

Company Number: 11212240

**COMPANIES ACT 2006**

**RECORD OF DECISIONS OF THE SOLE MEMBER OF**

**MRIYA FARMING PLC**

(the "Company")

**PROVIDED PURSUANT TO SECTION 357(2) OF THE COMPANIES ACT 2006**

**(decisions taken on 25 June 2018)**

Pursuant to section 357(2) of the Companies Act 2006, this is a record of the following decisions taken by the sole member of the Company on 25 June 2018, being decisions which may be taken by the Company in general meeting and which have effect as if agreed by the Company in general meeting:

**ORDINARY RESOLUTIONS**

1. **THAT**, having received the valuation report prepared by an independent valuer in furtherance of section 598 of the Companies Act 2006, the entry into and performance by the Company of its obligations under the sale agreement (the "Sale Agreement") pursuant to which Mriya Agro Holding Public Limited in liquidation ("MAH") will contribute to the Company its shares in Mriya Holding Cyprus Limited and Mriya Trading (Cyprus) Limited and the benefit of certain intercompany loans in consideration for the Company, inter alia, agreeing to launch, as offeror, an exchange offer in relation to certain USD 250, 10.95% notes due 2016 and USD 400, 9.45% notes due 2018 and certain amounts owed to other eligible bank and commercial creditors and agreeing to transfer to MAH USD 112,100,000 principal amount of issued MAH notes be and is hereby approved.
2. **THAT** in accordance with section 551 of the Companies Act 2006 the directors of the Company are generally and unconditionally authorised to exercise any power of the Company to allot or grant rights to subscribe for up to 460,000 "A Ordinary" of £0.01 each in the share capital of the Company having the rights and subject to the restrictions set out in the articles of association of the Company (adopted pursuant to resolution 2 passed in the Record of Decisions of the Sole Member of the Company dated 17 May 2018). Unless renewed, varied or revoked by the Company, this authority to allot and grant rights to subscribe for these A Ordinary shares shall expire on the fifth anniversary of the date of this decision, save that the Company may, prior to the expiry of such period, make an offer or agreement which would or might require the A Ordinary shares to be allotted after such expiry and the directors may allot the A Ordinary Shares under such offer or agreement as if the authority conferred by this resolution had not expired.
3. **THAT** in accordance with section 551 of the Companies Act 2006 the directors of the Company are generally and unconditionally authorised to exercise any power of the Company to allot or grant rights to subscribe for up to 350,000 "B Ordinary" shares of £0.01 each in the share capital of the Company having the rights and subject to the restrictions set out in the articles of association of the Company (adopted pursuant to resolution 2 passed in the Record of Decisions of the Sole Member of the Company dated 17 May 2018). Unless renewed, varied or revoked by the Company, this authority to allot and grant rights to subscribe for these B Ordinary shares shall expire on the fifth anniversary of the date of this decision save that the Company may, prior to the expiry of such period, make an offer or agreement which would or might require the B Ordinary shares to be allotted after such expiry and the directors may allot the B Ordinary Shares

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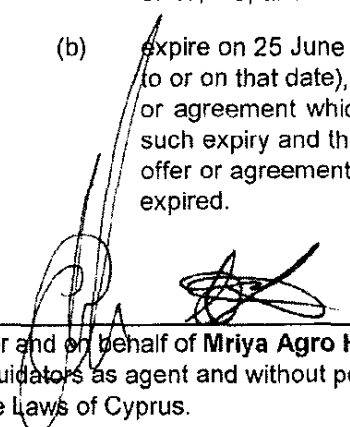
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under such offer or agreement as if the authority conferred by this resolution had not expired.

4. **THAT** In accordance with article 23.1(a) of the articles of association of the Company (adopted pursuant to resolution 2 passed in the Record of Decisions of the Sole Member of the Company dated 17 May 2018), the directors are generally and unconditionally authorised to issue the Warrants in accordance with the Warrant Instrument.
5. **THAT** these resolutions should have effect notwithstanding any provision of the Company's articles of association.
6. **THAT** notwithstanding any personal interest:
  - (a) any Director of the Company, either singly or with any other Director of the Company in the case of a deed, be authorised to execute and deliver the Documents on behalf of the Company, with such amendments thereto as such officer(s) shall in his absolute discretion think fit;
  - (b) any Director of the Company, either singly or with any other Director of the Company in the case of a deed, be authorised to execute and do all such acts, deeds, documents, certificates and notices as he may consider expedient in connection with the execution or performance by the Company of the Documents, the transactions contemplated therein or any other agreement or document in connection therewith.

#### SPECIAL RESOLUTION

1. **THAT** with effect from the closing of the Sale Agreement, that the ordinary shares of the Company in issue as at the date of this decision be reclassified as Deferred Shares having the rights attaching to those shares as are set out in the articles of association of the Company (adopted pursuant to resolution 2 passed in the Record of Decisions of the Sole Member of the Company dated 17 May 2018).
2. **THAT**, in accordance with sections 570 and 571 of the CA 2006, the Directors be generally empowered to allot equity securities (as defined in section 560 of the CA 2006) pursuant to the authority conferred by the articles of association of the Company (adopted pursuant to resolution 2 passed in the Record of Decisions of the Sole Member of the Company dated 17 May 2018) and the Ordinary Resolutions 2 and 3 above, as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this power shall:
  - (a) be limited to the allotment of equity securities up to an aggregate nominal amount of £8,100; and
  - (b) expire on 25 June 2023 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry, make 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 any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

  
For and on behalf of **Mriya Agro Holding Public Limited (in Liquidation)** acting by its joint liquidators as agent and without personal liability pursuant to powers conferred under Cap 113 of the Laws of Cyprus.

**INDEPENDENT ACCOUNTANTS' VALUATION REPORT TO MARIYA FARMING PLC FOR THE PURPOSES OF SECTION 598 OF THE COMPANIES ACT 2006**

This report is made solely to Mriya Farming plc (the 'Company') for the purpose of Section 598 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company those matters that we are required to state to it in a valuer's report under that section and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the opinions that we have formed.

**Background**

The Company is a newly established wholly owned subsidiary of Mriya Agro Holding Plc ('MAH'), a Cyprus-based entity which is in liquidation. The Company was recently incorporated in the UK as part of a financial restructuring plan for MAH.

We understand that the planned financial restructuring of MAH will result, pursuant to a bilateral sale and purchase agreement between certain working capital creditors and the Company dated on or around 31 May 2018, in certain working capital creditors to MAH being issued with shares in Mriya UK (the 'Shares') together with new notes issued and payable by Mriya UK ('New Notes') in exchange for senior notes issued by MAH ('MAH Notes') held by these working capital creditors (the 'Working Capital Exchange'). We understand that, as a consequence of the Working Capital Exchange, Mriya UK will become a holder of MAH Notes with a principal amount of \$112.1m. The Company's obligation to undertake the Working Capital Exchange arises from two agreements:

- Subscription agreement originally dated 10 June 2015 (as amended and restated), between one of the subsidiaries of MAH, namely Mriya Trading (Cyprus) Limited ('MTCL') and certain of the existing noteholders ('2015 Working Capital Providers') (under which, inter alia, MTCL agreed to procure that the Company would enter into documentation with each working capital provider pursuant to which they could swap a portion of the MAH notes held by them for shares in the Company as well as new notes issued by the Company); and
- Subscription Agreement originally dated 3 May 2016 (as amended and restated) between MTCL and certain of the existing noteholders ('2016 Working Capital Providers') (under which, inter alia, MTCL agreed to procure that the Company would enter into documentation with each working capital provider pursuant to which they could swap a portion of the MAH notes held by them for shares in the Company as well as new notes issued by the Company).

Simultaneously with the Working Capital Exchange, another part of the financial restructuring of MAH will take place via a sale agreement between MAH and the Company (the 'Sale Agreement'). Pursuant to the Sale Agreement, MAH has agreed to sell to the Company (collectively a) to c) below are the 'Non-Cash Assets Received':

- a) 100% of the shares in Mriya Holdings Cyprus Limited ('MHCL');
- b) 100% of the shares in MTCL; and
- c) An intercompany loan receivable (payable by subsidiaries of MHCL and MTCL) (the 'Interco Loan') amounting to \$177.7m (principal amount).

In return, the Company has agreed to:

- i) launch an exchange offer, pursuant to which it will issue to certain unsecured creditors new loan notes ('New Notes') totalling \$95.7m (principal amount) and 745,441 shares in the Company ('Shares');

- ii) transfer to MAH the MAH Notes, with a principal amount of \$112.1m, that it received pursuant to the Working Capital Exchange;
- iii) pay an amount equal to accrued advisory fees of MAH currently estimated at \$5.2m (and capped at \$10.0m); and
- iv) provide an agreed amount of funding to the Liquidators of MAH in the amount of €2.425m.

We report on the value of:

- A. the Non-Cash Assets Received by the Company; and
- B. the consideration other than cash to be given by the Company (collectively 'Non-Cash Assets Given'), comprising:
  - a. the New Notes totalling \$95.7m principal amount;
  - b. 745,441 Shares; and
  - c. MAH Notes with a principal amount of \$112.1m.

Cash amounts of \$5.2m and €2.425m (collectively the 'Cash Consideration') are also to be given together with the Non-Cash Assets Given. We understand the Cash Consideration is funded by way of a loan to the Company from MTCL.

*Description of Non-Cash Assets Received*

MHCL and MTCL jointly own operating subsidiaries whose principal activity is agricultural production and sale, including growing of wheat, soy, rape, corn, sunflower and potatoes in western Ukraine. The Interco Loan represents loan obligations with a principal amount of \$177.7m owed by Ukrainian subsidiaries of MHCL and MTCL to MAH, split between 27 agreements and attracting an interest rate of 9.8% and 11%.

*Description of Non-Cash Assets Given*

The New Notes will have a maturity date of 31 December 2025. Starting from 30 September 2023 the Company will redeem the New Notes at par on a quarterly basis, as follows:

- between 30 September 2023 and 30 June 2024 - \$3.5m each quarter (\$14.0m in total);
- between 30 September 2024 and 30 June 2025 - \$2.0m each quarter (\$8.0m in total);
- between 30 September 2025 and 31 December 2025 - \$2.5m each quarter (\$5.0m in total);

Any non-amortised amount shall be payable on the maturity date.

The interest rate attracted by the New Notes is set at 0.5% p.a. from the date that the restructuring becomes effective, increasing to 2.0% p.a. on 1 October 2019, then 2.5% p.a. on 1 October 2020, 5.0% p.a. on 1 October 2021 and 10% p.a. after 1 July 2024.

The Shares have a nominal value of £0.01 (1 pence) each and are to be issued at zero premium resulting in a total subscription amount of £7,454.41. Until the Sale Agreement is executed the Company has no operating activities.

The MAH Notes represent a combination of 9.45% senior notes, originally due 19 April 2018, issued by MAH and 10.95% senior notes, originally due 30 March 2016, also issued by MAH.

**Basis of Opinion**

We have relied upon information provided by the Company in order to inform our work assessing the value of the Non-Cash Assets Received by the Company and the Non-Cash Assets Given by the Company, as described above. Our opinion is provided with a valuation date of 11 June 2018 (the 'Valuation Date').

We have valued the Non-Cash Assets Received by the Company with reference to the historical and projected financial results of MHCL and MTCL utilising both a discounted cash flow analysis and a market multiples based approach. We have considered that the par value of the Interco Loan is representative of its value at the Valuation Date. We note that the Interco Loan is a liability for MHCL and MTCL (should consolidation be undertaken at that level). Hence, any change in value to the Interco Loan results in an equal and opposite change to the value of MHCL and MTCL.

We have valued the Non-Cash Assets Given by the Company as follows, noting that should the restructuring steps set out above be implemented, the Shares and New Notes have the ability to generate returns solely through the performance of MHCL and MTCL, meaning that their value is inextricably tied to the value of the Non-Cash Assets Given:

- New Notes - based on the value of the Non-Cash Assets Given and the terms of the New Notes, we have undertaken a discounted cash flow analysis utilising the contractually agreed payment terms.
- Shares - we have undertaken a discounted cash flow analysis and market multiples based analysis in respect of the operations of MHCL and MTCL (post restructuring) and adjusted the resulting value by the amount of interest-bearing liabilities assumed by the Company as a result of the issue of the New Notes.
- MAH Notes - we have valued this instrument based on the principal amount and accrued interest as at the Valuation Date using a discounted cash flow approach.

**Opinion**

In our opinion, on the basis of the valuation, the value of the Non-Cash Asset Received by the Company is not less than the aggregate value of the Non-Cash Assets Given by the Company and the Cash Consideration given by the Company under the Sale Agreement.

We consider the method of valuation was reasonable in all the circumstances and that there has been no material change in the value of the consideration in question since the Valuation Date.

**BDO LLP***BDO LLP*

25 June 2018