



Agreeing a conversion price with the investors at the final conversion date

- You have raised funding through a Leapfunder Note. Time has passed without a qualifying event, and the final conversion date is nearing. On that date the conversion needs to be carried out. How do we determine the conversion price together with the investors? Or can we simply agree an extension of the Leapfunder Note?
 - The approach below can be used more broadly. If there has been a qualifying event but the implied share price is not clear, for example, then you can also use the steps below to determine the price
- The start-up and the investors have a few options:
 1. Agree an extension of the Leapfunder Note during a formal Leapfunder Note investor meeting
 2. Agree a conversion price with the investors during a formal Leapfunder Note investor meeting:
 1. If 75% of the investors agree to a proposal then: you're done. The price will be binding for all
 2. If 51% of the investors agree, and subsequently an independent expert says the price is within a reasonable range: you're done. The price will be binding for all. Contact Leapfunder for such an independent expert
 3. If you can't agree a price at all: get an independent expert to carry out a valuation. Contact Leapfunder for such an independent expert
- In practical terms:
 - Asking an independent expert to help you is expensive. Better if you can make an agreement with the investors that has a 75% majority
 - If you need an independent expert to help you with a valuation: contact Leapfunder first. We will make a binding recommendation on who will do it
 - If you need help organizing a formal Leapfunder Note investor meeting: contact Leapfunder. We have guides to help you through the process. However, normally the start-up CEO takes the lead in organizing everything