



## NOTICE TO INVESTORS

### IMPORTANT TRANSFER AND OWNERSHIP RESTRICTIONS

ContextLogic Holdings Inc.  
Common Stock, \$0.0001 par value (the "Common Stock")  
21078F109  
OTCQB: LOGC

#### IMPORTANT NOTICE

The Common Stock of ContextLogic Holdings Inc. is subject to transfer and ownership restrictions set forth in Article XIV of the Company's Certificate of Incorporation. All shareholders and prospective purchasers should carefully review these restrictions before effecting any transfer.

#### Purpose and Background

ContextLogic Holdings Inc. (the "Company") has implemented transfer restrictions pursuant to Article XIV of its Second Amended and Restated Certificate of Incorporation (the "Certificate") designed to preserve the Company's tax benefits, including net operating loss carryforwards ("NOLs") and other tax attributes, under Section 382 of the Internal Revenue Code of 1986.

#### Transfer Restrictions

##### Prohibited Transfers

Article XIV of the Certificate prohibits any transfer of Common Stock that would:

1. Result in any person or group becoming a "4.9-percent Stockholder" (as defined in the Certificate as any person or group that would be treated as a "5-percent shareholder" under Treasury Regulation § 1.382-2T(g), as modified by substituting "4.9 percent" for "5 percent"); or
2. Increase the percentage stock ownership of any existing 4.9-percent Stockholder by more than one-half of one percentage point (0.5%).

##### Scope of Restrictions

These restrictions apply to all transfers of Common Stock, regardless of the manner of transfer, including but not limited to: (a) sales and purchases on securities exchanges or in over-the-counter markets; (b) private transactions; (c) gifts; (d) bequests; (e) distributions; (f) pledge transactions; and (g) transfers by operation of law.

## Legal Effect of Prohibited Transfers

### Void Ab Initio

Any purported transfer of Common Stock in violation of Article XIV is void ab initio (void from the beginning) and shall have no legal effect. The fact that a transfer may have settled through the facilities of The Depository Trust Company ("DTC") or any securities exchange does not validate or give effect to a prohibited transfer. The Common Stock and parties involved in such transactions remain subject to the provisions of Article XIV.

### Treatment of Excess Securities

Shares acquired in violation of Article XIV constitute "Excess Securities" under the Certificate. With respect to Excess Securities:

- The purported transferee shall not be recognized as a stockholder for any purpose
- The purported transferee shall have no voting rights
- The purported transferee shall have no right to receive dividends or other distributions
- The Excess Securities shall remain the property of the transferor until properly disposed of in accordance with Article XIV

## Enforcement Procedures

### Board Determination

Upon discovery of a potential violation, the Board of Directors (or an authorized committee thereof) shall determine whether a prohibited transfer has occurred and identify the specific Excess Securities involved. The Board shall make such determination as promptly as practicable, and in no event later than 30 days following discovery of the violation.

### Demand and Disposition

Following a determination that a prohibited transfer has occurred, the Company shall:

1. Send written demand to the purported transferee requiring surrender of the Excess Securities to a designated agent (the "Agent") within 30 days;
2. Demand transfer to the Agent of any dividends or distributions received on Excess Securities;
3. Direct the Agent to sell the Excess Securities in an orderly fashion at prevailing market prices; and
4. Distribute proceeds according to the waterfall specified in Article XIV, Section 6.

## Exemptions

The Board of Directors may approve transfers that would otherwise be prohibited, in its sole discretion, potentially subject to conditions including legal opinions regarding tax impact.

Shareholders or prospective purchasers who believe a contemplated transaction may trigger the transfer restrictions are strongly encouraged to contact the Company's Legal team in advance to discuss the possibility of obtaining Board approval.

## Shareholder Obligations

The Company may require any person or group believed to be a 4.9-percent Stockholder or to be involved in a prohibited transfer to provide information regarding share ownership and transfers. Shareholders are obligated to respond truthfully and completely to such requests.

## Frequently Asked Questions

### **Q: I am a retail investor purchasing a modest number of shares. Am I affected by these restrictions?**

A: The restrictions primarily impact large institutional investors and significant shareholders. The 4.9% threshold represents beneficial ownership of a substantial number of shares. Most individual retail investors will not approach this threshold through normal investment activities. However, all shareholders should be aware that the restrictions exist and apply to all transfers.

### **Q: How do I determine my percentage ownership?**

A: To calculate your ownership percentage, divide your total share count by the Company's total outstanding shares (as reported in the Company's SEC filings).

### **Q: Do these restrictions apply to transfers by gift, inheritance, or estate distribution?**

A: Yes. The restrictions apply to all transfers of Common Stock, regardless of consideration or manner of transfer. This includes gifts, bequests, intestate succession, and distributions from estates or trusts. Recipients of such transfers should verify compliance before accepting shares that might result in prohibited ownership levels.

### **Q: What if I was unaware of these restrictions when I acquired shares?**

A: The restrictions apply regardless of the acquirer's knowledge. Under Article XIV, all persons acquiring or holding Common Stock are deemed to have notice of and to have consented to these provisions. Stock certificates bear restrictive legends, and the Certificate of Incorporation is publicly filed with the SEC. Lack of actual knowledge does not exempt a transfer from the restrictions or prevent enforcement.

### **Q: Can the Board of Directors remove or modify these restrictions?**

A: Material modification or elimination of the transfer restrictions would require an amendment to the Certificate of Incorporation, which requires shareholder approval under Delaware law. The Board periodically reviews the necessity of maintaining these restrictions based on the Company's tax position, NOL utilization, and other relevant factors.

### **Q: If I believe I may approach the 4.9% threshold, what should I do?**

A: Shareholders who believe they may approach or exceed the 4.9% threshold should contact the Company's Legal team immediately before completing any additional acquisitions. Attempting to obtain retroactive approval after a violation has occurred may not be feasible.

### **Q: What enforcement actions might the Company take?**

A: Upon determining that a prohibited transfer has occurred, the Company will demand surrender of the Excess Securities to a designated agent for sale. The purported transferee will receive up to an amount equal to what they paid (or fair market value for non-purchase transfers), with any excess proceeds distributed to charity. The Company may also seek injunctive relief and other legal remedies to compel compliance.

## Additional Resources

The complete text of Article XIV is available in the Company's Certificate of Incorporation, which has been filed with the Securities and Exchange Commission and is available on the SEC's EDGAR database and the Company's investor relations website. Shareholders may also request a copy from the Company's Legal team.

## Contact Information

For questions regarding these transfer restrictions, please reach out to the Company's Legal team:

### **ContextLogic Holdings Inc.**

2648 International Blvd., Ste 301, Oakland, CA 94601

Telephone: (415) 965-8476

Email: [legal@contextlogic.com](mailto:legal@contextlogic.com)

This notice is provided pursuant to the Company's Certificate of Incorporation and applicable securities laws. All persons acquiring, transferring, or holding Common Stock are deemed to have notice of and to have consented to these restrictions.