

Convertible Loan Agreement

V0.1, May 5, 2023

This convertible Loan Agreement (this “**Agreement**”) enters into force upon the approval of the HOPR DAO (as defined below) of the proposal “*The HOPR Community should invest into a HOPR product company*” (the “**Effective Date**”) and is an agreement by and between HOPR rise holding AG (“**Borrower**”) and the HOPR DAO, consisting of any natural or legal person who holds HOPR tokens and participates in the decentralized governance system (<https://snapshot.org/#/vote.hopr.eth>) of HOPR (the “**Lender**”; Lender and Borrower each a “**Party**” together the “**Parties**”).

Introduction

- A. WHEREAS, Borrower has requested Lender to make a subordinated convertible loan to Borrower, which can be used by Borrower for any purpose in connection with its business;
- B. WHEREAS, subject to the terms and conditions hereinafter set forth, Lender is willing to make such a subordinated convertible loan to Borrower;
- C. WHEREAS, subject to the creation of the HOPR Community Trust, Lender will assign this Agreement to said Trust, and
- D. WHEREAS, Borrower may instead of repaying the loan convert the loan into shares of Borrower.

Now, therefore, the Parties agree as follows:

1. Loan

- 1.1 Unsecured Loan. Lender agrees, subject to the terms and conditions hereinafter set forth, to make an unsecured loan to Borrower in the aggregate principal amount of 900'000 DAI plus 37'000'000 HOPR (“**Loan**”). The USD value is calculated by multiplying the number of HOPR tokens with the DAI spot price on the respective Uniswap pool at the moment of the transfer. Borrower shall draw the Loan in full in one tranche.
- 1.2 Loan Payment Date. The Loan shall be paid out by Lender no later than 10 days after the Effective Date to the following account: 0x6426DB6bdAfdB09CcC9E0879Ff4f4d58BBce5cc3
- 1.3 Receipt. The Loan is deemed to be received by Borrower when the Loan is transferred to the wallet address set out above of Borrower.

2. No Interest

- 2.1 No Interests. The Loan is interest-free.

3. Assignment

- 3.1 Borrower shall not have the right to assign or transfer any rights and obligations under this Agreement, either as a whole or in part, to any third party. Any assignment or transfer in violation of this provision shall be null and void.
- 3.2 Subject to the condition that (i) the HOPR Community Trust is established (the date of establishment, the "**Trust Creation Date**"), (ii) the Loan amount has been paid by Lender, and (iii) the trustee of HOPR Community Trust resolves to assume this Agreement in case of a transfer, Lender shall and hereby irrevocably assigns, grants, conveys and transfers to the HOPR Community Trust all of Lender's rights, title, interest and obligations in and to the Agreement (*Vertragsübernahme*), including any rights on outstanding Loan amounts and converted shares.
- 3.3 Borrower hereby expressly acknowledges and agrees to the assignment and assumption set out in this section 3.1.

4. Maturity, Conversion and Subordination

- 4.1 Maturity. The Loan is granted until the next equity financing round with third-party investors ("**Maturity Date**").
- 4.2 Right for Repayment. The repayment of any outstanding Loan amount is not permitted, except if Borrower is required to repay the Loan due to any legal or regulatory reasons.
- 4.3 Conversion. On the Maturity Date, and subject to the condition that Borrower is not repaying the Loan amount as set out in section 4.2, the outstanding Loan amount mandatorily converts (*Pflichtwandel*) into common shares (or any other type of shares as determined by Borrower) of Borrower at the price per share paid by the investors participating in the financing round minus a discount of 50% (the "**Conversion**"). Regardless of the actual valuation, the total number of common shares resulting from the Conversion shall be at least 10% and maximum 24% of the share capital or voting rights of Borrower.
- 4.4 Authority by Borrower. Borrower shall procure to maintain authority under an ordinary, capital band and/or conditional share capital increase that allows Borrower to issue such number of shares in Borrower as Lender is entitled to pursuant to the Conversion and that priority subscription rights of other shareholders are excluded in order to allow the Conversion to take place.
- 4.5 Fractions. Any fractional common shares created by way of Conversion shall be disregarded and the number of shares to be delivered shall be rounded up (if the fraction is 0.5 or above) or downward (if the fraction is below 0.5) to the next full number of shares. The difference shall either be paid back by Borrower to Lender (in case of rounded downward) or paid by Lender to Borrower (in case of rounded up) in cash, as the case may be.
- 4.6 Release from the Loan Obligations of this Agreement. If Borrower chooses the Conversion, Lender releases Borrower from any and all claims, which Lender ever had, now has, or hereafter may have against Borrower arising out of or relating to this Agreement, except for any claims relating to rights and obligations in connection with the Conversion.

- 4.7 Accession and signing of Agreements. Upon a Conversion and on request of Borrower, Lender shall accede to and sign all agreements, as required for all investors in the investment round, including but not limited to shareholders' agreements, investment agreements etc.

5. Subordination

- 5.1 Rank. The Loan (incl. accrued interest) shall rank pari passu without discrimination or preference with other unsecured subordinated obligations of Borrower.

- 5.2 Subordination. Lender hereby irrevocably and unconditionally declares to Borrower that the Loan, including any accrued interest (if any), owed now or in the future (the "**Relevant Subordination Amount**"), shall be and is hereby subordinated to all current and future claims of creditors of Borrower.

During such term, the Relevant Subordination Amount shall be deferred (*gestundet*) and none of the claims under the Relevant Subordination Amount may neither fully nor partially be repaid, set-off (other than upon a conversion), novated or otherwise be fulfilled and no security interest may be created in relation to such claims.

The claims of Lender being subject to the subordination shall be listed separately in the financial statements of Borrower.

- 5.3 Bankruptcy. If Borrower is declared bankrupt by a court or if Borrower makes a general assignment, arrangement or composition with or for the benefit of its creditors, Lender herewith waives its claims under the Relevant Subordination Amount to the extent required to cover from the liquidation proceeds the claims of the other creditors and the claims arising in connection with the liquidation procedure.

In the case of bankruptcy or debt restructuring liquidation of Lender, Borrower is permitted to offset the Relevant Subordination Amount with Borrower's claims against Lender.

Lender acknowledges and agrees that nothing in this Agreement shall be construed as to restrict the board of directors of Borrower to notify the competent courts in case of an equity shortfall in the sense of article 725 (2) CO.

- 5.4 Termination of the Subordination. The subordination pursuant to this Agreement shall automatically be terminated if (i) a conversion pursuant to this Agreement is conducted, regardless of an equity shortfall in the sense of article 725 (2) CO, (ii) Lender and Borrower agree that the subordination shall be cancelled, provided, however, that such agreement shall only be deemed valid if financial statements of Borrower which (1) are not older than six (6) months and (2) audited in accordance with the then current Swiss Audit Standards (*Schweizer Prüfungsstandards*) show that all claims of Borrower (including the Relevant Subordination Amount) are sufficiently covered by assets (in case Borrower is subject to a full audit (*ordentliche Revision*), a summarizing audit report from the auditor without a qualification in the sense of article 725 (2) CO suffices to satisfy this requirement) or (iii) Lender irrevocably waives any claim to the Relevant Subordination Amount. The subordination pursuant to this Agreement has been approved by the board of directors of Borrower having given due consideration to the

creditworthiness of Lender. Lender confirms that sufficient net wealth is at its disposal to absorb a possible or complete loss of the Relevant Subordination Amount.

6. Warranties

Borrower warrants to Lender that, as of the date of this Agreement, to the best of its knowledge and except as otherwise disclosed to Lender:

- 6.1 Duly Incorporated and Existing. Borrower is a company duly incorporated and existing under the laws of Switzerland.
- 6.2 No Application for Bankruptcy. Borrower has not applied for bankruptcy, nor has it started any other insolvency proceedings nor have any such proceedings been initiated against it by third parties.
- 6.3 Execution – No Violation of Laws. The execution and performance of this Agreement does not and will not violate any law or regulation applicable on Borrower or contravene any provision of Borrower's constitutional documents or any agreements to which Borrower may be a party.
- 6.4 No-Material Litigation. There is no material litigation, arbitration, mediation or administrative proceeding current, pending or, to their best knowledge, threatened, which might, if adversely determined, have a material adverse effect on Borrower.

7. Taxes, Costs, and Expenses

- 7.1 Taxes. Except as otherwise provided for in this Agreement, each Party shall bear its own taxes, duties, levies or imposts of any kind incurred by or levied on it in connection with the transactions contemplated under this Agreement.
- 7.2 Costs and Expenses. Except as expressly provided otherwise herein, each Party shall bear its own costs and expenses (including advisory fees) incurred in the negotiation, preparation and completion of this Agreement.

8. Miscellaneous

- 8.1 Amendments. Any provision of this Agreement may be amended, waived or modified only upon the written consent of Borrower and Lender.
- 8.2 Most Favoured Nation. Subject to permissibility under applicable laws, Borrower shall treat Lender no less favourable than any other prospective third-party investor in relation to the subscription of common shares of Borrower. If Borrower grants a more favourable subscription price to any prospective third-party investor for the subscription of common shares of Borrower, Lender shall automatically be entitled to the same more favorable price and to receive additional common shares, subject to the limitation set out in section 4.3. This provision does not limit Borrower in issuing common shares to employees, advisors, contractors, consultants or other related third parties for incentivization or as remuneration.

- 8.3 Notice. Any notice required or permitted by this Agreement will be deemed sufficient when sent by email to the relevant address listed on the signature page, as subsequently modified by written notice.
- 8.4 Severability. In the event any one or more of the provisions of this Agreement are for any reason held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Agreement operate or would prospectively operate to invalidate this Agreement, then and in any such event, such provision(s) only will be deemed null and void and will not affect any other provision of this Agreement and the remaining provisions of this Agreement will remain operative and in full force and effect and will not be affected, prejudiced, or disturbed thereby.
- 8.5 Governing Law and Disputes. This Agreement shall be governed by and construed in accordance with the substantive laws of Switzerland with the exclusion of the conflict law dated December 18, 1987 (*Internationales Privatrecht*) and the Vienna Convention on the International Sale of Goods dated April 11, 1980 (*Wiener Kaufrecht*). Any disputes arising out of or in connection with this Agreement, including any disputes regarding its validity or its termination and the validity of this choice of forum clause shall be settled exclusively by the ordinary courts in Zurich, Switzerland, venue being Zurich 1.

The Signatories:

By signing this Agreement, the Borrower acknowledges and agrees to all terms mentioned above of this Agreement.

Borrower:

Date, Place:
Name:
Function:
E-Mail:

Date, Place:
Name:
Function:
E-Mail:

Signature:

Signature:

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