

**EXPLANATORY NOTE OF THE BUSINESS TO BE CONSIDERED AT
THE 2022 ANNUAL GENERAL MEETING OF HAMPDEN & CO PLC**

The notice of the 2022 Annual General Meeting is enclosed and the purpose of this note is to explain the business to be considered at the Annual General Meeting and the action to be taken by shareholders.

Resolution 1 – To receive the Accounts.

The Directors are required to present the Accounts for the financial period ended 31 December 2021 to the Annual General Meeting for consideration by shareholders.

Resolutions 2 and 3 – To re-appoint Deloitte LLP as auditors of the Company and to authorise the Board to determine the remuneration of the auditors.

At each general meeting at which the Company's accounts are presented to shareholders, the Company is required to appoint an auditor to serve until the next such general meeting. The Board recommends the re-appointment of Deloitte LLP as the Company's auditors and that the Board should be authorised to determine the auditors' remuneration.

Resolution 4 – To approve the updated Remuneration Policy

The articles of association of the Company requires any changes to the Remuneration Policy (other than those that are immaterial and/or required by legislation) to be approved by the shareholders.

The Remuneration Policy was last approved by shareholders at the 2015 Annual General Meeting of the Company and, in order to maintain good governance, the current Remuneration Policy, containing several amendments since that date, is presented to shareholders for approval.

A copy of the Remuneration Policy is available online at www.hampdenandco.com/investors. If you are unable to access the Policy online, a paper copy can be supplied on application to Richard Lyon, Company Secretary either by email at investors@hampdenandco.com or by post to our address at 9 Charlotte Square, Edinburgh EH2 4DR.

Resolution 5 - To extend the authorities to allot shares free from statutory pre-emption rights

At the general meeting of the Company held in November 2019, the Directors were authorised by the shareholders to allot shares, free from statutory pre-emption rights, having an aggregate nominal value of up to £2,100,000 (being up to 42,000,000 ordinary shares of £0.05 nominal value each) (the "**Existing Authorities**"). These authorities will expire on 30 November 2022. As at the date of this document, the Company has issued and granted options over, in aggregate, 24,264,556 shares under the Existing Authorities leaving 17,867,982 unissued (the "**Balance**").

The completion of the Company's current funding round is likely to be extended until the first half of 2023. Accordingly, your Board is seeking to renew the Existing Authorities so that the Directors

be permitted to allot the Balance free from statutory pre-emption rights until the Company's 2023 annual general meeting (subject to a back-stop expiry date being 18 months from the date the relevant resolution is passed).

The Company is approaching capital self-sufficiency and as such following the completion of the current funding round it is anticipated that any further disapplication of statutory pre-emption rights will be proposed on an annual basis on a limited basis in line with any capital fundraising plans.

If Resolution 5 is passed at the Annual General Meeting, it will confer authority on your Board to allot shares and grant options over shares having an aggregate nominal value of up to £893,399.10 (being up to 17,867,982 ordinary shares of £0.05 nominal value each) without first having to offer those shares on a pro-rata basis to existing shareholders. These authorities will expire on the earlier of (i) the close of the Company's 2023 annual general meeting; (ii) the date being 18 months from the date that the relevant resolution was passed by the shareholders.

Your Board expects that any ordinary shares which are issued pursuant to these authorities will be issued at a subscription price of at least £1.00 per share and therefore these authorities will enable the Company to potentially raise a further £17,867,982 prior to the expiry of these authorities.

Requirements for Adoption of Resolutions

Resolutions 1 to 4 will be proposed as ordinary resolutions. In order to be passed, an ordinary resolution requires the approval of a majority of the votes cast on the resolution at the Annual General Meeting.

In accordance with the Company's articles of association (the "**Articles**"), resolution 4 requires Extraordinary Shareholder Consent (as defined in the Articles and being the approval by 60% or more of the votes cast on the relevant resolution) in addition to the approvals required by law. Accordingly, although resolution 4 will be proposed as an ordinary resolution, this resolution will only be validly passed if 60% or more of the votes are cast in favour.

While resolution 5 also requires Extraordinary Shareholder Consent, the law requires it to be proposed as a special resolution and as such will require to be approved by 75% or more of the votes cast on that resolution at the Annual General Meeting.

Action to be Taken in Respect of the Annual General Meeting

Holders of ordinary shares will find enclosed a Proxy Form for use in connection with the Annual General Meeting. You are requested to complete the Proxy Form in accordance with the instructions printed on it and return the Proxy Form either in the enclosed reply paid envelope, or a scanned copy of a completed Proxy Form may be submitted electronically via email to investors@hampdenandco.com, so as to be received by the Company as soon as possible and, in any event, not later than 11.00 a.m. on 26 May 2022.

If you are in any doubt about the contents of this document or 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 immediately.