Treasury policies including foreign currency and interest rate exposure
- Discussion of any proposed qualification to the accounts
- Final approval of annual and interim reports and accounts and accounting policies
- Appointment/proposal of auditors
- Charitable and political donations
- Approval and recommendation of dividends
- Approval before each year starts of operating budgets for the year and periodic review during the year.