
Token Shareholder Agreement

V 2.0 – 17 March 2023

Non-binding executive summary

This Token Shareholder Agreement serves the following two key purposes:

1. **Drag-Along (obligation to sell in case of an exit):**
 - a. **Background:** When the Company is sold, the buyer will want to own 100% of the Shares, not 99.9% or less. As there are potentially hundreds of Token Holders, the process to transfer the Share Tokens to the buyer needs to be automated.
 - b. **Mechanism:** If a majority of all Shareholders (holding at least 50% of Shares) agree to sell the Company for a specific price to a buyer, all Shareholders are obliged to sell their Shares for the same price. For Share Tokens, the transfer to the buyer is executed automatically through a smart contract. After the transfer, Token Holders can then claim their share of the purchase price.
2. **Tag-Along (right to sell when a majority shareholder sells):**
 - a. **Background:** When a majority of Shareholders want to sell, it is an important protection for minority Shareholders that they are not stuck with a new majority Shareholder. Therefore, minority Shareholders should have the right to sell as well for the same price if a majority of Shareholders wishes to sell.
 - b. **Mechanism:** If Shareholders wish to sell 50% or more of the Shares, they need to inform all other Shareholders and give them the right to sell for the same price.

Section A – Key Terms

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| Preamble | <p>Nanimale AG, Zürich, Switzerland, CHE-133.693.870 ("Issuer") has issued its shares in two forms: As unregistered rights ("Ordinary Shares", its holders the "Ordinary Shareholders") and as ledger-based securities ("Share Tokens", its holders the "Token Holders", together with the Ordinary Shares the "Shares", and its holders the "Shareholders" or "Parties").</p> <p>This shareholder agreement is common to all Shareholders, i.e., it applies to holders of Share Tokens <i>and</i> holders of Ordinary Shares ("Token SHA").</p> <p>To enable the enforced transfer of Share Tokens, the Share Tokens are locked in a smart contract on the Ethereum blockchain ("SHA Smart Contract") and for each locked Share Token, a placeholder token ("SHA Token") is generated.</p> |
| Website | The latest version of this Token SHA can be found on the Issuer's investor relations page (the " Website "). |
| Share Token | Share Tokens are issued under the registration agreement as available on the Website (the " Registration Agreement ") and registered in the respective smart contract (" Share Token Smart Contract "). |
| SHA Token | <p>The 'draggable' SHA Token of the Issuer is called Nanimale AG Shares SHA and registered in smart contract 0x972bFf8e5f0F97C880CCb92616C07dc78d4d89f8 ("SHA Smart Contract").</p> <p>The source code of the SHA Smart Contract determines its functionality. It can be found on Etherscan under:</p> <p>https://etherscan.io/address/0x972bff8e5f0f97c880ccb92616c07dc78d4d89f8</p> |
| Voting Period | 60 calendar days starting with the initiation of an offer |
| Execution Period | 30 calendar days starting after the end of a Voting Period |
| Drag-Along Quorum | 50% of all Shares during the Voting Period (absolute majority) and, after the end of the Voting Period, 50% of yes votes relative to those Shares who cast a vote (relative majority). |
| Key Decision Quorum | 50% (required for changes to this Agreement or changes to the SHA Smart Contract) |
| Representative | Acting Chairman of the Board of Directors |
| Oracle | Nanimale AG, Zürich, Switzerland, CHE-133.693.870 |

Section B – General Terms

1 Scope

1.1 Parties

All Ordinary Shareholders have become a Party to this Token SHA by signing a separate shareholders agreement ("**Ordinary SHA**") or an accession declaration hereto. Token Holders accept the terms of this Token SHA by wrapping their Share Tokens in the SHA Smart Contract or by otherwise directly or indirectly obtaining ownership of or interacting with SHA Tokens. New Parties can join this Token SHA without explicit consent or information to the other Parties.

The Issuer, or a notary appointed by the Issuer, is bound to this Token SHA to the extent it is obliged to notify Parties or it acts as an oracle for calling certain functions of the SHA Smart Contract ("**Oracle**").

1.2 Relation to Share Tokens and Registration Agreement

The terms and technical features governing the Share Tokens as available on the Website of the Issuer ("**Registration Agreement**") relating to the transfer of Share Tokens, shareholder registration (incl. statutory transfer restrictions, if any), burning, establishment of securities, loss of tokens and hard fork apply to the SHA Tokens in analogy (Sections 5 ss. of the Registration Agreement).

Token Holders can only transfer ownership of Share Tokens indirectly by transferring SHA Tokens. It is not possible to 'unwrap' the SHA Tokens or to terminate this Token SHA except as set out in Section 3 and 7.

1.3 Relation to the SHA Smart Contract

In case of inconsistencies between the natural language of this Token SHA and the source code of the SHA Smart Contract, the source code prevails. The source code of the SHA Smart Contract can be amended as outlined under Section 7.

1.4 Open Trading & Issuance of New Share Tokens

All Shareholders agree that the Issuer may decide to offer Share Tokens for public sale and repurchase by the Issuer to create a public market for the Share Tokens ("**Open Trading**"). The Issuer is under no obligation to offer or repurchase the Share Tokens and may stop the Open Trading at any time or limit the Open Trading to selling or buying only.

To enable the Open Trading for existing Share Tokens, all Shareholders hereby waive their right to equal treatment for the repurchase of Share Tokens and their subscription right for the sale of Share Tokens. In case of a capital increase for the creation of new Share Tokens that are intended for sale through Open Trading, the Token Holders agree that their subscription rights are granted by having equal access to the Open Trading.

In case (i) the Share Tokens are subject to any transfer restrictions under the articles of association (Vinkulierung), and (ii) the Issuer does not implement any allow-listing, the Shareholders acknowledge and agree that board of directors of the Issuer may approve all transfers of the Share Tokens in advance and withdraw such general approval for specific transfers or acquirers at its own discretion.

2 Tag-Along (Co-Sale Right)

2.1 Grant and Notification

In the event a Shareholder (or a group of Shareholders) wishes to transfer all or a part of its Shares ("**Relevant Shares**") in one or a series of related transactions to a proposed acquirer (including another Shareholder) on the basis of a purchase offer, and provided such transfer of Relevant Shares reaches or exceeds 50% of all Shares outstanding ("**Tag-Along Event**"), all Shareholders hereby grant all other Shareholders the right to co-sell all (but not less than all) Shares held by such Shareholder together with the selling Shareholder to the proposed acquirer in accordance with the terms and conditions set forth in this Section 2 ("**Tag-Along Right**").

The selling Party shall notify the other Shareholders of any Tag-Along Event in accordance with Section 8 ("**Tag-Along Notice**").

2.2 Terms of Tag-Along

The terms of the Tag-Along Right shall be the same consideration per Share and otherwise the same terms and conditions as applicable to the selling Party.

2.3 Exercise

Each Shareholder wishing to exercise its Tag-Along Right with respect to all Shares held by such Shareholder shall so notify the selling Party in accordance with Section 8 within an exercise period of 30 days from receipt of the Tag-Along Notice ("**Tag-Along Exercise Notice**"). If no Tag-Along Exercise Notice is submitted until the expiry of the exercise period, the Tag-Along Right of that Shareholder shall be deemed to have been forfeited (*verwirkt*; périmé) with respect to this Tag-Along Event. If the proposed acquirer refuses to accept the purchase of the Shares from the Shareholders exercising their Tag-Along Right, the selling Party shall be prohibited from transferring the Shares to the proposed acquirer.

2.4 Transfer to Proposed Acquirer

To the extent the other Parties do not exercise their right of first refusal (if any) or their Tag-Along Right, the selling Party shall be free to transfer the relevant Shares to the proposed acquirer on the terms disclosed to the other Shareholders in the Tag-Along Notice within a period of six months starting after the expiry of the 30-day exercise period for the Tag-Along Right. Thereafter, the procedure pursuant to this Section 2 needs to be repeated prior to any such transfer.

3 Drag-Along (Co-Sale Obligation)

3.1 Grant and notification

If (i) an acquirer, including a Shareholder, ("**Acquirer**") wishes to purchase all (but not less than all) Shares in one or a series of related transactions pursuant to a *bona fide* purchase offer (the "**Drag-Along Offer**"), (ii) such Drag-Along Offer is accepted by the Drag-Along Quorum and no higher offer is made as per Section 4 ("**Drag-Along Event**"), the Acquirer is entitled to require that all Shareholders co-sell all their Shares ("**Drag-Along Obligation**"), and may execute such Drag-Along Obligation for the Share Tokens as per Section 4.

In case of a Drag-Along Event, the Ordinary Shareholders leading the transaction shall notify the Parties in accordance with Section 8 without delay ("**Drag-Along Notice**").

3.2 Terms of Drag-Along

The terms of the Drag-Along Offer shall be in accordance with the terms of the underlying agreement between the selling Shareholder(s) and the Acquirer with the following minimum terms:

- a) For each Share, the purchase price shall be the same (subject to liquidation preferences or other agreements between Shareholders).
- b) Each Token Holder's liability as well as representations and warranties shall, to the extent legally permissible, be excluded.

The Shareholders hereby irrevocably, subject only to the condition precedent that the Drag-Along Offer is accepted as per Section 4, accept and enter into a sales agreement with the Acquirer with the above terms.

4 Execution

4.1 SHA Smart Contract functions & automated execution

The Shareholders can vote on the Drag-Along Offer and execute or cancel it based on the following SHA Smart Contract functionalities:

1. **Initiation function:** The Acquirer is required to call the initiation function in the SHA Smart Contract, which is subject to a non-reimbursable software license fee payable to the licensor as defined in the source code. By doing so, a separate smart contract governing the acquisition ("**Offer Contract**") is created and an 'OfferCreated' event is emitted on the Blockchain. It is the responsibility of each Token Holder to monitor the Blockchain for such events or to use a service to do so on her or his behalf.
2. **Voting function:** After calling the initiation function, the Voting Period starts:
 - a. **Voting by Token Holders:** During the Voting Period, any Token Holder may call the functions 'voteYes' and 'voteNo' to vote on the Drag-Along Offer. Token Holders can

change their vote during the Voting Period. In case of a token transfer during the Voting Period, the vote counts are automatically updated to reflect the vote of the recipient address, if any.

- b. **Voting by Ordinary Shareholders:** Ordinary Shareholders may vote by either (i) turning their Ordinary Shares into Share Tokens, locking these in the SHA Smart Contract and then voting, or (ii) reporting their vote to the Oracle which shall report such votes to the Offer Contract within 96 hours, subject to reimbursement of the transaction fees for voting. The Oracle, but not the Token Holders, can technically report votes to the Offer Contract even after the end of the Voting Period, but shall only do so for votes received before the end of the Voting Period. The Ordinary Shareholders shall vote no, and hereby instruct the Oracle to vote no, if the conditions and/or terms of a Drag-Along Event are not met.
3. **Execution function:** The execution function enforces the Drag-Along Offer by transferring all Share Tokens to the Acquirer and replacing the Share Tokens with the respective price per Share Token as per the Drag-Along Offer. SHA Tokens can then be used to unwrap the proceeds from the SHA Smart Contract. Anyone can trigger the execution function, if (and only if) (i) the funds for the Drag-Along Offer for Share Tokens are available in the Offer Contract, and (ii) the Drag-Along Quorum is reached (i.e., absolute majority of Shares during the Voting Period and relative majority of Shares during the Execution Period).
4. **Cancellation function:** The Offer Contract can be canceled as follows:
 - a. **By the Acquirer:** The Acquirer can cancel the offer at any time by calling the respective function on the Offer Contract.
 - b. **By anyone else:** Anyone can cancel the Offer Contract by calling the respective function on the Offer Contract if either (i) the Acquirer did not make enough funds available to the Offer Contract, or (ii) the Execution Period has passed, or (iii) the Drag-Along Quorum has become unreachable under the assumption that the number of 'no' votes will not decrease, or (iv) a new Offer Contract with a higher counteroffer using the same acquisition currency as the current offer is made.

4.2 Execution for Ordinary Shares

In case of a Drag-Along Event, the Ordinary Shareholders shall co-ordinate the transfer of the Ordinary Shares to the Acquirer as per their separate agreement with the Acquirer.

5 Representative

If a Representative has been appointed, each Token Holder holding 1.0% or less of the Issuer's Shares (each a "**Minority Shareholder**" and together the "**Minority Shareholders**") hereby grants the Representative, or any replacement, the right to represent the Minority Shareholders (or their heirs, legal representative or administrator as the case may be) relating to the following:

- exercise and waive all and any rights relating to the represented Share Tokens and hereby in particular exercise any voting rights or exercise or waive any pre-emptive subscription rights pertaining to the represented Share Tokens;
- enter into, amend and/or terminate the Token SHA and any ancillary documents referred to in the Token SHA to the extent permitted herethereunder; or
- confer all authorities, powers and rights which a holder of Share Tokens may generally exercise in its capacity as a Shareholder.

Prior to exercising any rights, the Representative shall collect the majority opinion of all Minority Shareholders and act accordingly. Upon receipt of the voting instruction request, Minority Shareholders shall have 7 calendar days to reply, or else be deemed non-participating to a vote, which shall not in any way curtail the powers of the Representative with regard to those Shares represented.

If the Representative (i) for any reason can no longer act as Representative, or (ii) is revoked based on an according majority vote of the Minority Shareholders, a new Representative will be elected by majority vote of the Minority Shareholders. Ad interim, the Minority Shareholders agree that their votes will be considered in line with the recommendations of the majority of the board of directors.

6 Term & Termination

This Token SHA is valid for an initial fixed term until the fifteenth anniversary after the date hereof. Thereafter, this Token SHA shall continue to be in effect for successive periods of five years unless terminated by any Party upon ten years' prior notice to all other Parties upon completion of the initial fixed term or any end of a successive period. Any termination by a Party shall only be effective with respect to the respective Party and shall be without prejudice to the continued binding effect of this Token SHA for all other Parties.

In case of termination of this Token SHA by any Token Holder, the other Parties have the option to purchase the Shares of the terminating Token Holder during the entire notice period at Fair Market Value. The "**Fair Market Value**" shall be determined based on the current price of the Share Token in the Open Trading, as of the date of the purchase offer. If no market price is available anymore because the trading in the Open Trading has been halted, the Issuer, in its reasonable discretion, determines the Fair Market Value either based on (i) the last price in the Open Trading, or (ii) a reasonable valuation method. If any of the other Parties disagree with the Fair Market Value, they may request its binding and final determination for all other Parties by an experienced international accounting firm appointed by the Issuer. In case the purchase option is not exercised, the terminating Party is free to burn their tokens and demand a replacement that is not bound to this Token SHA from the Issuer.

Ordinary Shares are excluded from the purchase option described above. In case of termination of this Token SHA by an Ordinary Shareholder, resulting purchase options, if any, are determined by the provisions in the separate shareholder agreement between the Ordinary Shareholders.

This Token SHA terminates for a specific Party upon such Party ceasing to be a Shareholder, whereas such cessation and release is without prejudice to any accrued rights and obligations of the relevant Party at the time of such cessation and release.

7 Amendments

All Parties acknowledge and agree that:

- Parties together reaching the Key Decision Quorum of Shares bound to this Token SHA can amend or terminate the SHA Smart Contract by migrating to a new smart contract; and
- Parties together reaching the Key Decision Quorum of Shares bound to this Token SHA have the right to amend or terminate this Token SHA,

provided, *however*, that the initiating Party shall notify the other Parties as set out in Section 8 about the amendment or termination including its terms and proposed consummation, and, in case of a Material Change (as defined below), with the notice offer all other Parties to purchase their SHA Tokens at Fair Market Value within a period of 30 calendar days from publication. In case of a Material Change and if the purchase option is not exercised, the Parties are free to burn their tokens and demand a replacement that is not bound to this Token SHA from the Issuer.

A 'Material Change' means any amendment of any of the provisions of the SHA Smart Contract and/or this Token SHA that disproportionately negatively affects any accrued rights of any other Parties or impose any disproportionately greater liability or any more onerous obligation than in the current version. Any amendments in view of a potential initial public offering (IPO) of the Company, including the replacement of the Share Tokens with shares of a new holding company and customary lock-up periods, shall *not* constitute a Material Change.

In case of a termination or migration to a new contract, the current SHA Smart Contract and this Token SHA cease to be binding and all Token Holders are free to unwrap their Share Tokens. In such an event, the SHA Smart Contract is programmed to change its name to reflect that it no longer reflects a shareholders' agreement. For the avoidance of doubt, unwrapping the SHA Token after a successful migration does not necessarily yield the originally wrapped Share Token, but could potentially also result in a new version of an SHA token bound to an updated version of this Token SHA and/or a new Share Token.

8 Notifications

For notifications, the notifying Party shall inform the Issuer, and the Issuer shall distribute the notification to all Parties latest within seven (7) calendar days by email in accordance with their entry in the shareholder registry (except to those that have opted out of notifications) as well as by making a respective blockchain-based announcement. In case of a Tag-Along or Drag-Along Event, the relevant Party shall provide the Issuer with all relevant information. However, the Issuer shall provide solely key terms to the Parties and provide further documentation solely on request, subject to reasonable confidentiality undertakings by the recipient.

9 General Provisions

9.1 Limitation of Liability

THE SHA SMART CONTRACT MAY BE USED BY MAJORITY SHAREHOLDERS TO ENFORCE A TRANSFER OF THE SHARE TOKENS FOR A PRICE THAT IS BELOW THE FAIR MARKET VALUE OF THE SHARE TOKENS, OR TO AMEND OR OTHERWISE TERMINATE THE SHA SMART CONTRACT AND THIS TOKEN SHA. THE SHA SMART CONTRACT WILL EXECUTE SUCH TRANSACTIONS OF THE SHARE TOKENS REGARDLESS OF WHETHER THEY ARE IN COMPLIANCE WITH ANY APPLICABLE LAW, THIS TOKEN SHA OR ANY OTHER LEGAL OBLIGATIONS AND/OR RESTRICTIONS THAT MAY APPLY, AND SUCH TRANSACTION IS IRREVERSIBLE. NEITHER THE ISSUER NOR THE ORACLE HAVE THE TECHNICAL MEANS TO ENSURE COMPLIANCE WITH THIS TOKEN SHA AND ARE, TO THE MAXIMUM EXTENT PERMISSIBLE UNDER APPLICABLE LAW, NOT LIABLE FOR ANY DAMAGES AND/OR LOSSES BY TOKEN HOLDERS OUT OF OR IN CONNECTION WITH THE SHA TOKENS.

In addition, please take note of the Risk Factors of Share Tokens as set out in the Registration Agreement.

Unless explicitly stated otherwise and except in cases where such exclusion is not permitted under applicable law (such as in cases of willful misconduct and gross negligence, or for incorrect or misleading statements relating to the content and functionality of the Share Tokens), all representations and warranties with regard to the SHA Tokens, SHA Smart Contract, the Oracle and the Blockchain and any liability by the Issuer, the Representative and the Oracle, or any person acting on behalf of the Issuer, the Representative and the Oracle with regard thereto, are herewith excluded.

9.2 Severability / Good Faith

Should any part or provision of this Token SHA be held to be invalid by any competent court, governmental or administrative authority having jurisdiction, the other provisions of this Token SHA shall nonetheless remain valid. In this case, the Issuer shall dictate a substitute provision that best reflects the economic intentions without being unenforceable and shall execute all agreements and documents required in this connection. The same shall apply if and to the extent that this Token SHA is found to contain any gaps or omissions.

9.3 Governing Law and Jurisdiction

This Token SHA shall be governed by and construed in accordance with the substantive laws of Switzerland. All disputes arising out of or in connection with the present Token SHA, including disputes on its conclusion, binding effect, amendment and termination, shall be resolved by the ordinary courts at the seat of the Issuer.