Netcapital

Menu

Custodial and Voting Agreement

This Custodial and Voting Agreement (this "Agreement") is entered into as of the closing date of an investment purchased on the NetCapital Funding Portal Inc. (the "Portal"), by and between Worldwide Stock Transfer LLC, a New Jersey corporation ("Custodian," or "we"), and the undersigned stockholder ("Stockholder," "your," or "you") of a company (the "Company") listed on the Portal for which the Stockholder purchased securities in reliance on the exemption under Section 4(a)(6) ("Regulation CF") of the Securities Act of 1933 (the "Act"), on Rule 506(c) of the Regulation D safe harbor to the exemption under Section 4(a)(2) of the Act ("Regulation D"), or both.

We have agreed to open and maintain for you the Account (as defined below) and to provide other services to you in connection with the Account. This Agreement sets out the terms under which we will provide those services to you and the arrangements that will apply in connection with those services.

1. Interpretation

1.1 Definitions

In this Agreement:

- "Account" means the account constituted by your purchase of digital securities that were offered for sale by the Company on the Portal.
- "Account Balance" means, in relation to the Account, the number of Shares owned by you, including all your rights to and interest in the balance from time to time on that Account.
- "Business Day" means a weekday that is not a federal holiday.
- "Fees" means the fees and charges referred to in clause 5.1 of this Agreement.
- "Shares" means the uncertificated shares of common stock, or preferred stock, or the units of convertible debt, or the membership interest units that were purchased by you on the Portal.
- "Withdrawal Date" means the Business Day on which you wish to withdraw your Account Balance.

1.2. Headings

The headings in this Agreement do not affect its interpretation.

1.3. Singular and plural

References to the singular include the plural and vice versa.

2. Account

2.1. Opening Account

We shall open and maintain the Account. The Account shall comprise of the Shares you purchased in conjunction with the terms and conditions offered by the Company on the Portal.

2.2. Deposits and withdrawals

The balance of your Account shall reflect the Shares owned by you. A deposit is made into your Account when the escrow agent sends money to the Company, and we receive a record from the Company of the number of Shares that you own. A withdrawal occurs when we receive notice from the Company or the Company's transfer agent that the Shares have been sold.

2.3. Reports

Reports relating to deposits into and withdrawals from the Account and the Account Balance will be available to you daily by means of a section on the Portal that you may login to (the "Website").

3. Custody Services

3.1. Appointment

You hereby appoint us to act as custodian of the Shares in accordance with this Agreement and any rules which apply to us.

3.2. Ownership of Securities

We will identify in our books that the Shares belong to you.

3.3. Voting of Securities

Prior to the Withdrawal Date, at every meeting of the stockholders of the Company called with respect to any matter, and at every adjournment or postponement thereof, and on every action or approval by written consent or resolution of the stockholders of the Company, you agree that we shall vote your Shares, in the event your Shares contain voting rights.

3.4. Insurance

We undertake that we may maintain insurance in support of our custodial obligations under this Agreement including covering any loss of the Shares. In the event that we elect to reduce, cancel or not to renew such insurance, we may give you prior written notice as follows: in the case of a reduction, we may endeavor to provide such notice at least 30 days prior to the effective date of the reduction; and in the event of a cancellation or expiration of the insurance without renewal we may provide such notice at least 30 days prior to the last day of insurance coverage. You acknowledge that any such insurance is held for our benefit and not for the benefit of you, and that you may not submit any claim under the terms of such insurance.

3.5. Notice of Changes

We may notify you promptly in writing if we become aware that: (i) we receive notice of any claim against the Account other than a claim for payment of safe custody or administration permitted by this Agreement; (ii) we otherwise fail to

comply with any of the provisions of this Agreement; or (iii) any of our representations and warranties in clause 4 shall cease to be true and correct.

4. Representations and Warranties

4.1. Your representations

You represent and warrant to us that:

a. you are the owner of the securities and have and will have unencumbered legal title to the securities at all times;

b. you have all necessary authority, powers, consents, licenses and authorizations and have taken all necessary action to enable you lawfully to enter into and perform your duties and obligations under this Agreement;

c. this Agreement and the obligations created under it are binding upon you and enforceable against you in accordance with its terms (subject to applicable principles of equity) and do not and will not violate the terms of the rules or any order, charge or agreement by which you are bound.

4.2. Our representations

We represent and warrant to you that:

a. this Agreement has been duly authorized, executed and delivered on our behalf and constitutes our legal, valid and binding obligation; and

b. the execution, delivery and performance of this Agreement by us does not and will not violate any applicable law or regulation and does not require the consent of any governmental or other regulatory body except for such consents and approvals as have been obtained.

5. Fees and Expenses

5.1. Fees

Our fees will be paid in accordance with the fee agreement that has been executed by the Portal. There are no fees payable by the Stockholder.

6. Scope of Responsibility

6.1. Exclusion of liability

We may use reasonable care in the performance of our duties under this Agreement and will only be responsible for any loss or damage suffered by you as a direct result of any gross negligence, fraud or willful default on our part in the performance of our duties, and in which case our liability will not exceed the aggregate of the market value of the Shares at the time of such gross negligence, fraud or willful default.

6.2. Force majeure

Neither we, nor any of our directors, employees, agents or affiliates shall incur any liability to you if, by reason of any provision of any present or future law or regulation of any governmental or regulatory authority or stock exchange, or by reason of any act of God or war or terrorism or other circumstances beyond our

control, we are prevented or forbidden from, or would be subject to any civil or criminal penalty on account of, or are delayed in, doing or performing any act or thing which by the terms of this Agreement it is provided shall be done or performed and accordingly we do not do that thing or do that thing at a later time than would otherwise be required.

6.3. Exculpation in respect of offer document

We and our officers, directors, employees, agents and sub-custodians shall not be responsible or liable in any manner for any recitals, statements, representations or warranties made by any person other than us.

7. Termination

7.1. Method

We may terminate this Agreement by giving not less than 60 Business Days written notice to you, provided that we may terminate this Agreement immediately on written notice in the event that any of the statements set out in clause 4.1(a)-(c) become untrue, and you may terminate this Agreement immediately on written notice following an event specified in clause 4.2 provided that clause 6.1 shall survive termination of this Agreement. Any such notice given by you must specify:

- a. the date on which the termination will take effect (the "Termination Date");
- b. the person to whom any Shares is to be transferred; and
- c. all other necessary arrangements for the transfer or repayment, as the case may be, of any Account Balance.

7.2. Existing rights

Termination shall not affect rights and obligations then outstanding under this Agreement, which shall continue to be governed by this Agreement until all obligations have been fully performed.

7.3. Website

Effective upon the Termination Date, the use of the Website will automatically be terminated and no further access to the Website will be permitted.

8. Notices and Record-Keeping

8.1. Form

A notice or other communication under or in connection with this Agreement may be given using the contact information you provided to the Portal.

8.2. Method of transmission

Any notice or other communication required to be in writing may be delivered by email.

8.3. Records

We will maintain adequate records identifying the Shares belonging to you.

9. General

9.1. No advice

Our duties and obligations under this Agreement do not include providing you with investment advice. In asking us to open and maintain the Account, you do so in reliance upon your own judgment and we shall not owe to you any duty to exercise any judgment on your behalf as to the merits or suitability of any deposits into, or withdrawals from, an Account.

9.2. Assignment

This Agreement is for the benefit of and binding upon us both and our respective successors and assigns. You may not assign, transfer or encumber, or purport to assign, transfer or encumber, your right, title or interest in relation to any Account or any right or obligation under this Agreement or any part of any of the foregoing unless we otherwise agree in writing.

9.3. Amendments

Any amendment to this Agreement must be agreed in writing and be signed by us both. Unless otherwise agreed, an amendment will not affect any legal rights or obligations that may already have arisen.

9.4. Partial invalidity

If any of the clauses (or part of a clause) of this Agreement becomes invalid or unenforceable in any way under the rules or any law, the validity of the remaining clauses (or part of a clause) will not in any way be affected or impaired.

9.5. Entire agreement

This document represents the entire Agreement, and supersedes any previous agreements between you and us relating to the subject matter of this Agreement.

9.6. Joint and several liability

If there is more than one of you, your responsibilities under this Agreement apply to each of you individually as well as jointly.

9.7. Counterparts

This Agreement may be executed in any number of counterparts each of which when executed and delivered is an original, but all the counterparts together constitute the same agreement.

10. Governing Law and Jurisdiction

10.1. Governing law

This Agreement is governed by the laws of the State of Delaware.

IN WITNESS WHEREOF, you have caused this Agreement to be executed as of the time, day and year of your electronic consent.