

# APPENDIX 1 - WARRANT TERMS

## Introduction

Syft has agreed to grant to the Subscriber a Warrant to subscribe for the Warrant Shares, on the terms set out below, as part of a capital raising round for Convertible Notes.

## 1. Definitions and interpretation

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### 1.1 Definitions

In these Terms, unless the context indicates otherwise:

**Ampersand** means Ampersand 2020 Limited Partnership;

**Board** means the board of directors of Syft from time to time;

**Convertible Note** means the convertible note provided under the Convertible Note Terms;

**Convertible Note Terms** means the convertible note terms between, among others, Syft and the Subscriber;

**Exercise Date** means the date on which Syft receives a Notice of Exercise from the Subscriber in accordance with clause 2.3;

**Exercise Period** means the period commencing from the date of funding first being provided under the Convertible Note and ending two years from such date;

**Exercise Price** means the price of NZ\$0.01 per Warrant Share, subject to any adjustment under clause 2.6;

**Immediately Available Funds** means the real-time electronic direct bank transfer of cleared and immediately available funds;

**Notice of Exercise** has the meaning given to that term in clause 2.3(c);

**Offer** means the offer of convertible notes and warrants under the 2023 offer document from Syft;

**Shares** means fully paid ordinary shares in the capital of Syft;

**Subscriber** means the applicant under the Offer;

**Syft** means Syft Technologies Limited;

**Terms** means these terms, including the Schedule;

**Warrant** means the warrant set out in clause 2; and

**Warrant Shares** means such number of Shares equal in number to 10% of the number of Convertible Notes actually issued and paid for under the Convertible Note Terms, divided by NZ\$0.45 per Share, subject to any adjustment under clause 3.6. For example, NZ\$100,000

of Convertible Notes paid under the Convertible Note Terms would mean an entitlement to 22,222 Warrant Shares (i.e. NZ\$10,000 divided by NZ\$0.45).

## 1.2 Interpretation

In these Terms, headings are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) an **agreement or terms** includes that document as amended, assigned, novated or substituted from time to time;
- (b) **business day** means a day (other than a Saturday, Sunday or public holiday) on which registered banks are open for general banking business in Auckland, New Zealand;
- (c) **\$** means New Zealand dollars;
- (d) **encumbrance** means any interest of power created or arising in or over an interest in an asset under a mortgage, debenture, charge, lien, pledge, security interest (as that term is defined in section 17(1)(a) of the Personal Properties Securities Act 1999 (NZ)), title retention, preferential right or similar instrument, device or power, and includes any agreement or arrangement to create any of those interests;
- (e) a reference to a **clause or schedule** is a reference to a clause of, or schedule to, these Terms, and a reference to these Terms includes any schedule to it;
- (f) references to the words **include, including, for example or such as** are not to be interpreted as words of limitation, and when such words introduce an example, they do not limit the meaning of the words to which the example relates, or to examples of a similar kind;
- (g) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (h) if a word or phrase is defined, its other grammatical forms have a corresponding meaning throughout these Terms;
- (i) references to any statute include any amendment to, or replacement of, that statute and any subordinate legislation made under it, in each case whether before or after the date of the Offer;
- (j) no term or condition of these Terms or any document contemplated by these Terms will be construed adversely to a party solely on the ground that the party was responsible for the preparation of these Terms or a provision of it;
- (k) any reference to times or dates are references to that time or date in New Zealand; and
- (l) a reference to a party to these Terms or another document includes that party's successors, permitted assignees and substitutes.

## 2. Warrant

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### 2.1 Grant of Warrant

In consideration for the Subscriber providing and paying for the Convertible Note to Syft in accordance with the Convertible Note Terms, Syft grants to the Subscriber a warrant to subscribe for the Warrant Shares on these Terms.

### 2.2 Rights attaching to Warrant

The Warrant does not carry any dividend or voting rights.

### 2.3 Exercise of Warrant

- (a) The Warrant is exercisable at the sole discretion of the Subscriber (for clarity, but subject to the other provisions of this clause 2.3).
- (b) The Warrant can only be exercised during the Exercise Period.
- (c) The Subscriber must give written notice to Syft in the form set out in the Schedule (**Notice of Exercise**) to exercise the Warrant.
- (d) The Warrant is exercisable in respect of all or some of the Warrant Shares during the Exercise Period.
- (e) The Notice of Exercise is irrevocable once delivered to Syft (except with the written consent of Syft).

### 2.4 Issue of Warrant Shares on exercise of Warrant

- (a) On the Exercise Date:
  - (i) subject to clause 2.4(a)(ii), Syft will:
    - (A) issue the Warrant Shares to the Subscriber;
    - (B) cause the Subscriber's details to be entered in Syft's share register as the holder of the Warrant Shares and provide a copy of the updated share register to the Subscriber; and
  - (ii) the Subscriber will pay the Exercise Price to Syft in Immediately Available Funds.
- (b) The Warrant will be surrendered by the Subscriber to Syft (without any further actions required on the part of the Subscriber) immediately on the issue by Syft of all of the Warrant Shares to the Subscriber.

### 2.5 No withholding

All payments by the Subscriber under these Terms shall be made:

- (a) free and clear of any restriction or condition;
- (b) free and clear of and (except to the extent required by law) without any deduction or withholding on account of any tax; and

- (c) unless otherwise agreed in writing, without any deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.

## 2.6 **Warrant Shares adjustment**

If there is any subdivision or consolidation of the Shares between the date of the Offer and the Exercise Date, the Board will make an appropriate adjustment to either or both the number of Warrant Shares and the Exercise Price as is reasonably necessary to take account of that subdivision or consolidation of the Shares.

## 3. **Warranties**

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### 3.1 **Syft warranties**

Syft warrants to the Subscriber that:

- (a) the Warrant Shares will upon issue:
  - (i) be credited as fully paid up Shares;
  - (ii) rank *pari passu* with the Shares; and
  - (iii) be free of all Encumbrances; and
- (b) it has the necessary power and authority to enter into these Terms and to carry out its obligations hereunder (subject to the conditions being satisfied);
- (c) the carrying out of its obligations hereunder, have been duly authorised by all requisite corporate and shareholder action on its part (once any conditions for the Offer are satisfied); and
- (d) the carrying out of its obligations hereunder do not and will not breach its constituent documents or any law or contract binding on Syft (once any conditions for the Offer are satisfied).

### 3.2 **Time of warranties**

Each of the warranties set out in clause 3.1 is made by Syft on the date of the Offer and separately at the Exercise Date.

### 3.3 **Subscriber warranties**

- (a) The Subscriber represents and warrants to Syft on the date of the application under the Offer that it is not a person in the jurisdiction in which it is based which requires a formal registered offer document for the offer or subscription of the Warrants or the Warrant Shares.
- (b) The Subscriber acknowledges and agrees that the Warrants and Warrant Shares are part of a wholesale offer of securities under which no registered product disclosure statement, prospectus or other formal registered offer document is required or available.

## 4. **General**

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### 4.1 **Amendments**

No amendment or variation of these Terms is effective unless it is in writing signed by the parties.

### 4.2 **No assignment**

Neither party may assign or transfer all or part of its rights or obligations under these Terms without the prior written consent of the other (such consent it may withhold in its absolute discretion).

### 4.3 **Entire agreement**

These Terms, the Convertible Note Terms, and the documents for the Offer constitutes the entire agreement of the parties concerning the subject matter of these Terms, and supersedes and cancels any previous representations, agreements, understandings or arrangements (whether written or oral) between the parties.

### 4.4 **Governing Law and jurisdiction**

These Terms are governed by, and is to be construed in accordance with, New Zealand law. The parties submit to the non-exclusive jurisdiction of the courts of New Zealand for the purpose of hearing and determining all disputes under, or in connection with, these Terms.

## Schedule: Notice of Exercise

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**[Date]**

Dear: **[Name]**

### **Notice of Exercise under Warrant Terms with Syft Technologies Limited (“Warrant Terms”)**

Pursuant to clause 2.3 of the Warrant Terms, we hereby give notice that **[insert Subscriber]** exercises the Warrant to subscribe for all of the Warrant Shares in Syft.

**Exercise Price:** NZ\$[ ]

**Issue Date:** The date two business days after the date of this Notice (or such other date as Syft and the Subscriber may agree in writing)

Capitalised terms used but not defined in this Notice of Exercise have the meaning given to them in the Warrant Terms.

Kind regards

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**[Name]**  
**[Position]**  
**[insert Subscriber entity]**