

ETO TERM SHEET

relating to an equity token investment in **COMPANY NAME**,
 a company under the laws of **COUNTRY**,
 registered with the commercial register **of CITY under REGISTRATION NUMBER**
 with business address at **ADDRESS**
 (the “Company”)

COMPANY NAME considers an equity token offering through the platform NEUFUND. Equity tokens will reflect rights similar to those of shareholders in the Company through a nominee structure. In this Term Sheet the Company gives an overview of the economic terms of the equity tokens, on which basis the documentation governing the issuance of the tokens will be based. All economic terms contained herein have been determined by the Company after having been consulted by a freely chosen legal and/or business adviser regarding their legal (including tax) and economic implication. Company hereby acknowledges and confirms that by choosing and determining these key terms it has to no extent relied on any advice, in particular no legal advice given by Fifth Force GmbH, any of their officer, directors, employees and/or consultants or advisors.

1. STRUCTURE

Current share capital/shareholder structure

The Company’s share capital currently consists of **AMOUNT OF EXISTING SHARES** registered shares of EUR **1.00** nominal value each (the “Existing Shares”).

The following table displays the current shareholder structure pre financing:

Shareholder	Shares in the nominal amount of AMOUNT OF EXISTING SHARES each

Total	AMOUNT OF EXISTING SHARES
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The aforementioned shareholders will also be referred to in the following as the “**Existing Shareholders**”.

Business-plan

The investment shall be based on the assumptions made by the management in the business plan as outlined in **Appendix 1** (the “**Business Plan**”).

Pre-Money-Valuation

The implied price per New Share (as defined below) shall be up to EUR **xxxx** (the “**New Share Price**”) based on a pre-money valuation at EUR **xx,xxx,xxx** (the “**Pre-Money-Valuation**”).

Investment

The Company intends to conduct a capital increase through issuing a minimum of **xxxxxxx** shares up to a maximum of **xxxxxxx** shares with a nominal value of EUR 1.00 each (the “**New Shares**”), whereas in the ETO one New Share shall be represented by 10.000 equity tokens. Hence, the implied price per equity token shall amount up to EUR **xxxxxx**. The total amount of **financing** will amount to up to EUR **xxxxxx** (the “**Max Investment**”). The ETO will require a minimum investment of EUR **xxxxxx** (the “**Min Investment**”). If the Minimum Amount is not achieved by the expiration of the ETO, the ETO shall be deemed failed and no capital increase shall be effected.

Investment Currencies

The Company will accept the following fiat currencies during the ETO:

- **EURO**

The Company will accept the following crypto currencies during the ETO:

- **ETH**

Any funds provided in a currency different from EURO shall be converted into EURO amounts based on the respective currency-to-EURO rate of the day of the Investment available at [●] for fiat currencies and [●] for cryptocurrencies.

Outstanding Liabilities/Shareholder Loans

No shareholder loans exist and at Closing Date the Company does not have any outstanding liabilities vis-à-vis Existing Shareholders or related parties.

EIP

As an incentive for future growth and development of the Business, the Company has set up an employees’ incentive program in the form of an [ESOP/VSOP] representing **xxxxxxx** shares each with a nominal value of **xxxxxx**.

In addition, as part of the ETO, **xx** % (i.e. [●] equity-tokens) of the total equity-tokens offered in the ETO shall be reserved for management and employees as part of the Company’s employees’ incentive program.

Use of Funds

Any funds raised through ETO shall be used for _____.

Shareholder Structure post money

The shareholder structure upon Closing shall be as follows:

Shareholder	Shares in the nominal amount of EUR 1.00 each
Nominee to represent Equity Token Holders	MIN-MAX
TOTAL	MIN AMOUNT OF SHARES AFTER ETO - MAX AMOUNT

2. SHA / ARTICLES

Liquidation Preference

Equity Tokens represented New Shares shall not have a liquidation preference and the Neumini on behalf of the Equity Token Holders shall not receive out of the Exit Proceeds any amounts in preference to other shareholders. After distribution of any liquidation preferences set forth in the Shareholders’ Agreement and/or Articles of the Company, the remaining Exit Proceeds shall be allocated to all shareholders (including the Nominee on behalf of the Equity Token Holders) on a pro rata basis with respect to all shares.

OR

In the event of an Exit Event as defined in the SHA prior to a further issuance of shares in the Company, the following allocation of Exit Proceeds shall be agreed:

- **First Level Allocation:** On a first level, the Nominee on behalf of the Equity Token Holder shall receive out of the Exit Proceeds in preference to the remaining Shareholders an amount equal to xxxxxx times the Total Investment (the "First Level Liquidation Amount").
- **Second Level Allocation:** After distribution of the First Level Liquidation Amount, the remaining Exit Proceeds, shall be allocated to all shareholders (including the Nominee on behalf of the Equity Token Holders) on a pro rata basis with respect to all shares. Any amounts received by the Nominee on the First Level shall reduce the amounts to be allocated to the Nominee on behalf of the Equity Token Holders on the Second Level Allocation (not participating Liquidation Preference).

Information Rights

The Company will provide all Equity Token holders with all statutory information rights and Neumini shall be able to exercise statutory inspection rights on behalf of Equity Token holders. Additionally, all material matters shall be informed to Equity Token holders.

Transferability of Equity Tokens

Equity Tokens shall be freely transferable as of issuance. Listing and tradability will be confirmed in a later stage.

Tag Along Right

Tag Along Rights shall apply on the New Shares (and reflected on the Equity Token) in case shares in the Company are transferred which amount to a Change of Control (a sale, exchange, contribution or other transfer of (i) more than fifty percent **50%** of the Shares in the Company, or (ii) the controlling voting power of the Company). This Tag Along Right will entitle Nominee to transfer all New Shares (not only a pro rata) unless Equity Token holders agree otherwise.

Drag-Along Rights

If a majority of the Shareholders requires to sell all Shares in the Company all Shareholders – and all Equity Token Holders shall be obliged to sell their Shares under the same terms and

conditions. The execution of the sale of Shares shall be subject to full payment of the purchase price to Equity Token holders.

4. PREFERRED RIGHTS

First Look Right

Neufund ICBM Investors will have a first look right on the Equity Token Offering and subject to certain limitations and conditions may acquire Equity Tokens before the offer is made publicly to all users of the Neufund platform.

Pre ETO

For a period of **x** days the Company will allow Neufund ICBM Investors and other whitelisted investors for a total investment amount not exceeding EUR **xxxxxxxx** to subscribe for Equity Tokens for (i) a fix discount of **0%** over the maximum price of the Equity Tokens or (ii) based on a valuation of EUR **xx,xxx,xxx** whichever lower.

During Pre ETO, the Company will accept EUR and ETH as valid funds.

5. CORPORATE GOVERNANCE

Advisory Board

The Company shall establish an Advisory Board upon closing. The Advisory Board shall consist of minimum **xxxxxxxx** (voting) members, which can be shareholders or third parties. The Advisory Board shall elect from its midst a chairman.

The members of the Advisory Board shall be appointed, removed or replaced by the shareholders.

Protective Provisions

Important measures/material decisions of the Shareholders' Meeting as to be defined in the Investment and Shareholders' Agreement ("**ISHA**") shall require the consent of **50%** of shareholder votes cast.

Vesting

xx% of any shares hold by the Founders shall be subject to reverse vesting provisions over **x** years, [with a cliff of **x** commencing at the date of Closing].

6. FINAL PROVISIONS

Conditions Precedent

Equity Token may only be offered once regulatory requirements are fulfilled. Equity Tokens will only be issued if the minimum investment amount is achieved.

ETO Terms

The ETO shall last **x** days (for the avoidance it closes at 23:59 CET of the last day) from the day the ETO is first offered to the general public. The ETO shall be first offered to the public upon: (i) approval of the prospectus by the German Financial Supervisory Authority (BaFin) and (ii) after expiration of the Pre-ETO. The Company will publicly inform if and when the ETO is available for the general public.

Exclusivity

Upon signing this Term Sheet the Company commits to make not other Equity Token Offering or Initial Coin Offering on any other platform than Neufund for a period of 4 months after signing date.

Transaction Costs

The Company will bear all transaction-related costs of the Company (e.g. court/commercial register fees, costs of legal counsel/law firm retained by the Company, etc.).

Date:

Place:

NAME

POSITION OF THE LEGAL REPRESENTATIVE

COMPANY NAME