

BAT Sale: Terms and Conditions

Last Updated: May 30, 2017

BRAVE SOFTWARE INTERNATIONAL LTD.
TERMS OF TOKEN SALE

PLEASE READ THESE TERMS OF TOKEN SALE CAREFULLY. NOTE THAT SECTION 14 CONTAINS A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER, WHICH, IF APPLICABLE TO YOU, AFFECT YOUR LEGAL RIGHTS. IF YOU DO NOT AGREE TO THESE TERMS OF SALE, DO NOT PURCHASE TOKENS.

Your purchase of Basic Attention Tokens (“BAT”) during the BAT sale period (“Sale Period”) from Brave Software International Ltd. (“Company,” “we,” or “us”) is subject to these Terms of Sale (“Terms”). Each of you and Company is a “Party,” and together the “Parties.”

By purchasing BAT from us during the Sale Period and/or using BAT in connection with the Platform (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@basicattentiontoken.org.

You and Company agree as follows

1. Purpose and Use of BAT in Connection with the Platform
BAT are intended to be used for targeted advertising and other attention-based **transactions and services (the “Services”), as facilitated through a decentralized platform that Company and its affiliates are developing (the “Platform”).** Important additional details regarding the Services and Platform are provided in Exhibit A. Ownership of BAT carries no rights, express or implied, other than the right to use BAT as a means to obtain Services, and to enable usage of and interaction with the Platform, if successfully completed and deployed. In particular, you understand and accept that BAT do not represent or confer any ownership right or stake, share or 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 Platform, and/or Company and its corporate affiliates, other than rights relating to the receipt of Services and use of the Platform, subject to limitations and conditions in these Terms and applicable Platform Terms and Policies (as defined below). BAT are not intended to be a digital currency, security, commodity or any other kind of financial instrument.
2. Scope of Terms
Unless otherwise stated herein, these Terms govern only your purchase of BAT from us during the Sale Period.

The use of BAT in connection with the Services or Platform may be governed by other **applicable terms and policies (collectively, the “Platform Terms and Policies”).** Any Platform Terms and Policies we promulgate will be available at www.basicattentiontoken.org. We may add terms or policies to the Platform Terms

and Policies in our sole discretion, and may update each of the Platform Terms and Policies from time to time according to modification procedures set forth therein. To the extent of any conflict with these Terms, the Platform Terms and Policies shall control with respect to any issues relating to the use of BAT in connection with the Services or Platform.

3. Cancellation; Refusal of Purchase Requests

Your purchase of BAT from us during the Sale Period is final, and there are no refunds or cancellations except (a) if the Activation Threshold is not reached, pursuant to applicable procedures set forth in Exhibit B or (b) as may be required by applicable law or regulation. We reserve the right to refuse or cancel BAT purchase requests at any time in our sole discretion.

4. BAT Sale Procedures and Specifications

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

5. Acknowledgment and Assumption of Risks

You acknowledge and agree that there are risks associated with purchasing BAT, holding BAT, and using BAT in connection with the Services and Platform, as disclosed and explained in Exhibit C. If you have any questions regarding these risks, please contact us at info@basicattentiontoken.org. BY PURCHASING BAT, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THESE RISKS.

6. Security

You are responsible for implementing reasonable measures for securing the wallet, vault or other storage mechanism you use to receive and hold BAT 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 BAT. We are not responsible for any such losses.

7. 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 law or regulation in connection with selling BAT to you. You agree to provide us such information promptly upon request, and you acknowledge that we may refuse to sell BAT to you until you provide such requested information and we have determined that it is permissible to sell you BAT under applicable law or regulation.

8. Taxes

The purchase price that you pay for BAT is exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase of BAT, 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 BAT.

9. Representations and Warranties

By transferring Ether to the smart contract system (“Smart Contract System”, as explained in Exhibit B) to purchase BAT from us, you represent and warrant that:

- You have read and understand these Terms (including all Exhibits);
- You have a sufficient understanding of the functionality, usage, storage, transmission mechanisms and other material characteristics of cryptographic tokens like Bitcoin and Ether, token storage mechanisms (such as token wallets), blockchain technology and blockchain-based software systems to understand these Terms and to appreciate the risks and implications of purchasing BAT;
- You have carefully reviewed the code of the Smart Contract System located on the Ethereum blockchain at the addresses set forth in Exhibit B and fully understand and accept the functions implemented therein;
- You have obtained sufficient information about BAT to make an informed decision to purchase BAT;
- You understand the restrictions and risks associated with the creation of BAT by the Smart Contract System as set forth herein, and acknowledge and assume all such risks;
- You understand, acknowledge and assume the risks associated with the purchase, holding and use of BAT in connection with the Services and Platform, as explained and disclosed in Section 5 and Exhibit C;
- You understand that BAT confer only the right to receive Services and to access the Platform, and confer no other rights of any form with respect to the Platform or Company or its corporate affiliates, including, but not limited to, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights;
- You are purchasing BAT solely for the purpose of receiving Services, accessing the Platform, and supporting the development, testing, deployment and operation of the Platform, being aware of the commercial risks associated with the Company and the Platform. You are not purchasing BAT for any other purposes, including, but not limited to, any investment, speculative or other financial purposes;
- Your purchase of BAT complies with applicable law and regulation in your jurisdiction, including, but not limited to, (i) legal capacity and any other applicable legal requirements in your jurisdiction for purchasing BAT, using BAT, and entering into contracts with us, (ii) any foreign exchange or regulatory restrictions applicable to such purchase, and (iii) any governmental or other consents that may need to be obtained;
- You will comply with any applicable tax obligations in your jurisdiction arising from your purchase of BAT;
- If you are purchasing BAT 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);**
- You are not resident or domiciled in New York State or purchasing BAT from a location in New York State;\
- You are not (i) a citizen or resident of a geographic area in which access to or use of the Services 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 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; and

- You understand and acknowledge that title to, and risk of loss of, BAT you purchase from Company and receive from the Smart Contract System passes from Company to you in the Cayman Islands.

10. Indemnification

- To the fullest extent permitted by applicable law, you will indemnify, defend and hold harmless Company and our respective past, present and future employees, officers, directors, contractors, consultants, 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 BAT, (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.**
- Company reserves the right to exercise sole control over the defense, at your expense, of any claim subject to indemnification under Section 10(a). This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between you and Company.

11. Disclaimers

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

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 may not apply to you.

12. Limitation of Liability

(A) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW: (I) IN NO EVENT WILL 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 BAT 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 BAT, EXCEED THE AMOUNT YOU PAY TO US FOR BAT.

(B) THE LIMITATIONS SET FORTH IN SECTION 12(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.

13. 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. You expressly waive any rights you may have under California Civil Code § 1542 as well as any other statute or common law principles that would otherwise limit the coverage of this release to include only those claims which you may know or suspect to exist in your favor at the time of agreeing to this release.

14. Dispute Resolution; Arbitration

PLEASE READ THE FOLLOWING SECTION CAREFULLY BECAUSE IT CONTAINS ADDITIONAL PROVISIONS APPLICABLE ONLY TO INDIVIDUALS LOCATED, RESIDENT, OR DOMICILED IN THE UNITED STATES. IF YOU ARE LOCATED, RESIDENT, OR DOMICILED IN THE UNITED STATES, THIS SECTION REQUIRES YOU TO ARBITRATE CERTAIN DISPUTES AND CLAIMS WITH COMPANY AND LIMITS THE MANNER IN WHICH YOU CAN SEEK RELIEF FROM US.

- **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).

- **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.
- **Federal Arbitration Act.** The enforceability of this Section 14 will be both substantively and procedurally governed by and construed and enforced in accordance with the Federal Arbitration Act, 9 U.S.C. § 1 et seq. (the "FAA"), to the maximum extent permitted by applicable law.
- **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 e-mail to Company at info@basicattentiontoken.org. 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 14, commence an arbitration proceeding or, to the extent specifically provided for in Section 14(a), file a claim in court.
- Any arbitration will occur in San Francisco County, California. Arbitration will be conducted confidentially by a single arbitrator in accordance with the rules of the **Judicial Arbitration and Mediation Services ("JAMS")**, which are hereby incorporated by reference. The state and federal courts located in San Francisco County, California will have exclusive jurisdiction over any appeals and the enforcement of an arbitration award. You may also litigate a Dispute in the small claims court located in the county where you reside if the Dispute meets the requirements to be heard in small claims court.
- **Authority of Arbitrator.** As limited by the FAA, 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.

- **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, 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.
- **Severability of Dispute Resolution; Arbitration.** If any term, clause or provision of this Section 14 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 14 will remain valid and enforceable. Further, the waivers set forth in Section 14(b) are severable from the other provisions of these Terms and will remain valid and enforceable, except as prohibited by applicable law.

15. Governing Law and Venue

These Terms will be governed by and construed and enforced in accordance with the laws of the Cayman Islands, 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 the Cayman Islands.

16. 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.

17. Miscellaneous

These Terms constitute the entire agreement between you and us relating to your purchase of BAT from us. We may make changes to these Terms from time to time as reasonably required to comply with applicable law or regulation. If we make changes, we will post the amended Terms at www.basicattentiontoken.org and update the “Last Updated” date above. **We may also attempt to notify you through the BAT website** at www.basicattentiontoken.org. The amended Terms will be effective immediately. 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 BAT 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.

Exhibit A

Description of Company, Platform, and BAT

1. Overview of Company and Affiliates

The Company is an exempted company with limited liability incorporated in the Cayman Islands and is not subject to supervision or regulation by the Cayman Islands Monetary Authority. Company will have primary responsibility for the provision of Services and for administering the development of certain aspects of the Platform.

Until recently, the Platform, including the Brave Browser and Brave Ledger System (each as defined below), was developed and operated entirely by the **Company's affiliate, Brave Software, Inc. ("Brave U.S.")**. As part of a strategic reorganization, the Company and its corporate affiliates decided to provide the Services, and to administer development of related Platform components, from Company rather than Brave U.S. Brave U.S. will continue to have primary responsibility for developing components of the Platform unrelated to the Services. It is anticipated that Brave U.S. and other corporate affiliates will provide certain administrative, technical and development services to Company in connection with the Services and Platform.

2. Overview of Current Platform

Currently, the Platform consists of a browser (the "Brave Browser") and attention scoring algorithms. The Brave Browser, which launched in 2016, is a fast, open source, privacy-focused browser that, by default, blocks ads and ad tracking technologies. It contains an open-source, zero knowledge proof ledger system (the "Brave Ledger System"). **The ANONIZE algorithm is used to protect user privacy. User data is kept on the device and encrypted, shielding the identities of users.**

At present, Brave users make anonymous donations to publishers using Bitcoin. The Brave Ledger System automatically donates an amount of Bitcoin to publishers proportional to the attention given to a website.

3. Development of Platform with BAT Functionality and Services

The Company now intends to introduce new components into the Platform in the form of **BAT and an accompanying BAT wallet (together, "BAT Functionality")**. BAT is based on the Ethereum protocol and conforms to the ERC20 standard. As a result of introducing BAT Functionality into the Platform, the Platform will integrate and consist of BAT Functionality, the Brave Browser, and the Brave Ledger System. BAT will be the utility token for conducting transactions and obtaining Services on the Platform.

Currently, it is anticipated that the primary services ("Services") to be facilitated through BAT and the Platform, as developed and made available by Company, will relate to targeted advertising, promotions and other attention-based commercial uses. However, BAT may also be used by publishers and advertisers for unlocking premium content. Additionally, users will have the ability to donate BAT to individual content providers and publishers, among other charitable purposes.

Further details regarding the Platform are described in the Basic Attention Token Whitepaper ("Whitepaper"), which is available at: www.basicattentiontoken.org. The

information contained in the Whitepaper and Brave's website are of descriptive nature only, and do not, unless explicitly incorporated herein, form part of the Terms. Although Company intends to develop the Platform in the manner generally described above, it reserves the right to modify features, functionalities or development plans in its sole and absolute discretion.

Exhibit B

Token Sale Procedures and Specifications

1. **Total Number of BAT to be Created and Sold**

Company will create up to 1.5 billion BAT through the Smart Contract System. Before the Sale Period Begins, the Smart Contract System will create and directly release a pool of 500 million pre-allocated BAT to the Company ("Company BAT") for certain uses as described in Section 5 of this Exhibit B. A separate pool of up to 1 billion BAT will be created by the Smart Contract System for sale by the Company to purchasers during the Sale Period. All BAT will be of equal value and functionality.

2. **Commencement and Duration of Token Sale**

The Company's sale of BAT will (a) begin at the time that mining commences on Ethereum block 3,798,640 and (b) continue until the time that (i) 156,250 Ether has been received by Company or (ii) mining commences on Ethereum block 3,963,480, whichever is earlier (the "Sale Period").

Based on current Ethereum block mining times, the Company estimates that Ethereum block 3,798,640 will be mined on or about 8:00 am PDT on May 31, 2017, and that Ethereum block 3,963,480 will be mined on or about 30 days thereafter. For the avoidance of doubt, these estimates are provided for informational purposes only, and the Sale Period will commence and conclude strictly according to its definition above.

If less than 27,343.8 Ether have been received by Company during the Sale Period **(the "Activation Threshold")**, **each purchaser will have the possibility to initiate the transfer of the respective amount of Ether submitted to the Smart Contract System from the Smart Contract System's address back to the address used by that purchaser to transfer Ether to the Smart Contract System.** If, during the Sale Period, the Activation Threshold is reached, but less than 156,250 Ether has been received by Company, no additional BAT will be sold.

3. **BAT Price**

1 Ether will purchase 6,400 BAT, making the sale price of BAT 0.00015625 Ether per BAT. There is no sale price for Company BAT, which is created by the Smart Contract System and pre-allocated to the Company before the Sale Period.

4. **Procedures for Buying and Receiving BAT**

In order to purchase BAT during the Sale Period, and to receive the BAT you purchase, you must have an Ethereum wallet that supports the ERC20 token standard. Company reserves the right to prescribe additional wallet requirements. Approximately forty-eight (48) hours prior to the commencement of the Sale Period, Company will publish an address for the BAT sale via www.basicattentiontoken.org. To initiate a purchase of BAT during the Sale Period, you must send an amount of **Ether to an Ethereum address (the "BAToken Address")** that will be provided to you

only after you agree to these Terms by clicking the “I Agree with the Terms – View the BAToken Address” button at the bottom of these Terms. Sending Ether to the BAToken Address during the Sale Period triggers a smart contract operation, pursuant to which the Smart Contract System will automatically create and promptly deliver the corresponding BAT to the ERC20 wallet address from which the Ether were sent.

Ether must be sent to the BAToken Address during the Sale Period in order to purchase and receive BAT. Sending Ether to any other address may result in loss of Ether. Attempted transactions to purchase BAT will be rejected if Ether is sent to the BAToken Address at any time before or after the Sale Period.

The Smart Contract System is deployed by Company from the Cayman Islands, and is programmed so that all transactions it executes will be executed in the Cayman Islands. As such, title to, and risk of loss of, BAT created and delivered by the Smart Contract System passes from Company to purchasers in the Cayman Islands.

5. **Company BAT and User Growth Fund**

Of the Company BAT, 200 million BAT will be used for compensating employees and contractors, and for other internal purposes in connection with the deployment and the development of the Platform.

The remaining 300 million BAT of the Company BAT will be allocated to a “User Growth Fund”, which we will administer to incentivize use of the Platform. The User Growth Fund is intended to reward early users of the Platform at up to 5 BAT per user. BAT received as a reward can only be used for transactions on the Platform. Any BAT from the User Growth Fund that is not transacted by a user on the Platform within six months of receipt will be sent back to the User Growth Fund to reward new users. Once the User Growth Fund is exhausted, it will be discontinued, and no new BAT will be created for or transferred to the User Growth Fund.

6. **Use of Proceeds from BAT Token Sale**

The Ether that Company receives for BAT sold to purchasers during the Sale Period, up to 156,250 Ether, will be used to compensate engineers, staff and contractors, cover operating costs and marketing expenses, and to address other administrative and unforeseen costs.

The following is an estimated, illustrative allocation of these budget items, which Company reserves the right to modify in its sole and absolute discretion:

- **Technical Development and Staff (estimated 58% of proceeds).**
- **This budget item will support Company’s team of over 20 engineers who are developing the Platform and making necessary adjustments to the development of the existing Brave solution and related technology.**
- **More specifically, Company’s engineering team currently intends to focus on the following steps:**
- **Continue development and refinement of Brave’s existing Brave Browser and Brave Ledger System, including the secure vault using the ANONYZE algorithm, as well as Brave’s internal zero knowledge proof mechanism;**
- Create BAT wallet functionality;
- Integrate the BAT wallet with the Brave Browser and Brave Ledger System as part of the Platform;

- Encourage migration of all user transactions to the Platform;
- Encourage fully distributed transfer and verification processes using state channel scheme;
- Add alternate metrics based on advertiser feedback, and facilitate development of decentralized audit trail based on such metrics;
- Encourage, and coordinate with, partners in building applications for the Platform; and
- Explore and build other value-added services and functionalities for the Platform.
- **Contractors (estimated 13% of proceeds).**
- This budget item will focus on third-party engineering, promotional work, growth hacking, public relations, and affiliate program partnerships.
- **Marketing (estimated 12% of proceeds).**
- This budget item will be used for marketing to expand awareness and adoption of the Platform, including the Brave Browser and BAT, among users, publishers, and advertisers.
- It will also be used for broader development, growth and maintenance of the Brave community.
- **Administration (estimated 10% of proceeds).**
- This budget item will entail legal, accounting and other professional services fees; physical infrastructure and security costs; and other associated administration costs.
- **Contingency (estimated 7% of proceeds).**
- This budget item is intended as a reserve to address unforeseen costs.

Exhibit C

Certain Risks Relating to Purchase, Sale and Use of BAT

Important Note: As noted elsewhere in these Terms, the BAT 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 BAT, you expressly acknowledge and assume the following risks:

1. **Risk of Losing Access to BAT 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 BAT stored in your digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your digital wallet or vault storing BAT will result in loss of such BAT. 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 BAT. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive and store BAT, including your own failure to properly maintain or use such digital wallet or

vault, may also result in the loss of your BAT. Additionally, your failure to follow precisely the procedures set forth in Section 4 of Exhibit B for buying and receiving BAT, including, for instance, if you provide the wrong address for receiving BAT, may result in the loss of your BAT.

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

Because BAT and the Platform are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on the Platform or BAT. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to BAT and the Platform, including the utility of BAT 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, BAT are susceptible to attacks by miners in the course of validating BAT 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 Platform and BAT, including, but not limited to, accurate execution and recording of transactions involving BAT.

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

Hackers or other malicious groups or organizations may attempt to interfere with the Platform or BAT 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 the Platform 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 Platform, **which could negatively affect the Platform and BAT, including BAT's utility for obtaining Services.**

5. **Risks Associated with Markets for BAT**

BAT are intended to be used solely on the Platform, and Company will not support or otherwise facilitate any secondary trading or external valuation of BAT. This restricts the contemplated avenues for using BAT to obtain Services or access the Platform, and could therefore create illiquidity risk with respect to BAT you hold. Even if secondary trading of BAT 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 BAT (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, BAT 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, or private insurance arranged by us, to offer recourse to you.

7. Risks Associated with Uncertain Regulations and Enforcement Actions

The regulatory status of BAT 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 Platform and BAT. Regulatory actions could negatively impact the Platform and BAT in various ways, including, for purposes of illustration only, through a determination that BAT 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 BAT is uncertain. You must seek your own tax advice in connection with purchasing BAT, which may result in adverse tax consequences to you, including withholding taxes, income taxes and tax reporting requirements.

9. Risk of Alternative Platforms

It is possible that alternative platforms could be established that utilize the same open source code and protocol underlying the Platform and attempt to facilitate services that are materially similar to the Services. The Platform may compete with these alternative platforms, which could negatively impact the Platform and BAT, **including BAT's utility for obtaining Services.**

10. Risk of Insufficient Interest in the Platform or Distributed Applications

It is possible that the Platform will not be used by a large number of individuals, companies and other entities or that there will be limited public interest in the creation and development of distributed platforms (such as the Platform) more generally. Such a lack of use or interest could negatively impact the development of the Platform and the potential utility of BAT, including its utility for obtaining Services.

11. Risks Associated with the Development and Maintenance of the Platform

The Platform is still under development and may undergo significant changes over time. Although we intend for BAT and the Platform 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 BAT or the Platform for any number of legitimate reasons. This could create the risk that BAT or the Platform, as further developed and maintained, may not meet your expectations at the time of purchasing BAT. Furthermore, despite our good faith efforts to develop and maintain the Platform, it is still possible that the Platform will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Platform and the potential utility of BAT, including its utility for obtaining Services.

12. Risk of an Unfavorable Fluctuation of Ether and Other Currency Value

The Company team intends to use the proceeds from selling BAT to fund the maintenance and development of the Platform, as described further in Section 6 of Exhibit B. The proceeds of the sale of BAT will be denominated in Ether, and may, at our discretion, be converted into other cryptographic and fiat currencies. If the value of Ether or other currencies fluctuates unfavorably during or after the Sale Period, the Company team may not be able to fund development, or may not be able to develop or maintain the Platform in the manner that it intended.

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 BAT's utility (including its utility for obtaining Services), the failure of commercial relationships, or intellectual property ownership challenges, the Platform may no longer be viable to operate and the Company may dissolve.

14. Risks Arising from Lack of Governance Rights

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

15. Risks Associated with Advertising-Supported Business Models

The Company's growth and adoption of the Platform may depend on our ability to maintain and expand our existing relationships with advertisers and publishers and our ability to develop new relationships with other advertisers and publishers within the Platform. As the advertising market generates and develops new concepts and technology, we may incur additional costs to implement a more effective Platform and may have to adjust to new tracking and unforeseeable technologies that could diminish the effectiveness of our BAM and other attention-measuring metrics. Continuing to develop and improve the Platform to keep up with these changes may require significant time and additional investment. If we cannot continue to develop and improve the Platform to maintain competitiveness in light of such changes, the Platform may not remain viable, which could negatively impact the utility of BAT, including BAT's utility for obtaining Services.

16. Risks Associated with New and Evolving Laws Impacting Advertising and Advertising Technology

The advertising and advertising technology ecosystems, and by extension our own Platform, are subject to a variety of federal, state and international laws and regulations, including those with respect to 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, child protection, and others. These 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 Platform 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.** 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 Platform and BAT, including BAT's utility for obtaining Services.**

Additionally, the advertisers and publishers within the Platform are subject to industry specific laws and regulations or licensing requirements. If any of these parties fails to comply with any of these licensing requirements or other applicable laws or regulations, or if such laws and regulations or licensing requirements become more stringent or are otherwise expanded, it could adversely impact the Platform and BAT, **including BAT's utility for obtaining Services.**

17. **Unanticipated Risks**

Cryptographic tokens such as BAT 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 BAT, 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.