

## NIQUID TECH OÜ TOKEN SALE TERMS

PLEASE READ THESE TOKEN SALE TERMS CAREFULLY. NOTE THAT SECTION 15 CONTAINS A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER, WHICH AFFECT YOUR LEGAL RIGHTS. IF YOU DO NOT AGREE TO THESE TERMS, DO NOT PURCHASE TOKENS.

Your purchase of Fabric Tokens (“**Tokens**”) during the Token Sale (“**Token Sale**”) from Niquid Tech OÜ, an Estonian company (“**Company**,” “**we**,” or “**us**”) is subject to these Terms of sale (“**Terms**”). “**You**” and “**your**” refer to the individual or entity accepting these Terms. You and Company are each a “**Party**,” and, together, the “**Parties**.”

By purchasing Tokens from us during the Token Sale and/or using Tokens in connection with the Ecosystem (as defined below), you will be bound by these Terms and all terms incorporated by reference. If you have any questions regarding these Terms, please contact us at [info@fabrictoken.io](mailto:info@fabrictoken.io).

You and Company agree as follows:

### **1. Purpose and Use of Tokens in Connection with the Ecosystem.**

- (a) The purpose of the Tokens is to facilitate the creation and use of a bundle of software aimed at providing smart contract components to individuals and businesses (the “**Ecosystem**”) where Token holders can purchase said smart contract components (the “**Services**”). Additional information regarding the Ecosystem, the Services, and the Company is summarized in Exhibit A and further described in the Whitepaper available at <https://fabrictoken.io/media/Fabric-Token-Ecosystem-White-Paper-EN.pdf> (the “**Whitepaper**”).
- (b) Purchase, ownership, receipt, or possession of Tokens carries no rights, express or implied, other than the expectation to use Tokens as a means to enable usage of and interaction with Services enabled by the Ecosystem, if successfully completed and deployed. In particular, you understand and accept that Tokens do not represent or confer any ownership right or stake, share, security, or equivalent rights, or any right to receive future revenue shares, intellectual property rights or any other form of participation in or relating to the Ecosystem and/or Company and its corporate affiliates, other than any rights relating to the provision and receipt of Services in the Ecosystem, subject to these Terms. The Tokens are not intended to be a digital currency, security, commodity, bond, debt instrument or any kind of financial instrument or investment carrying equivalent rights, nor are the Tokens intended to represent any form of money or legal tender in any jurisdiction, nor any representation of money (including electronic money). Accordingly, any protections offered by applicable law in relation to the purchase, holding and/or sale of the instruments and/or investments referred to in this Section 1(b) shall not apply to any contribution made under these Terms for the purchase of Tokens or to your holding or sale of Tokens.

### **2. Scope of Terms.**

- (a) These Terms govern only your purchase of Tokens from us during the Token Sale, except as may be otherwise explicitly stated.
- (b) The use of Tokens in connection with the Services may be governed by other applicable terms, terms of service, and/or policies created by us in the future (collectively, the “**Ecosystem Terms**”). We may add to or revise our Ecosystem Terms, if any, in our sole discretion at any time, and when we do so we will follow the modification procedures set forth therein. To the extent of any conflict between these Terms and any Ecosystem Terms, the Ecosystem Terms shall control with respect to any issues relating to the use of Tokens in connection with the Services.

**3. Cancellation; Refusal of Purchase Requests.** Your purchase of Tokens from us during the Token Sale is final, and there are no refunds or cancellations except as may be allowed by these Terms or required by applicable law or regulation. We reserve the right to refuse or cancel Tokens purchase requests at any time in our sole discretion and return any Ether which may have been transferred to us prior to such refusal or cancellation.

**4. Token Sale Procedures and Specifications.** Important information about the procedures and material specifications of our Token Sale is provided in Exhibit B, including, but not limited to, details regarding the timing and pricing of the Token Sale, the amount of Tokens we will sell, and our anticipated use of the Token Sale proceeds. By purchasing Tokens, you acknowledge that you understand and have no objection to these procedures and material specifications.

**5. Possible Migration of Tokens.**

(a) The Tokens are being created as ERC-20 tokens on the Ethereum protocol. We reserve the right to migrate the ERC-20 based Tokens (the “**Pre-existing Tokens**”) to another protocol and to generate replacement Tokens on the new protocol (the “**Replacement Tokens**”) in the future, should we determine, in our sole discretion, that doing so is necessary or useful to the operation of the Ecosystem.

(b) Should we decide to migrate the Tokens, we will notify you by public announcement.

**6. Acknowledgment and Assumption of Risks.** You acknowledge and agree that there are risks associated with purchasing Tokens, holding Tokens, and using Tokens in connection with the Services, as further disclosed and explained in Exhibit C. BY PURCHASING TOKENS, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THESE RISKS.

**7. Security.** You are responsible for implementing reasonable measures for securing the wallet, vault or other storage mechanism you use to receive and hold Tokens you purchase from us, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If your private key(s) or other access credentials are lost, you may lose access to your Tokens. We disclaim any responsibility for any such losses.

**8. Personal Information.** We may determine, in our sole discretion, that it is necessary to obtain certain information about you in order to comply with applicable laws, rules or regulations in connection with selling Tokens to you. You agree to provide us such information promptly upon request, and you acknowledge that we may refuse to sell Tokens to you until you provide such requested information and until we have determined that it is permissible to sell you Tokens under applicable laws, rules or regulations.

**9. Taxes.** The purchase price that you pay for Tokens is exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase of Tokens, including, for example, sales, use, value added, and similar taxes. It is also your responsibility to withhold, collect, report and remit the correct taxes to the appropriate tax authorities. We are not responsible for withholding, collecting, reporting, or remitting any sales, use, value added, or similar tax arising from your purchase of Tokens.

**10. Representations and Warranties.** By transferring Ether to the applicable smart contract system (the “**Smart Contract System**”, as further described in Exhibit B) to purchase Tokens from us, you represent and warrant that:

(a) You have read and understand these Terms (including all Exhibits):

(b) YOU ACKNOWLEDGE AND AGREE THAT THERE ARE RISKS ASSOCIATED WITH PURCHASING TOKENS, OWNING TOKENS, AND USING TOKENS FOR THE PROVISION OR RECEIPT OF SERVICES IN THE ECOSYSTEM INCLUDING (BUT NOT NECESSARILY LIMITED TO) THE RISKS DESCRIBED IN EXHIBIT C:

(c) You have sufficient understanding of technical and business matters (including those that relate to the Services and Ecosystem), cryptographic tokens, token storage mechanisms (such as token wallets), and blockchain technology to understand these Terms and to appreciate the risks and implications of purchasing Tokens;

(d) You understand the restrictions and risks associated with the creation of Tokens as set forth herein, and acknowledge and assume all such risks;

(e) You have obtained sufficient information about the Tokens, the Services and the Ecosystem to make an informed decision to purchase Tokens;

(f) You understand that the Tokens confer only the right to provide and receive Services in the Ecosystem and confer no other rights of any form with respect to the Ecosystem or the Company,

including, but not limited to, any ownership, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights;

(g) You are purchasing Tokens solely for the purpose of receiving Services, participating in the Ecosystem, and supporting the development, testing, deployment and operation of the Ecosystem, being aware of the commercial risks associated with the Company and the Ecosystem. You are not purchasing Tokens for any other purposes, including, but not limited to, any investment, speculative or financial purpose;

(h) Your purchase of Tokens complies with applicable laws and regulations in your jurisdiction, including, but not limited to, (i) legal capacity and any other threshold requirements in your jurisdiction for the purchase of the Tokens and entering into contracts with the Company, (ii) any foreign exchange or regulatory restrictions applicable to such purchase, and (iii) any governmental or other consents that may need to be obtained;

(i) You will comply with any applicable tax obligations in your jurisdiction arising from your purchase of Tokens;

(j) If you are purchasing Tokens on behalf of any entity, you are authorized to accept these Terms on such entity's behalf and that such entity will be responsible for breach of these Terms by you or any other employee or agent of such entity (references to "**you**" in these Terms refer to you and such entity, jointly);

(k) You are not citizen, lawful permanent resident or domiciled in the United States of America, Singapore, China, or in any jurisdiction or country where such distribution of Tokens or use would be contrary to any law or regulation, or which would subject the Company, including their affiliates, or any of their products or services to any registration, licensing or other authorization requirement within such jurisdiction or country; and

(l) You are not (i) a citizen or resident of a geographic area in which access to or use of the Services or the acceptance of delivery of the Tokens is prohibited by applicable law, decree, regulation, treaty, or administrative act, (ii) a citizen or resident of, or located in, a geographic area that is subject to the U.S. or other sovereign country sanctions or embargoes, or (iii) an individual, or an individual employed by or associated with an entity, identified on the U.S. Department of Commerce's Denied Persons or Entity List, the U.S. Department of Treasury's Specially Designated Nationals or Blocked Persons Lists, or the U.S. Department of State's Debarred Parties List. You agree that if your country of residence or other circumstances change such that the above representations are no longer accurate, that you will immediately cease using the Services. If you are registering to use the Services on behalf of a legal entity, you further represent and warrant that (i) such legal entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization, and (ii) you are duly authorized by such legal entity to act on its behalf.

(m) making a contribution and receiving Tokens under these Terms is not unlawful or prohibited under the laws of your jurisdiction or under the laws of any other jurisdiction to which you may be subject and any contribution shall be made in full compliance with applicable laws (including, but not limited to, in compliance with any tax obligations to which you may be subject in any relevant jurisdiction);

(n) any contribution to be made by you for the purchase of Tokens is not derived from or related to any unlawful activities, including but not limited to money laundering or terrorist financing activities;

(o) you shall not use the Tokens to finance, engage in, or otherwise support any unlawful activities;

## **11. Indemnification.**

(a) To the fullest extent permitted by applicable law, you will indemnify, defend and hold harmless the Company and our respective past, present and future employees, officers, directors, contractors, consultants, attorneys, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns (the "**Company Parties**") from and against all claims, demands, actions, damages, losses, costs and expenses (including attorneys' fees) that arise from or relate to (i) your purchase or use of the Tokens, (ii) your responsibilities or obligations under

these Terms, (iii) your violation of these Terms, or (iv) your violation of any rights of any other person or entity.

(b) Company reserves the right to exercise sole control over the defense, at your expense, of any claim subject to indemnification under this Section 12(a). This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between you and the Company.

## **12. Disclaimers.**

(a) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS OTHERWISE SPECIFIED IN A WRITING BY US, (A) TOKENS ARE SOLD ON AN “AS IS” AND “AS AVAILABLE” BASIS WITHOUT WARRANTIES OF ANY KIND, AND WE EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES AS TO TOKENS, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT; (B) WE DO NOT REPRESENT OR WARRANT THAT TOKENS ARE RELIABLE, CURRENT OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN TOKENS WILL BE CORRECTED; AND (C) WE CANNOT AND DO NOT REPRESENT OR WARRANT THAT TOKENS OR THE DELIVERY MECHANISM FOR TOKENS ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS.

(b) Some jurisdictions do not allow the exclusion of certain warranties or disclaimer of implied terms in contracts with consumers, so some or all of the exclusions of warranties and disclaimers in this Section 12 may not apply to you.

(c) Neither these Terms nor the Whitepaper constitute a prospectus or offering document, and are not an offer to sell, nor the solicitation of an offer to buy any investment or financial instrument in any jurisdiction. Tokens should not be acquired for speculative or investment purposes with the expectation of making a profit on immediate or future re-sale.

(d) No regulatory authority has examined or approved of any of the information set out in these Terms and/or the Whitepaper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of these Terms and/or the Whitepaper does not imply that applicable laws, regulatory requirements or rules have been complied with.

## **13. Limitation of Liability.**

(a) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW: (I) IN NO EVENT WILL THE COMPANY OR ANY OF THE COMPANY PARTIES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES OF ANY KIND (INCLUDING, BUT NOT LIMITED TO, WHERE RELATED TO LOSS OF REVENUE, INCOME OR PROFITS, LOSS OF USE OR DATA, OR DAMAGES FOR BUSINESS INTERRUPTION) ARISING OUT OF OR IN ANY WAY RELATED TO THE SALE OR USE OF THE TOKENS, THE ECOSYSTEM, THE SERVICES, OR OTHERWISE RELATED TO THESE TERMS, REGARDLESS OF THE FORM OF ACTION, WHETHER BASED IN CONTRACT, TORT (INCLUDING, BUT NOT LIMITED TO, SIMPLE NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR ANY OTHER LEGAL OR EQUITABLE THEORY (EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE); AND (II) IN NO EVENT WILL THE AGGREGATE LIABILITY OF COMPANY AND THE COMPANY PARTIES (JOINTLY), WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR OTHER THEORY, ARISING OUT OF OR RELATING TO THESE TERMS OR THE USE OF OR INABILITY TO USE TOKENS, EXCEED THE AMOUNT YOU PAY TO US FOR TOKENS.

(b) THE LIMITATIONS SET FORTH IN SECTION 13(A) WILL NOT LIMIT OR EXCLUDE LIABILITY FOR THE GROSS NEGLIGENCE, FRAUD, OR INTENTIONAL, WILLFUL OR RECKLESS MISCONDUCT OF COMPANY.

(c) Some jurisdictions do not allow the limitation or exclusion of liability for incidental or consequential damages. Accordingly, some of the limitations of this section may not apply to you.

**14. Release.** To the fullest extent permitted by applicable law, you release Company and the other Company Parties from responsibility, liability, claims, demands and/or damages (actual and consequential) of every kind and nature, known and unknown (including, but not limited to, claims of negligence), arising out of or related to disputes between users and the acts or omissions of third parties.

**15. Dispute Resolution: Arbitration.**

(a) **Binding Arbitration.** Except for any disputes, claims, suits, actions, causes of action, demands or proceedings (collectively, “Disputes”) in which either Party seeks injunctive or other equitable relief for the alleged unlawful use of intellectual property, including, without limitation, copyrights, trademarks, trade names, logos, trade secrets or patents, you and Company: (i) waive your and Company’s respective rights to have any and all Disputes arising from or related to these Terms resolved in a court; and (ii) waive your and Company’s respective rights to a jury trial. Instead, you and Company will arbitrate Disputes through binding arbitration (which is the referral of a Dispute to one or more persons charged with reviewing the Dispute and making a final and binding determination to resolve it instead of having the Dispute decided by a judge or jury in court).

(b) **No Class Arbitrations, Class Actions or Representative Actions.** Any Dispute arising out of or related to these Terms is personal to you and Company and will be resolved solely through individual arbitration and will not be brought as a class arbitration, class action or any other type of representative proceeding. There will be no class arbitration or arbitration in which an individual attempts to resolve a Dispute as a representative of another individual or group of individuals. Further, a Dispute cannot be brought as a class or other type of representative action, whether within or outside of arbitration, or on behalf of any other individual or group of individuals.

(c) **Notice; Informal Dispute Resolution.** Each Party will notify the other Party in writing of any Dispute within thirty (30) days of the date it arises, so that the Parties can attempt in good faith to resolve the Dispute informally. Notice to Company shall be sent by email to [info@fabrixtoken.io](mailto:info@fabrixtoken.io). Notice to you shall be by email to the then-current email address in your Account. Your notice must include (i) your name, postal address, email address and telephone number, (ii) a description in reasonable detail of the nature or basis of the Dispute, and (iii) the specific relief that you are seeking. If you and Company cannot agree how to resolve the Dispute within thirty (30) days after the date notice is received by the applicable Party, then either you or Company may, as appropriate and in accordance with this Section 15, commence an arbitration proceeding or, to the limited extent specifically provided for in Section 15(a), file a claim in court.

(d) **Process.** Any arbitration will occur in Estonia or by telephone conference call, as decided by the Arbitrator. Arbitration will be conducted confidentially by a single arbitrator in accordance with the rules of the Judicial Arbitration and Mediation Services (“JAMS”), which are available at <https://www.jamsadr.com/adr-rules-procedures/> and are hereby incorporated by reference.

(e) **Authority of Arbitrator.** These Terms and the applicable JAMS rules, the arbitrator will have (i) the exclusive authority and jurisdiction to make all procedural and substantive decisions regarding a Dispute, including the determination of whether a Dispute is arbitrable, and (ii) the authority to grant any remedy that would otherwise be available in court; provided, however, that the arbitrator does not have the authority to conduct a class arbitration or a representative action, which is prohibited by these Terms. The arbitrator may only conduct an individual arbitration and may not consolidate more than one individual’s claims, preside over any type of class or representative proceeding or preside over any proceeding involving more than one individual.

(f) **Rules of JAMS.** The rules of JAMS and additional information about JAMS are available on the JAMS website. By agreeing to be bound by these Terms, you either (i) acknowledge and agree that you have read and understand the rules of JAMS available at <https://www.jamsadr.com/adr-rules-procedures/>, or (ii) waive your opportunity to read the rules of JAMS and any claim that the rules of JAMS are unfair or should not apply for any reason.

(g) **Severability of Dispute Resolution; Arbitration.** If any term, clause or provision of this Section 15 is held invalid or unenforceable, it will be so held to the minimum extent required by law, and all other terms, clauses and provisions of this Section 15 will remain valid and enforceable. Further, the waivers set

forth in Section 15(b) are severable from the other provisions of these Terms and will remain valid and enforceable, except as prohibited by applicable law.

**16. Governing Law and Venue.** These Terms will be governed by and construed and enforced in accordance with the laws of Estonia, without regard to conflict of law rules that would cause the application of the laws of any other jurisdiction. Any Dispute between the Parties arising out or relating to these Terms or its subject matter or formation (including non-contractual Disputes of claims) that is not subject to arbitration will be resolved in the courts of Estonia.

**17. Severability.** If any term, clause or provision of these Terms is held unlawful, void or unenforceable, then that term, clause or provision will be severable from these Terms and will not affect the validity or enforceability of any remaining part of that term, clause or provision, or any other term, clause or provision of these Terms.

**18. Miscellaneous.** These Terms constitute the entire agreement between you and us relating to your purchase of Tokens from us. We may assign our rights and obligations under these Terms. Our failure to exercise or enforce any right or provision of these Terms will not operate as a waiver of such right or provision. We will not be liable for any delay or failure to perform any obligation under these Terms where the delay or failure results from any cause beyond our reasonable control. Purchasing Tokens from us does not create any form of partnership, joint venture, or any other similar relationship between you and us. Except as otherwise provided in herein, these Terms are intended solely for the benefit of you and us and are not intended to confer third-party beneficiary rights upon any other person or entity. You agree and acknowledge that all agreements, notices, disclosures, and other communications that we provide to you, including these Terms, will be provided in electronic form.

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## **EXHIBIT A**

### **Description of Company, Ecosystem, and Tokens**

**1. Overview of Company.** The Company is a corporation incorporated in Estonia. Company will have primary responsibility for the sale of Tokens.

**2. Overview of Ecosystem and Tokens.** The Company is developing a platform for smart contract component generation for individuals and businesses covering various use cases (the “**Ecosystem**”). To facilitate the internal economics of the Ecosystem, the Company introduces a token of utility for that Ecosystem known as the Fabric Token or “**FT**.” When created, FT will be based on the Ethereum protocol and conform to the ERC-20 standard. Prior to the Token Sale, Company will create and deploy an Ethereum-based smart contract, which creates and maintains a ledger that maps Ethereum addresses to Token balances and implements this ERC-20 standard. Additionally, the Company reserves the right to modify features, functionalities, or development plans for any products or services that it may make available to Ecosystem participants in its sole and absolute discretion.

## **EXHIBIT B**

### **Token Sale Procedures and Specifications**

#### **1. Total Number of Tokens to be Created and Sold.**

- (a) Company will create up to 100 million Tokens through the Smart Contract System. The Smart Contract System will create and after the Token Sale, release a pool of up to 20 million pre-allocated Tokens to the Company (“**Company Tokens**”) for use by the Company at its sole discretion at a date to be determined by the Company.
- (b) A pool of up to 80 million Tokens will be created by the Smart Contract System for sale by the Company to purchasers during the Token Sale (“**Sale Tokens**”).
- (c) All Tokens will be of equal value and functionality.

**2. Commencement and Duration of Token Sale.** The Company’s public sale of Tokens will begin at the date and time designated by the Company at <https://fabriictoken.io/token-sale/> as the “**Fabric Token launch start**”. The sale

will continue until the date and time that Ether representing the sale of all Sale Tokens has been received by Company, or until the designated “**Fabric Token launch end**” date and time is reached.

### **3. Purchase and Sale of Tokens.**

- (a) **Price; Payment Currencies.** The USD price per Token is \$0.1125 (“**Price Per Token**”). While the Price Per Token is set in USD, you must pay for Tokens in Ethereum (“**ETH**”) (a “**Payment Currency**”).
- (b) Your quoted “**Purchase Price**” in ETH is equal to the USD value of your Price Per Token (e.g., \$0.1125 USD) divided by the Exchange Rate (as defined below). The “**Exchange Rate**” will be the exchange rate fixed by the Company such that the Purchase Price of each Token equals \$0.1125 in USD equivalent. When calculating the Exchange Rate between USD and your selected Payment Currency, the Company will rely on <https://coinmarketcap.com/> within approximately from one (1) to twelve (12) hours prior to the time of the start of the Token Sale.
- (c) In order to purchase Tokens during the Token Sale, and to receive the Tokens you purchase, you must have an Ethereum wallet that supports the ERC20 token standard. Company reserves the right to prescribe additional wallet requirements.
- (d) Ether must be sent to the Company utilizing the Ethereum addresses provided to prospective token sale participants by the Company, in the process chosen by the Company, during the Token Sale, in order to purchase and receive Tokens. Sending Ether to any other address may result in loss of Ether. Attempted transactions to purchase Tokens will be rejected if Ether is sent to the any sale-related website Tokens or Ethereum address at any time before or after the Token Sale.
- (e) You may not share any sale-related website Tokens or Ethereum address which have been provided to you with any other person. Company disclaims any responsibility for determining if this provision has been violated, or for ensuring that individuals do not participate as a part of a pool of purchasers.

**4. Company Tokens.** Company Tokens will be used for compensating employees, contractors and others, and for other internal purposes in connection with the deployment and the development of the Ecosystem. Company Tokens can be used by the Company in its sole discretion.

## **EXHIBIT C**

### **Certain Risks Relating to Purchase, Sale and Use of Tokens**

***Important Note:*** As noted elsewhere in these Terms, the Tokens are not being structured or sold as securities or any other form of investment product. Accordingly, none of the information presented in this Exhibit C is intended to form the basis for any investment decision, and no specific recommendations are intended. Company expressly disclaims any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from: (i) reliance on any information contained in this Exhibit C, (ii) any error, omission or inaccuracy in any such information or (iii) any action resulting from such information.

**By purchasing, holding and using Tokens, you expressly acknowledge and assume the following risks:**

#### ***1. Risk of Losing Access to Tokens Due to Loss of Private Key(s), Custodial Error, or Purchaser Error***

A private key, or a combination of private keys, is necessary to control and dispose of Tokens stored in your digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your digital wallet or vault storing Tokens will result in loss of such Tokens. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a digital wallet or vault service you use, may be able to misappropriate your Tokens. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive and store Tokens, including your own failure to properly maintain or use such digital wallet or vault, may also result in the loss of your Tokens. Additionally, your failure to follow precisely the procedures set forth in Section 3 of Exhibit B for buying and receiving Tokens, including, for instance, if you provide the wrong address for receiving Tokens, may result in the loss of your Tokens.

## ***2. Risks Associated with the Ethereum Protocol***

Because Tokens and the Ecosystem are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on the Ecosystem or Tokens. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to Tokens and the Ecosystem, including the utility of Tokens for obtaining Services, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol.

## ***3. Risk of Mining Attacks***

As with other decentralized cryptographic tokens based on the Ethereum protocol, Tokens are susceptible to attacks by miners in the course of validating Tokens transactions on the Ethereum blockchain, including, but not limited to, double-spend attacks, majority mining power attacks, and selfish-mining attacks. Any successful attacks present a risk to the Ecosystem and Tokens, including, but not limited to, accurate execution and recording of transactions involving Tokens.

## ***4. Risk of Hacking and Security Weaknesses***

Hackers or other malicious groups or organizations may attempt to interfere with the Ecosystem or Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because parts of the Ecosystem is based on open-source software, there is a risk that a third party or a member of the Company team may intentionally or unintentionally introduce weaknesses into the core infrastructure of the Ecosystem, which could negatively affect the Ecosystem and Tokens, including Tokens' utility for obtaining Services.

## ***5. Risks Associated with Markets for Tokens***

Tokens are intended to be used solely on the Ecosystem, and Company will not support or otherwise facilitate any secondary trading or external valuation of Tokens. This restricts the contemplated avenues for using Tokens to obtain Services or access the Ecosystem, and could therefore create illiquidity risk with respect to Tokens you hold. Even if secondary trading of Tokens is facilitated by third-party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to market-related risks. Furthermore, to the extent that third-parties do ascribe an external exchange value to Tokens (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile and diminish to zero.

## ***6. Risk of Uninsured Losses***

Unlike bank accounts or accounts at some other financial institutions, Tokens are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer (such as the Federal Deposit Insurance Corporation), and no private insurance arranged by us, to offer recourse to you.

## ***7. Risks Associated with Uncertain Regulations and Enforcement Actions***

The regulatory status of Tokens and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to such technology and its applications. It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to law and regulation affecting distributed ledger technology and its applications, including the Ecosystem and Tokens. Regulatory actions could negatively impact the Ecosystem and Tokens in various ways, including, for purposes of illustration only, through a determination that Tokens are a regulated financial instrument that require registration or licensing. Company may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

## ***8. Risks Arising from Taxation***

The tax characterization of Tokens is uncertain. You must seek your own tax advice in connection with purchasing Tokens, which may result in adverse tax consequences to you, including withholding taxes, income taxes and tax reporting requirements.

## ***9. Risk of Competing Ecosystems***



It is possible that alternative ecosystems could be established that utilize the same open source code and protocol underlying the Ecosystem and attempt to facilitate services that are materially similar to the Services. The Ecosystem may compete with these alternatives, which could negatively impact the Ecosystem and Tokens, including the utility of the Tokens for obtaining Services.

#### ***10. Risk of Insufficient Interest in the Ecosystem or Distributed Applications***

It is possible that the Ecosystem will not be used by a large number of individuals, companies and other entities. Such a lack of use or interest could negatively impact the development of the Ecosystem and the potential utility of Tokens, including its utility for obtaining Services.

#### ***11. Risks Associated with the Development and Maintenance of the Ecosystem***

The Ecosystem is still under development and may undergo significant changes over time. Although we intend for Tokens and the Ecosystem to follow the specifications set forth in Exhibit A, and will take commercially reasonable steps toward those ends, we may have to make changes to the specifications of Tokens or the Ecosystem for any number of legitimate reasons. This could create the risk that Tokens or the Ecosystem, as further developed and maintained, may not meet your expectations at the time of purchasing Tokens. Furthermore, despite our good faith efforts to develop and maintain the Ecosystem, it is still possible that the Ecosystem will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Ecosystem and the potential utility of Tokens, including its utility for obtaining Services.

#### ***12. Risk of an Unfavorable Fluctuation of ETH Value***

If the value of ETH fluctuates unfavorably during or after the Token Sale, we may not be able to fund development, or may not be able to develop or maintain the Ecosystem in the manner that it intended. In addition to the usual market forces, there are several potential events which could exacerbate the risk of unfavorable fluctuation in the value of ETH including uncertainties created by the lack of resolution to the bitcoin scaling debate, the possibility of a so-called “**Hard Fork**” of bitcoin if one of the competing camps in the scaling debate decides to force the issue; another DAO-like attack on the Ethereum network; or significant security incidents or market irregularities at one or more of the major cryptocurrency exchanges.

#### ***13. Risk of Dissolution of the Company***

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of Ether (or other cryptographic and fiat currencies), decrease in Tokens’ utility (including its utility for obtaining Services), the failure of commercial relationships, or intellectual property ownership challenges, the Ecosystem may no longer be viable to operate and the Company may dissolve.

#### ***14. Risks Arising from Lack of Governance Rights***

Because Tokens confer no governance rights of any kind with respect to the Ecosystem or Company, all decisions involving the Ecosystem or Company will be made by Company at its sole discretion, including, but not limited to, decisions to discontinue the Ecosystem, to sell more Tokens for use in the Ecosystem, or to sell or liquidate the Company. These decisions could adversely affect the Ecosystem and the utility of Tokens that you hold, including Tokens’ utility for obtaining Services.

#### ***15. Risks Associated with Growth and Adoption***

The Company’s growth and adoption of the Ecosystem may depend on our ability to maintain and expand the use cases covered by the smart contract components in the Ecosystem. Continuing to develop and improve the Ecosystem to keep up with these changes may require significant time and additional investment. If we cannot continue to develop and improve the Ecosystem to maintain competitiveness in light of such changes, the Ecosystem may not remain viable, which could negatively impact the utility of Tokens, including Tokens’ utility for obtaining Services.

#### ***16. Risks Associated with New and Evolving Laws***

The Tokens Ecosystem may be subject to a variety of international laws and regulations, including those with respect to financial or securities regulations, consumer privacy, data protection, consumer protection, content regulation, network neutrality, cyber security, data protection, intellectual property (including copyright, patent,

trademark, and trade secret laws), defamation, and others. Such laws and regulations, and the interpretation or application of these laws and regulations, could change. In addition, new laws or regulations affecting the Company could be enacted. As the Ecosystem evolves, Company may be subject to new laws and the application of existing laws to us might change. These laws and regulations are frequently costly to comply with and may divert a significant portion of Company's attention and resources or restrict the way the Company may operate. If we fail to comply with these applicable laws or regulations, we could receive negative publicity and be subject to significant liabilities which could adversely impact the Company, the Ecosystem and Tokens, including Tokens' utility for obtaining Services.

### ***17. Unanticipated Risks***

Cryptographic tokens such as Tokens are a new and untested technology. In addition to the risks included in this Exhibit C, there are other risks associated with your purchase, holding and use of Tokens, including those that the Company cannot anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this Exhibit C.