

# MR01

## Particulars of a charge



Companies House

004094/13

A fee is payable with this form  
Please see 'How to pay' on the  
last page

You can use the WebFiling service to file this form online  
Please go to [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

☒ **What this form is for**  
You may use this form to register  
a charge created or evidenced by  
an instrument

☒ **What this form is NOT for**  
You may not use this form to  
register a charge where there is no  
instrument Use form MR08

For further information, please  
refer to our guidance at  
[www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

This form must be delivered to the Registrar for registration within  
**21 days** beginning with the day after the date of creation of the charge  
delivered outside of the 21 days it will be rejected unless it is accompanied  
by a court order extending the time for delivery

☒ You must enclose a certified copy of the instrument with this form. This  
must be scanned and placed on the public record **Do not send the original**



A28 \*A4LG9AW1\* 03/12/2015 #421  
COMPANIES HOUSE

THURSDAY

### 1 Company details

Company number 0 9 8 2 9 1 7 3

Company name in full Farmficiency Ltd

For official use

→ **Filing in this form**  
Please complete in typescript or in  
bold black capitals

All fields are mandatory unless  
specified or indicated by \*

### 2 Charge creation date

Charge creation date 0 1 3 1 1 2 0 1 5

### 3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees  
entitled to the charge

Name Key Fund Investments Limited

Name

Name

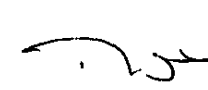
Name

If there are more than four names, please supply any four of these names then  
tick the statement below

☐ I confirm that there are more than four persons, security agents or  
trustees entitled to the charge

MR01

## Particulars of a charge

<b>4</b>	<b>Brief description</b>	
	Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument	Please submit only a short description if there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"
Brief description	As a continuing security for the payment and discharge of the Security Liabilities, Farmficiency Ltd with full title guarantee charges to Key Fund Investments Limited, by way of first floating charge, all the undertaking, property, assets and rights of the Company	Please limit the description to the available space
<b>5</b>	<b>Other charge or fixed security</b>	
	<p>Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	
<b>6</b>	<b>Floating charge</b>	
	<p>Is the instrument expressed to contain a floating charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes Continue</p> <p><input type="checkbox"/> No Go to <b>Section 7</b></p> <p>Is the floating charge expressed to cover all the property and undertaking of the company?</p> <p><input checked="" type="checkbox"/> Yes</p>	
<b>7</b>	<b>Negative Pledge</b>	
	<p>Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
<b>8</b>	<b>Trustee statement <sup>①</sup></b>	
	<p>You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge</p> <p><input type="checkbox"/></p>	<p><sup>①</sup> This statement may be filed after the registration of the charge (use form MR06)</p>
<b>9</b>	<b>Signature</b>	
Signature	<p>Please sign the form here</p> <p>Signature</p> <p>X  X</p> <p>This form must be signed by a person with an interest in the charge</p>	

# MR01

## Particulars of a charge



### Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Richard Kent

Company name Key Fund Investments Limited

Address 9-12 Jessops Riverside

800 Brightside Lane

Post town Sheffield

County/Region

Postcode S 9 2 R X

Country

DX

Telephone 0114 2428900



### Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



### Checklist

**We may return forms completed incorrectly or with information missing**

**Please make sure you have remembered the following**

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



### Important information

**Please note that all information on this form will appear on the public record**



### How to pay

**A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper**

Make cheques or postal orders payable to 'Companies House'



### Where to send

**You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below**

**For companies registered in England and Wales**  
The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

**For companies registered in Scotland**  
The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post)

**For companies registered in Northern Ireland**  
The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG  
DX 481 N R Belfast 1



### Further information

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)**



**FILE COPY**

## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 9829173

Charge code. 0982 9173 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th November 2015 and created by FARMFICCIENCY LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd December 2015

Q

Given at Companies House, Cardiff on 9th December 2015



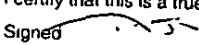

**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

# FREETHS

## CONVERTIBLE LOAN NOTE INSTRUMENT

I certify that this is a true copy of the original document	
Signed 	Date 21.2.15
Position in organisation 	
Name of organisation K&N Fund	

Ref 1642/AXH/2098897/2  
Direct Tel +44 (0)845 077 9601  
Fax No +44 (0)845 077 9599  
Email adnan.hackett@freeths.co.uk  
Dated 23 October 2015

## CERTIFICATE

FARMFICCIENCY LTD incorporated in England and Wales with registered number 09829173 (**Company**)

CERTIFICATE NO 00001

AMOUNT OF NOTES £30,000

secured convertible loan notes (**Notes**), created by a resolution of the Directors passed on 13/11/15

This is to certify that **Key Fund Investments Limited** of G2, 12 Leeds Road, Sheffield, S9 3TY is the registered holder of the nominal amount stated above of the Notes constituted by a loan note instrument dated 13/11/15 (**Instrument**) and made by the Company. The Notes are issued subject to, and with the benefit of, the provisions contained in the Instrument and the conditions and other provisions endorsed on this certificate and/or attached to it (**Conditions**). Interest is payable only in certain circumstances in accordance with paragraph 1 of Schedule 3 of the Instrument.

Executed as a deed by the Company this 13th November 2015

### Notes:

- 1 No transfer of any part of the Notes represented by this Certificate is permitted unless authorised by resolution of the Directors
- 2 The Notes are governed by, and construed in accordance with, the laws of England

**SIGNED as a DEED by**  
**FARMFICCIENCY Limited**  
acting by  
**PERSEUS MLAMBO**



Director

in the presence of

Witness' Signature



Witness' Name

Josef Korchinsky

Witness' Address

Freeths LLP  
2nd Floor, Leopold Wing  
Fountain Precinct  
Balm Green  
Sheffield  
S1 2JA

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THIS DEED is dated 13/11/2015

## **PARTY**

FARMFICCIENCY LTD incorporated and registered in England and Wales with company number 09829173 whose registered office is at Central Working, 235 Deansgate, Manchester, England, M3 4EN (**Company**)

## **BACKGROUND**

By exercising of the powers conferred on them by the Articles, the Directors of the Company have, by a resolution passed on 13/11/2015, created 30,000 £1 secured convertible loan notes and have agreed to constitute them in the manner set out in this instrument

## **AGREED TERMS**

### **1. INTERPRETATION**

1.1 The definitions and rules of interpretation in this clause 1 apply in this instrument

**Adjustment Event:** any or all of the following, at any time, or by reference to any record date, while the Notes remain in issue

(a) any allotment or issue of Equity Securities by the Company by way of capitalisation of profits or reserves,

(b) any cancellation, purchase or redemption of Equity Securities, or any reduction or repayment of Equity Securities, by the Company,

(c) any sub-division or consolidation of Equity Securities by the Company, and

(d) any issue of securities or other instruments convertible into shares in, or Equity Securities of, the Company or any grant of options, warrants or other rights to subscribe for, or call for the allotment or issue of, shares in, or Equity Securities of, the Company,

but excluding any issue of Equity Securities of the Company pursuant to the exercise of any options



<b>Annual Review:</b>	granted to employees or directors of the Company shall have the meaning ascribed in clause 6 2
<b>Articles:</b>	the articles of association of the Company, as amended or superseded
<b>Associate:</b>	any associated person within the meaning at section 435 Companies Act 2006 or any Community Development Finance Institution with broadly the same objects as the Noteholder
<b>Business Day:</b>	a day (other than a Saturday, Sunday or public holiday) on which banks in the City of London are open for normal banking business
<b>Certificate:</b>	a certificate for Notes in the form (or substantially in the form) set out in Schedule 1
<b>Change of Control:</b>	a situation where any person or group of persons not having Control of the Company on the date of this agreement acquires Control of the Company
<b>Charged Property:</b>	shall have the meaning ascribed in clause 9 2
<b>Conditions:</b>	the conditions attaching to the Notes, as set out in Schedule 2 to Schedule 4
<b>Control</b>	has the meaning given in section 1124 of the Corporation Tax Act 2010
<b>Conversion Date:</b>	<p>in the case of a conversion under</p> <ul style="list-style-type: none"> <li>(a) paragraph 1 of Part 1 of Schedule 2, simultaneously with completion of a Fund Raising or Exit Event (as appropriate), or</li> <li>(b) paragraph 2 of Part 1 of Schedule 2, within 15 Business Days of service of a Conversion Notice, or</li> <li>(c) paragraph 3 of Part 1 of Schedule 2, within 15 Business Days of service of a Conversion Notice, or</li> </ul>
<b>Conversion Event:</b>	all or any of the events listed in paragraphs 1 to 3

	of Part 1 of Schedule 2
<b>Conversion Notice:</b>	a notice in writing by the Noteholder to the Company to convert some or all of the outstanding Notes
<b>Conversion Price:</b>	<p>(a) on an Exit Event, a price per Share being a 15% discount to the price per Share paid for Senior Shares, or</p> <p>(b) on a Fund Raising, a price per Share being a 15% discount to the price per Share paid for Senior Shares by the investors on a Fund Raising, or</p> <p>(c) on service of a Conversion Notice in accordance with paragraph 2 of Part 1 of Schedule 2, a price per Share being a 30% discount to the Fair Value, or</p> <p>(d) on service of a Conversion Notice in accordance with paragraph 3 of Part 1 of Schedule 2, a price per Share equal to the Fair Value</p>
<b>Directors:</b>	the board of directors for the time being of the Company
<b>Exit Event</b>	a sale of Shares constituting a Change of Control or a sale of all or substantially all of the business and assets of the Company
<b>Equity Securities:</b>	has the meaning given to "ordinary shares" in section 560(1) of the Companies Act 2006
<b>Event of Default:</b>	any of the events set out in paragraph 5 of Schedule 3
<b>Fair Value</b>	shall have the meaning scribed in paragraph 6 of Part 1 of Schedule 2
<b>Fund Raising:</b>	the Company raising £30,000 or more from an issue of Shares to any person(s)

<b>Notes:</b>	the £30,000 secured convertible loan notes constituted by this instrument or, as the case may be, the principal amount from time to time issued and paid up and outstanding, and <b>principal amount</b> shall be construed accordingly
<b>Noteholders:</b>	the person or persons for the time being entered in the register as holders or joint holders of the Notes and <b>Noteholder</b> shall mean any of them
<b>Ordinary Shares:</b>	the ordinary shares of £1.00 each in the capital of the Company, which have the rights set out in the Articles
<b>Redemption Date:</b>	the date of redemption of the Notes in accordance with paragraph 4.1 or 5 of Schedule 3
<b>Redemption Notice:</b>	shall have the meaning ascribed in paragraph 4.2 of Schedule 3
<b>Secured Liabilities:</b>	means all present and future monies, obligations and liabilities owed by the Company to the Noteholder whether actual or contingent, as principal or surety and/or in any other capacity whatsoever, under or in connection with this Note
<b>Security:</b>	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, hypothecation, assignment by way of security, title retention, or any other type of arrangement that has a similar effect to any of them
<b>Senior Shares:</b>	such senior class of Ordinary Shares as are issued to the investors at a Fund Raising or as are in existence of the time of an Exit Event (as the case may be) or from time to time
<b>Shares:</b>	shares in the capital of the Company
<b>Social Mission:</b>	the social mission set out in the Articles

- 1 2 Any phrase introduced by the terms **including**, **include** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 3 The schedules to this instrument form part of (and are incorporated into) this instrument
- 1 4 A **person** includes a corporate or unincorporated body
- 1 5 Words in the singular include the plural and vice versa
- 1 6 A reference to a clause or a schedule is (unless expressly stated otherwise) a reference to a clause of, or schedule to, this instrument
- 1 7 Clause and schedule headings do not affect the interpretation of this instrument
- 1 8 A reference to one gender includes a reference to the other gender
- 1 9 Any reference in this instrument to **this instrument** or to any other instrument, agreement or document shall, unless the context otherwise requires, be construed as reference to this instrument or such other instrument, agreement or document as the same may from time to time be amended, varied, supplemented or novated, in each case in accordance with its terms
- 1 10 References to any statute or statutory provision shall include references to such statute or statutory provision as in force at the date of this instrument and as subsequently re-enacted or consolidated and shall include references to any statute or statutory provision of which it is a re-enactment or consolidation
- 1 11 Except as otherwise provided, expressions defined in the Companies Act 2006 shall be read as if defined in that way in this instrument.

## 2. **NOMINAL AMOUNT AND INTEREST**

- 2 1 The nominal amount of each Note is £1 00 and the aggregate principal amount of all the Notes is limited to £30,000
- 2 2 Interest shall be charged in accordance with paragraph 1 of Schedule 3

## 3. **RANKING**

All the Notes shall rank *pari passu*, equally and rateably, without discrimination or preference among themselves and as secured obligations of the Company under this instrument

#### **4. USE OF PROCEEDS**

The proceeds of all subscriptions for the Notes shall be used to fund activities consistent with the Social Mission

#### **5. LOAN NOTE CERTIFICATES**

- 5 1 The Noteholders shall be entitled to receive (without charge) a Certificate executed as a deed by the Company for the amount of Notes held provided that joint holders of Notes will only be entitled to receive one Certificate in respect of their joint holding and delivery of a Certificate to the first-named joint holder set out in the register shall be sufficient delivery to all
- 5 2 Every Certificate shall have copies of Schedule 2 and Schedule 3 endorsed on or attached to it
- 5 3 Where a Noteholder transfers part only of the Notes comprised in a Certificate, the old Certificate shall be cancelled and a new Certificate for the balance of such Notes shall be issued without charge

#### **6. CONDITIONS OF ISSUE, CONVERSION AND REDEMPTION**

- 6 1 The Notes shall be issued subject to, and with the benefit of, the Conditions set out in Schedule 2 to Schedule 4 inclusive Those conditions shall be binding on the Company, the Noteholders and all persons claiming through or under them
- 6 2 On or as soon as reasonably practical following each of the first, second and third anniversaries of the date of this instrument the Noteholders shall conduct a review of the Company (**Annual Review**) The Company shall, at the cost and expense of the Company, provide such reasonable assistance as may be necessary for the purposes of such review, including the provision of financial statements and access to Company premises
- 6 3 Save to the extent that the Notes have already been converted or redeemed (in accordance with Schedule 2 or Schedule 3, respectively), then following each Annual Review (no later than 20 Business Days following the commencement of the Annual Review) the Noteholders may, in the absolute discretion of the Noteholders
  - 6 3 1 serve a Conversion Notice in respect of some or all the Notes, in accordance with Schedule 2, or
  - 6 3 2 redeem some or all the Notes, in accordance with Schedule 3

6 4 Save to the extent that the Notes have already been converted or redeemed (in accordance with Schedule 2 or Schedule 3, respectively), on or as soon as reasonably practicable following the date 3 years and 6 months after the date of this instrument the Noteholders shall, in the absolute discretion of the Noteholders

6 4 1 serve a Conversion Notice in respect of all outstanding Notes, in accordance with Schedule 2, or

6 4 2 redeem all outstanding Notes, in accordance with Schedule 3

6 5 If, after 20 Business Days following the date 3 years and 6 months after the date of this instrument, a Conversion Notice has not been served in accordance with clause 6 4 1, and the Notes have not been redeemed under clause 6 4 2, then all remaining Notes in issue shall be redeemed automatically (in accordance with Schedule 3)

## **7. NOTES REGISTER**

7 1 The Company shall keep, or cause to be kept, a register of the Notes at its registered office showing

7 1 1 the names and addresses of the Noteholders,

7 1 2 the principal amount of the Notes held by every Noteholder and the principal monies paid up on them,

7 1 3 the date on which the name of that Noteholder is entered in respect of the Notes standing in his name,

7 1 4 the serial number of each Certificate issued and the date of its issue, and

7 1 5 the date on which a person ceased to hold the Notes

7 2 Any change of name or address of any Noteholder shall immediately be notified to the Company and, on receipt, the register shall be altered accordingly The Noteholders (or any of them) and any person authorised in writing by any of them may, at all reasonable times during office hours, inspect the register and to take copies of it or extracts from it The Company may, however, close the register for such periods and at such times as the Company thinks fit, provided that the register is not closed for more than 30 Business Days in any one year

## **8. WARRANTIES AND UNDERTAKINGS**

8 1 The Directors and the Company warrants that

- 8 1 1 no application has been, or is intended to be, made to any listing authority, stock exchange or other market for the Notes to be listed or otherwise traded,
- 8 1 2 the Directors are not aware of any fact or matter not disclosed in writing to the Noteholders which directly affects the business of the Company, the disclosure of which might reasonably affect the willingness of the Noteholder to subscribe for Notes,
- 8 1 3 the Company is not engaged in or subject to any
  - 8 1 3 1 litigation, administrative, mediation or arbitration proceedings in relation to the Company, or
  - 8 1 3 2 investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body, and
- 8 1 4 no such proceedings, investigation or inquiry as are mentioned in paragraph 8 1 3 have been threatened or are pending by or against the Company or against any such person and there are no facts or circumstances likely to give rise to any such proceedings
- 8 2 The Noteholders shall be entitled to
  - 8 2 1 appoint and maintain one natural person as the Noteholder may from time to time direct as a representative to attend as an observer at each and any meeting of the board and of each and any committee of the Board, and
  - 8 2 2 to receive any financial information relating to the Company (including all corporation tax returns and other statements and accounts required by statute to be submitted to the relevant authority) as the Noteholder may reasonably request from time to time

## **9. SECURITY AND ENFORCEMENT**

- 9 1 The Company covenants with each of the Noteholders to perform and observe the obligations in this instrument to the intent that this instrument shall enure for the benefit of all persons for the time being registered as Noteholders, each of whom may sue for the performance and observance of the provisions of this instrument
- 9 2 As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to the Noteholders,

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by way of first floating charge, all the undertaking, property, assets and rights of the Company (**Charged Property**)

- 9 3 The floating charge created by clause 9 2 shall automatically and immediately (without notice) be converted into a fixed charge over the Charged Property for the time being subject to the floating charge if

9 3 1 the Company

9 3 1 1 creates, or attempts to create, over all or any part of the Charged Property any Security without the written consent of all the Noteholders, or

9 3 1 2 disposes or attempts to dispose of all or any part of the Charged Property (other than property subject only to the floating charge while it remains uncrystallised, which property may be disposed of in the ordinary course of business), or

9 3 2 a receiver is appointed over all or any of the Charged Property that is subject to the floating charge, or

9 3 3 any person levies or attempts to levy any distress, attachment, execution or other process against all or any part of the Charged Property, or

9 3 4 the Noteholders receive notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Company

- 9 4 The Company shall not at any time, except with the written consent of all the Noteholders

9 4 1 create, purport to create or permit to subsist any Security on, or in relation to, any Charged Property other than any Security created by this Note, or

9 4 2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property, except for the disposal in the ordinary course of business of any of the Charged Property subject to the floating charge created under this clause 9, or

9 4 3 create or grant (or purport to create or grant) any interest in any Charged Property in favour of a third party



## **10. SET-OFF**

Each Noteholder shall be recognised by the Company as entitled to the Notes registered in his name free from any equity, defence, set-off or cross-claim on the part of the Company against the original, or any intermediate, Noteholder

## **11. THIRD PARTY RIGHTS**

This instrument is enforceable under the Contracts (Rights of Third Parties) Act 1999 by the Company and any Noteholder, but not by any other person

## **12. GOVERNING LAW AND JURISDICTION**

12 1 This instrument and the Notes (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England

12 2 The courts of England shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this instrument (including non-contractual disputes or claims) Accordingly, any proceedings relating to, or in connection with, this instrument or the Notes (including non-contractual disputes or claims) may be brought in such courts.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it

## SCHEDULE 1 - FORM OF CERTIFICATE

FARMFICCIENCY LTD incorporated in England and Wales with registered number 09829173 (**Company**)

CERTIFICATE NO 00001

AMOUNT OF NOTES £30,000

secured convertible loan notes (**Notes**), created by a resolution of the Directors passed on

This is to certify that **Key Fund Investments Limited** of G2, 12 Leeds Road, Sheffield, S9 3TY is the registered holder of the nominal amount stated above of the Notes constituted by a loan note instrument dated (Instrument) and made by the Company. The Notes are issued subject to, and with the benefit of, the provisions contained in the Instrument and the conditions and other provisions endorsed on this certificate and/or attached to it (**Conditions**). Interest is payable only in certain circumstances in accordance with paragraph 1 of Schedule 3 of the Instrument.

Executed as a deed by the Company this

### Notes:

- 1 No transfer of any part of the Notes represented by this Certificate is permitted unless authorised by resolution of the Directors
- 2 The Notes are governed by, and construed in accordance with, the laws of England

**SIGNED as a DEED by**  
**FARMFICCIENCY LTD**  
acting by  
**PERSEUS MLAMBO**

Director

in the presence of

Witness' Signature

Witness' Name

Witness' Address

## SCHEDULE 2 - CONVERSION

### Part 1. - Conversion

- 1 The Noteholders shall have the right to serve a Conversion Notice on the Company not less than 20 Business Days before to the date of a proposed Fund Raising or Exit Event, or up to 3 Business Days after receiving notice of a Fund Revising or Exit Event (if later), to convert some or all of the Notes outstanding (at the discretion of the Noteholder) into fully paid Senior Shares at the Conversion Price on the Conversion Date
- 2 If an Event of Default (other than under paragraph 5 1 7 of Schedule 3) occurs, the Noteholders shall have the right to serve a Conversion Notice on the Company at any time up to 20 Business Days after the occurrence of the Event of Default, or up to 3 Business Days after becoming aware of such Event of Default (if later), to convert some or all of the Notes outstanding (at the discretion of the Noteholder) into fully paid Senior Shares at the Conversion Price on the Conversion Date
- 3 The Noteholders shall have the right to serve a Conversion Notice on the Company
  - 3 1 following an Annual Review (in accordance with clause 6 3 1), or
  - 3 2 following the date 3 years and 6 months after the date of this instrument (in accordance with clause 6 4.1)in each case in accordance with paragraph 8 below, to convert some or all of the Notes outstanding (as appropriate) into fully paid Senior Shares at the Conversion Price on the Conversion Date
- 4 If the Company has given notice to Noteholders of a proposed Conversion Event, and it becomes apparent to the Company that the Conversion Event is not after all to take effect, the Company shall give notice to the Noteholders to that effect
- 5 The service of a Conversion Notice may be over some or all the Notes held by a Noteholder and shall be irrevocable and subject only to the Conversion Event taking place. If the Conversion Event does not take place within 45 Business Days of the date of the Conversion Notice, then the Conversion Notice shall automatically be deemed to have been revoked and the Company shall give Noteholders further written notice of any subsequent proposed Conversion Event to which the provisions of Part 1 of this Schedule 2 shall then apply
- 6 **Fair Value** for the purpose of this Note shall be
  - 6 1 such value as is agreed between the Company and the Noteholder, or

- 6 2 if an agreement cannot be reached, the value ascribed by an independent accountant appointed by a majority of the Noteholders (by nominal value of the Notes)
- 7 The decision whether or not to issue a Conversion Notice under paragraph 4 of this Part 1 to Schedule 2 shall be made by a majority (according to the nominal value of the Notes) of the Noteholders (acting reasonably) in accordance with the guidelines below
- 7 1 there is a risk that the Company may do or may fail to do any act which would amount to an Event of Default,
- 7 2 it would be in the best interests of the Company (to improve the financial position of the Company, to assist the raising of debt or alternative debt by the Company, or otherwise), or
- 7 3 there is no reasonable prospect of the principal amount or the accrued interest on the Notes being repaid
- 8 Notwithstanding the Conversion Price, the number of Shares into which the Notes subject to the Conversion Notice shall be converted shall be such that the Noteholder shall not hold more than 20% of the total percentage of all issued Equity Securities after conversion

## **Part 2. Procedures on conversion**

- 1 On the Conversion Date
- 1 1 the Directors shall convert the principal amount of the Notes specified on the Conversion Notice into such number of new fully paid Senior Shares at such price as is set out in Part 1 of this Schedule 2, subject to the limit at paragraph 8 of Part 1 of this Schedule 2 and any adjustment as set out in paragraph 7 of Part 2 of this Schedule 2 and in accordance with the following provisions of paragraph 2 to paragraph 6 of Part 2 of this Schedule 2, and
- 1 2 all and any interest on the Notes converted under this Schedule 2 shall be waived by the Noteholder
- 2 Conversion of the Notes shall be effected by the Company redeeming the relevant Notes on the Conversion Date Each Noteholder whose Notes are being converted shall be deemed to irrevocably authorise and instruct the Company to apply the redemption moneys payable to that Noteholder in subscribing for Shares on conversion of the Notes
- 3 Shares arising on conversion of the Notes shall be issued and allotted by the Company on the Conversion Date and the certificates for such Shares shall be

despatched to the persons entitled to them. Each Share arising on conversion shall be issued and allotted at such premium to reflect the difference between Conversion Price and the principal amount of Notes converted into one Share on the Conversion Date.

- 4 The Shares arising on conversion of the Notes shall be credited as fully paid and rank pari passu with Shares of the same class in issue on the Conversion Date and shall carry the right to receive all dividends and other distributions declared after the Conversion Date.

- 5 The entitlement of each Noteholder to a fraction of a Share shall be rounded to the nearest whole number of Shares which result from the conversion of the Notes.

- 6 The Company undertakes that, while the Notes remain in issue, it shall (pending either the payment of any redemption moneys in respect of the Notes or the issue of the Shares on conversion, each in accordance with the provisions of this instrument)

6.1 not alter the Articles in any way which would adversely affect the rights of the Noteholders,

6.2 notify each Noteholder in writing as soon as reasonably practicable after the relevant board or general meeting of shareholders (whichever is the earliest) has resolved to implement an Adjustment Event specifying the prospective date of the Adjustment Event and the proposed terms of it,

6.3 maintain sufficient shareholder authority to satisfy in full, without the need for the passing of any further resolutions of its shareholders, the rights of conversion for the time being attaching to the Notes pursuant to Part 1 of this Schedule 2.

- 7 Following an Adjustment Event, the professional advisors or auditors of the Company for the time being shall certify to the Company in writing the adjustments to the number and nominal value of the Shares to be converted which they consider to be necessary so that, after such adjustment and on conversion, the Noteholders shall be entitled to receive the same percentage of the issued share capital of the Company carrying the same proportion of votes exercisable at a general meeting of shareholders and the same entitlement to participate in distributions of the Company, in each case as nearly as practicable, as would have been the case had no Adjustment Event occurred (and making such reduction or increase as is necessary to the premium arising on the issue and allotment of the Shares on conversion of the Notes). The Company shall then notify the Noteholders in writing of the necessary adjustment as determined by the professional advisors or auditors.

## **SCHEDULE 3 - INTEREST AND REDEMPTION**

### **1. INTEREST**

- 1 1 Interest shall accrue daily on the basis of a 365-day year and the actual number of days elapsed from the date of issue of the Notes to the Redemption Date on any outstanding Notes (so far as not converted under Schedule 3) at a rate of 12% per annum (**Interest Rate**)
- 1 2 Interest shall be payable by the Company on redemption of the Notes in accordance with paragraphs 4 or 5 of this Schedule 3
- 1 3 All accrued interest on any Notes converted (in accordance with Schedule 2) shall be waived by the Noteholder immediately before conversion

### **2. REPAYMENT OF PRINCIPAL**

As and when the Notes (or any part of them) are to be redeemed in accordance with paragraph 4 of this Schedule 3, the Company shall pay the Noteholders the principal amount of the Notes which are to be redeemed

### **3. TIME OF PAYMENT**

Whenever any payment of principal (or otherwise) becomes due on a day which is not a Business Day, payment shall be made on the next following Business Day

### **4. REDEMPTION**

- 4 1 The Noteholders shall have the right to redeem
- 4 1 1 some or all the Notes following an Annual Review (in accordance with clause 6 3 2), or
- 4 1 2 all the Notes then in issue, on the date specified in clause 6 4 and/or 6 5,
- in each case at the principal amount together with interest on the Notes outstanding at the Interest Rate
- 4 2 As soon as reasonably practical before the Redemption Date, the Noteholders shall give the Company written notice of the intention to exercise the right to redeem (in accordance with the provisions of paragraph 4 1 or paragraph 5 below) (**Redemption Notice**) Within five Business Days of the Redemption

Date, the Company shall repay to all Noteholders the principal amount of the Notes so redeemed, together with interest on such Notes outstanding at the Interest Rate. A Redemption Notice shall (unless the Company agrees otherwise) be irrevocable

## **5. EVENTS RESULTING IN IMMEDIATE REDEMPTION**

- 5 1 The Notes then in issue shall, in the absolute discretion of the Noteholders and an issue by the Noteholder of a Redemption Notice, be immediately redeemed at the principal amount, together with interest on the Notes outstanding at the Interest Rate (or, if otherwise determined by the Noteholders, converted in accordance with paragraph 2 of part 1 of Schedule 2), if
- 5 1 1 a majority (according to the nominal value of the Notes) of the Noteholders reasonably believe that the value of the Company's assets is seriously reduced or threatened, or
  - 5 1 2 an administration order is made in relation to the Company or any of its subsidiaries, or
  - 5 1 3 an order is made, or an effective resolution is passed, for the winding-up, liquidation, administration or dissolution of the Company or any of its subsidiaries (except for the purpose of reorganisation or amalgamation of the Company or any of its subsidiaries), or
  - 5 1 4 an encumbrancer takes possession or a receiver is appointed of the whole or the major part of the assets or undertaking of the Company or any of its subsidiaries or if distress, execution or other legal process is levied or enforced or sued out on or against the whole or the major part of the assets of the Company or any of its subsidiaries and is not discharged, paid out, withdrawn or removed within 15 Business Days, or
  - 5 1 5 the Company or any of its subsidiaries stops (or threatens to stop) payment of its debts generally or ceases (or threatens to cease) to carry on its business or a substantial part of its business, or
  - 5 1 6 the Company or any of its subsidiaries is deemed for the purposes of section 123 Insolvency Act 1986 to be unable to pay its debts or compounds or proposes or enters into any reorganisation or special arrangement with its creditors generally, or

5 1 7 the Company ceases, in the reasonable opinion of a majority (according to the nominal value of the Notes) of the Noteholders, to carry on the Company's Social Mission for a period of 6 months

(each an **Event of Default**)

## **6 ACTION FOLLOWING REDEMPTION**

6 1 The Company shall give written notice to the Noteholders immediately on the Company becoming aware of the occurrence of an event specified in paragraph 5 of this Schedule 3, giving reasonable details of that event

6 2 If, on redemption of a Note, a Noteholder fails to deliver the Certificate for it, or an indemnity in accordance with these Conditions or to accept payment of moneys due to him, the Company shall pay the moneys due to him into a bank account which payment shall discharge the Company from all further obligations in respect of the Note

6 3 The Company shall cancel any Notes repaid, redeemed or purchased and shall not reissue them

## **7. RIGHT TO WITHHOLD**

The Company may deduct from any principal amount or interest payable in accordance with the Conditions any tax or other amounts which the Company may be required by law to deduct

## **8. ALTERNATE DEBT**

8 1 If, on receiving a Redemption Notice under paragraph 4 2 or paragraph 5 of this Schedule 3, the Company is unable to redeem the relevant Notes on the Redemption Date, the Company shall be entitled to require that the Company enters into an alternative facility with the Noteholder for the provision of a loan to the Company by the Noteholders over a repayment period of 12 months, or as otherwise provided by the Noteholder and on such other reasonable terms as the Noteholder shall in its absolute discretion provide to the Company



#### **SCHEDULE 4 - TRANSFER PROVISIONS AND OTHER MATTERS**

- 1 The Noteholder shall be entitled to transfer Notes to an Associate of the Noteholder
- 2 Subject to a transfer in accordance with this Schedule 4, no transfer of any part of the Notes represented by this Certificate is permitted unless authorised by resolution of the Directors
- 3 Each instrument of transfer shall be signed by the transferor, and the transferor shall be deemed to remain the owner of the Notes to be transferred until the name of the transferee is entered in the register in respect of such Notes
- 4 Each instrument of transfer shall be sent to, or left for registration at, the registered office of the Company for the time being, and shall be accompanied by the Certificate(s) for the Notes to be transferred and any other evidence that the Company may require to prove the title of the transferor or his right to transfer the Notes (and, if such instrument is executed by some other person on his behalf, the authority of that person to do so) All instruments of transfer that are registered may be retained by the Company
- 5 No transfer of Notes shall be registered in respect of which a Redemption Notice or Conversion Notice has been given
- 6 Payment of the principal amount and all accrued interest on the Notes may be made by cheque made payable to, or by bank transfer to an account nominated for the purpose to the Company in writing by, the registered holder or, in the case of joint registered holders, to the one who is first-named on the register, or to such person or persons as the registered holder or all the joint registered holders may in writing direct and sent to the registered holder or in the case of joint registered holders to that one of the joint registered holders who is first-named on the register or to such address as the registered holder or joint registered holders may in writing direct Cheques may be sent through the post at the risk of the registered holder or jointly registered holders and payment of any such cheque by the bankers on whom it is drawn, or a bank transfer to the relevant account, shall be good discharge to the Company
- 7 If any Certificate is worn out or defaced then, on production of it to the Directors, they may cancel it and may issue a fresh Certificate in lieu If any Certificate is lost or destroyed it may be replaced on such terms (if any) as to evidence and indemnity as the Company may reasonably require An entry recording the issue of the new Certificate and indemnity (if any) shall be made in the register No fee shall be charged for the registration of any transfer or for the registration of any probate, letters

of administration, certificate of marriage or death, power of attorney or other documents relating to or effecting title to any Notes

- 8 Any notice or other document required to be given under this instrument shall be in writing and may be given to or served on any Noteholder by sending it by first-class post in a prepaid envelope addressed to such Noteholder at his registered address. In the case of joint Noteholders, a notice given to, or document served on, the Noteholder whose name stands first in the register in respect of such Notes shall be sufficient notice to, or service on, all the joint holders. Any such notice sent or document served by first-class post shall be deemed to have been given or served 48 hours or 96 hours in the case of a notice or document sent to an address for a Noteholder not in the United Kingdom after the time when it is posted and in proving such notice or service, it shall be sufficient to prove that the envelope containing the notice or document was properly addressed, stamped and posted
- 9 Any notice or other document delivered or sent by post to, or left at, the registered address of any Noteholder in pursuance of these provisions shall, notwithstanding that such Noteholder is then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any Notes registered in the name of such Noteholder as sole or first-named joint holder unless his name shall at the time of the service of the notice or document have been removed from the register as the holder of the Notes, and such service shall for all purposes be deemed sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the Notes
- 10 A copy of this instrument shall be kept at the Company's registered office. A Noteholder (and any person authorised by a Noteholder) may inspect that copy of the instrument at all reasonable times during office hours

**SIGNED as a DEED by**  
**FARMFICCIENCY LTD**  
acting by  
**PERSEUS MLAMBO**

  
Director

in the presence of

Witness' Signature



Witness' Name

*JOSEF KORZHINSKY*

Witness' Address

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