#### **Aragon Court**

#### Terms of Use

These Terms of Use constitute an agreement between you ("User" or "You") and Aragon Association with registered address in c/o eMBe Finanz GmbH Bahnhofstrasse 20 6300 Zug Switzerland ("We" or "Us") regarding your access to and use of the Ethereum based dispute resolution protocol that handles subjective disputes that cannot be resolved by smart contracts ("Aragon Court").

By accessing and using Aragon Court you accept and agree to be bound by these Terms of Use and all applicable laws of your jurisdiction and all of it as it may be modified, changed, supplemented or updated from time to time. Please read these Terms of Use before using Aragon Court ("Terms").

If you do not agree with the Terms you shall not access, use or download Aragon Court.

#### 1. Aragon Court and its Users

Aragon Court is a dispute resolution protocol that wishes to settle subjective disputes ("Disputes") with binary outcomes that cannot be resolved by smart contracts. This is achieved by finding the subjective truth i.e., the most correct outcome of a dispute, with a Schelling game.

Aragon Court may have three different type of Users:

- The claimant: the User raising a claim (the "Claimant").
- The defendant: the User against whom the claim has been brought against (the "Defendant").
- The Juror: the User who will act as an arbiter by reviewing evidence and voting on a particular outcome (the "Juror").

We are developing a set of rules that will help You understand how should You act in the Aragon Court depending on the type of User You are each time (i.e.: Claimant, Defendant or Juror). Once those set of rules are available We will provide You with those and You shall accept to be bound by those before continuing to use the Aragon Court.

## 2. Decentralization of the governance of the Aragon Court

The Aragon Court has been developed by Aragon One AG with registered address in c/o eMBe Finanz GmbH Bahnhofstrasse 20 6300 Zug Switzerland ("Aragon One") as instructed by Us in our mission to develop the Aragon Network. The Aragon Court is one of the core components of the Aragon Network. Please find more information regarding the Aragon Network here <a href="https://aragon.org/en/network">https://aragon.org/en/network</a>.

The Aragon Network is a protocol that provides infrastructure and services to users of the Aragon platform and that is governed by Aragon Network Token ("ANT") holders through the Aragon Network DAO. We nor Aragon One have control over the Aragon Network DAO.

At the time of this publication, the Aragon Network DAO is only governed by a set of trusted members of the Aragon community who agreed to launch the Aragon Court on mainnet through its governance powers in the Aragon Network DAO.

Now that the Aragon Court is on mainnet We nor Aragon One have control over Aragon Court.

However in Our mission to decentralize the Aragon Network, we have ensured that the current members of the Aragon Network DAO commit to executing the transfer of the governance of the Aragon Network DAO to all of the ANT holders.

#### 3. Technical details

You can find the current technical details of the Aragon Court <u>here</u> as We are launching it on mainnet. However, please be aware that this is just a summary and that the detailed mechanism of the Aragon Court can be found <u>here</u> (the "**Mechanism**").

Before using Aragon Court You shall read and understand the Mechanism as You will be bound by those as they may change from time to time. Shall You not agree with the Mechanism or shall You not agree with that Mechanism to change in accordance with this Section, You shall not use the Aragon Court.

During the time that the Aragon Network DAO is governed by a set of trusted members of the Aragon community, changes to the Mechanism may be executed only to ensure that there is no risk of damages or loss for the ANT holders. In case those changes take place, You will be notified and shall You not agree to those changes You shall stop using Aragon Court.

Once the governance is transferred to the ANT holders in accordance with Section 2 above, the ANT holders will gain control of the Aragon Court who may decide to change the Mechanism of the Aragon Court (including but not limited to court fees, slashing of ANJs of the Jurors, etc).

By entering into these Terms You understand that We have no control over the Aragon Court, which is governed by the Aragon Network DAO, and that once the transfer of governance has been made, the Aragon Network DAO may decide on changes to the Mechanism of the Aragon that we can not control.

## 4. The Aragon Network Juror Token and the Bonding Curve

The Aragon Network Juror token (ANJs) is the native token to the Aragon Court, required to participate as a Juror in the Aragon Court in accordance with the Terms.

ANJs will be obtained by deposition Aragon Network Tokens into a bonding curve to mint ANJs (the Bonding Curve). To know more about how the bonding curve works please see the Mechanism. You shall not use Aragon Court if You do not understand the mechanism of the Bonding Curve and the risks it may entail.

The ANJ cannot be used for any other purpose other than participating in the Aragon Court as a Juror. Therefore, You shall only obtain ANJs if it is Your intention to act as a Juror in the Aragon Court and You shall not obtain ANJ if You are not authorized by Your personal law to do so. Even though you may earn rewards by acting as a Juror you shall not become a Juror if Your sole intention is to obtain such rewards.

# 5. Randomness in the protocol

We have tried our best efforts for the protocol to provide randomness when drafting jurors for a dispute (you may read more here <a href="https://blog.aragon.one/aragon-court-v1-technical-details/">https://blog.aragon.one/aragon-court-v1-technical-details/</a>). However, You understand that this randomness is out of our control, especially due to Ethereum technology and because there could eventually be malicious third parties interfering with it. Therefore, You understand that We cannot guarantee such randomness and therefore You shall not rely on being drafted on a random basis.

#### 6. Download and access to Aragon Court

You may not download or use Aragon Court if you are not permitted to do so by Your applicable law. You shall not use Aragon Court in any way that breaches any applicable local, or regulation and shall only be used for lawful purposes. Aragon Court shall not be used in any way that is unlawful or fraudulent or that has any unlawful or fraudulent purpose or effect.

You also agree not to wrongly interfere with, damage or disrupt any part of Aragon Court, the cryptographical assets stored in the Aragon Court, the Ethereum Platform or any software owned or used by any third party.

You are responsible for making the necessary arrangements for you to have access to Aragon Court and ensuring that all persons who access Aragon Court through your internet connection are aware of these Terms.

Aragon Court is offered and available to users who are legally old enough to access and use Aragon Court according to their personal law and to the laws of Switzerland.

You are responsible for obtaining and maintaining all connectivity, computer software, hardware and other equipment needed to access and use Aragon Court and all changes related to the same. Aragon Court is made available on an 'as is' and 'as and when available' basis.

# 7. Changes to Aragon Court

Aragon Court is in constant progress. Therefore, We reserve the right to modify its functionalities and specifications as well as these Terms. Furthermore, We reserve the right to withdraw or amend Aragon Court in our sole discretion without notice. We do not guarantee that Aragon Court will always be available or uninterrupted. We nor Aragon One will be liable if for any reason all or any part of Aragon Court is unavailable at any time or for any period. From time to time, We may restrict access to Aragon Court or to some parts of it.

## 8. Privacy and Personal Data Protection

Please find our Privacy Policy here.

## 9. Use of Aragon Court

You are fully responsible for Your use of Aragon Court and We shall not be liable for any loss or damages that you may suffer by the use of the Aragon Court. Furthermore, You may be held liable for losses, fines or damages incurred by Us or another User due to someone else using Your access to Aragon Court, including any inspection and/or penalties in regard to the processing of personal data.

## 10. Open Source Software

Aragon Court is as an open source software and therefore You agree to be bound by, and comply with, any license agreement that applies to this open source software.

## 11. Intellectual Property Rights

Aragon Court, as well as all of its contents, functionalities and/or elements (including but not limited to all copyrights, patents, trade secrets, trademarks, trade names, logos, slogans, custom graphics, button icons, scripts, videos, files, texts, displays, images, video, audio, design, information) are owned by Us or, when applicable, the licensors, partners or their respective owners.

Unauthorized reproduction is prohibited. You shall not use or modify any of the trademarks, logos, designs, utility models or any other industrial property protected asset, unless otherwise previously and expressly authorized in writing by Us or unless legally permitted by the applicable laws.

## 12. REPRESENTATIONS AND WARRANTIES. RISKS.

YOU REPRESENT AND WARRANT THAT YOU UNDERSTAND THAT BLOCKCHAIN TECHNOLOGY AND ARAGON COURT ARE NEW AND UNTESTED AND OUTSIDE OUR EXCLUSIVE CONTROL, AND ADVERSE CHANGES IN MARKET FORCES OR THE TECHNOLOGY, BROADLY CONSTRUED, WILL EXCUSE OUR PERFORMANCE AND ARAGON COURT'S PERFORMANCE UNDER THESE TERMS.

YOU REPRESENT AND WARRANT THAT YOU UNDERSTAND THESE TERMS, THE MECHANISM OF THE ARAGON COURT AND ESPECIALLY HOW THE BONDING CURVE WORKS.

YOU REPRESENT AND WARRANT THAT YOU ARE THE SOLE OWNER OF THE ANTS THAT YOU WILL USE TO OBTAIN ANJS OR THAT YOU HAVE ENOUGH AUTHORITY OR THAT YOU HAVE GATHERED THE CORRESPONDENT AUTHORIZATION/S.

FURTHERMORE, YOU REPRESENT AND WARRANT THAT YOU ARE FULLY-AWARE AND UNDERSTAND THAT YOU MAY LOSE YOUR ANJS, ANTS OR ANY OTHER ASSET THAT YOU MAY STAKE IN THE ARAGON COURT STAKING CONTRACT AND THAT YOU DO NOT DEPEND ON THEM AND ARE PREPARED TO DO SO.

FURTHERMORE, YOU ACKNOWLEDGE THAT YOU HAVE BEEN INFORMED OF THE FOLLOWING RISKS, ASSOCIATED TO THE USE OF ARAGON COURT, WHICH YOU AGREE TO TAKE AT YOUR SOLE RESPONSIBILITY:

#### RISKS ASSOCIATED WITH ETHEREUM'S MALFUNCTION

ARAGON COURT IS BASED ON ETHEREUM. AS SUCH, ANY MALFUNCTION, UNINTENDED FUNCTION OR UNEXPECTED FUNCTIONING OF THE ETHEREUM PROTOCOL MAY CAUSE ARAGON COURT'S MALFUNCTION OR FUNCTION IN AN UNEXPECTED OR UNINTENDED MANNER.

## RISK OF UNFAVORABLE REGULATORY ACTION IN ONE OR MORE JURISDICTIONS

THE FUNCTIONING AND USAGE OF ETHEREUM NETWORK, ASSOCIATED BLOCKCHAIN NETWORKS AND DIGITAL ASSETS, SUCH AS ARAGON COURT, THE ARAGON NETWORK TOKENS ("ANTS"), THE ARAGON NETWORK JUROR TOKENS ("ANJs") AND THE ARAGON NETWORK ("AN"), COULD BE IMPACTED BY REGULATORY INQUIRES OR ACTIONS.

#### RISK OF THEFT AND HACKING

HACKERS OR OTHER GROUPS OR ORGANIZATIONS MAY ATTEMPT TO INTERFERE WITH ARAGON COURT, YOUR ARAGON DAO OR YOUR WALLET OR YOUR ASSETS STAKED IN ARAGON COURT, IN ANY NUMBER OF WAYS, INCLUDING WITHOUT LIMITATION, DENIAL OF SERVICES ATTACKS, SYBIL ATTACKS, SPOOFING, SMURFING, MALWARE ATTACKS, OR CONSENSUS-BASED ATTACKS.

FURTHERMORE, THE ETHEREUM BLOCKCHAIN IS SUSCEPTIBLE TO MINING ATTACKS, INCLUDING BUT NOT LIMITED TO DOUBLE-SPENDING ATTACKS, MAJORITY MINING POWER ATTACKS, "SELFISH-MINING" ATTACKS, AND RACE CONDITION ATTACKS. ANY SUCCESSFUL ATTACKS PRESENT A RISK TO ARAGON COURT, YOUR ARAGON DAO, YOUR WALLET, YOUR ASSETS STAKED IN ARAGON COURT DESPITE OUR EFFORTS AND THE ETHEREUM FOUNDATION EFFORTS', THE RISK OF KNOWN OR NOVEL MINING ATTACKS EXISTS. MINING ATTACKS, AS DESCRIBED ABOVE, MAY ALSO TARGET OTHER BLOCKCHAIN NETWORKS, WITH WHICH ARAGON COURT OR ANT INTERACT WITH AND CONSEQUENTLY THEY MAY BE IMPACTED.

# RISK OF SECURITY WEAKNESS IN ARAGON COURT

THERE IS A RISK THAT ARAGON COURT MAY UNINTENTIONALLY INCLUDE WEAKNESS OR BUGS IN THE SOURCE CODE INTERFERING WITH THE USE OF ARAGON COURT OR CAUSING THE LOSS OF ANTs, ANJs, OR ANY OTHER CRYPTOGRAPHIC ASSET OR DATA THAT YOU DEPOSIT IN ARAGON COURT.

WE RECOMMEND NOT PLACING LARGE AMOUNTS OF ASSETS OR PERSONAL DATA IN ARAGON COURT. WE ARE COMFORTABLE RELEASING THIS VERSION TO THE PUBLIC ON MAINNET AND WE HAVE PASSED CORRESPONDENT AUDITS BUT THERE COULD STILL BE UNFORESEEN SITUATIONS WHERE ASSETS OR DATA COULD BE AT RISK. AFTER ALL, THIS IS BLEEDING-EDGE TECHNOLOGY.

# RISK OF WEAKNESSES OR EXPLOITABLE BREAKTHROUGHS IN THE FIELD OF CRYPTOGRAPHY

ADVANCES IN CRYPTOGRAPHY, OR TECHNICAL ADVANCES SUCH AS THE DEVELOPMENT OF QUANTUM COMPUTERS, COULD REPRESENT RISKS TO CRYPTOCURRENCIES, ETHEREUM, ARAGON COURT, YOUR ARAGON DAO, YOUR WALLET OR YOUR ASSETS.

#### **RISK OF UNINSURED LOSSES**

DESPITE OUR BEST EFFORTS TO SECURE YOUR ASSETS, YOU SHALL UNDERSTAND THAT YOUR ASSETS ARE COMPLETELY UNINSURED.

## **INTERNET TRANSMISSION RISKS**

THERE ARE RISKS ASSOCIATED WITH THE USE OF THE INTERNET AS WELL AS THE FAILURE OF HARDWARE, SOFTWARE AND INTERNET CONNECTIONS.

#### INSUFFICIENT INTEREST IN ARAGON COURT

IT IS POSSIBLE THAT ARAGON COURT IS NOT USED BY A LARGE NUMBER OF INDIVIDUALS AND THAT THERE IS LIMITED INTEREST IN IT. SUCH A LACK OF INTEREST COULD IMPACT THE FUNCTIONALITY AND DEVELOPMENT OF ARAGON COURT.

#### ARAGON COURT MAY NOT MEET YOUR EXPECTATIONS

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#### **UNANTICIPATED RISKS**

CRYPTOCURRENCIES AND BLOCKCHAINS ARE NEW TECHNOLOGY. THEREFORE, IN ADDITION TO THE RISKS SET FORTH HEREIN, THERE ARE RISKS THAT WE CANNOT FORESEE AND IT IS UNREASONABLE TO BELIEVE THAT SUCH RISKS COULD HAVE BEEN FORESEEABLE. RISKS MAY FURTHER MATERIALIZE AS UNANTICIPATED.

#### RISKS OF CHANGES IN THE PROTOCOL

YOU UNDERSTAND THAT BECAUSE OF THE DECENTRALIZATION THAT WILL TAKE PLACE IN ACCORDANCE WITH SECTION 2 AND 3 ABOVE THERE WILL BE CHANGES IN THE PROTOCOL THAT YOU MAY NOT AGREE WITH.

YOU UNDERSTAND THAT WE CAN NOT GUARANTEE YOU THAT THE MECHANISM OF THE ARAGON COURT WILL BE MAINTAINED. IT IS LIKELY THAT THE ARAGON NETWORK DAO MAY DECIDE TO CHANGE THE PROTOCOL FROM TIME TO TIME AND WE (NOR ARAGON ONE) CANNOT BE HELD RESPONSIBLE FOR ANY LOSSES YOU MAY SUFFER FROM THOSE CHANGES.

YOU WILL ALWAYS BE ABLE TO STOP USING ARAGON COURT BY DEACTIVATING AND UNSTAKING YOUR ANJS. HOWEVER, PLEASE BE AWARE THAT YOU UNDERSTAND AND YOU ACCEPT THAT DUE TO THE MECHANISM OF THE BONDING CURVE, YOUR ASSETS (OR ITS VALUE) MAY HAVE BEEN REDUCED FROM THE ONES' YOU INITIALLY STAKED.

## 13. LIMITATION OF LIABILITY AND DISCLAIMER OF WARRANTIES

YOU ACKNOWLEDGE AND AGREE THAT YOU ACCESS AND USE ARAGON COURT AT YOUR SOLE RISK, ESPECIALLY ACKNOWLEDGING THE RISKS DESCRIBED IN THESE TERMS. YOU REPRESENT THAT YOU UNDERSTAND SUCH RISKS, AS WELL AS THE USAGE AND INTRICACIES OF CRYPTOGRAPHIC TECHNOLOGY AND BLOCKCHAIN-BASED OPEN SOURCE SOFTWARE AS WELL AS OF THE ETHEREUM PLATFORM AND ARAGON COURT. ESPECIALLY YOU REPRESENT AND WARRANT THAT YOU HAVE READ THE MECHANISM here AND THAT YOU ARE A REGULAR USER OF BLOCKCHAIN TECHNOLOGY.

UNLESS OTHERWISE REQUIRED BY LAW, IN NO EVENT SHALL WE, ARAGON ONE, THE ARAGON NETWORK DAO, THE OWNERS OF OR THE CONTRIBUTORS TO ARAGON COURT, BE LIABLE IN CONTRACT OR TORT, FOR ANY CLAIM, LOSS, DAMAGE, LIABILITY, COST OR EXPENSE OF ANY KIND, WHETHER DIRECT OR INDIRECT (INCLUDING DAMAGES FOR LOSS OF CRYPTO ASSETS, ASSETS, BUSINESS, REVENUES, PROFITS, DATA, USE, GOODWILL

OR OTHER INTANGIBLE LOSSES) OR ANY OTHER DAMAGES OF ANY KIND RELATED TO YOU CAUSED FROM THE ACCESS OR USE OR INABILITY TO ACCESS ARAGON COURT OR RELYING ON THE CONTENT OF ARAGON COURT OR ANY PUBLICATIONS REGARDING ARAGON COURT. FURTHERMORE, WE SHALL NOT BE LIABLE FOR ANY EVENT BEYOND OUR REASONABLE CONTROL (FORCE MAJEUR EVENTS).

NOTHING IN THE ARAGON COURT OR PUBLISHED AROUND THE ARAGON COURT SHOULD BE CONSIDERED AS OR FORM ANY PART OF AN OFFER, SOLICITATION OR RECOMMENDATION TO SELL OR PURCHASE ANY OF THE ASSETS OR AS A LEGAL, TAX, INVESTMENT OR SECURITIES ADVICE OR ANY FORM OF RECOMMENDATION TO PURCHASE ASSETS OR ANY OPINION REGARDING THE APPROPRIATENESS OF ANY INVESTMENT.

WE RECOMMEND THAT YOU JUST USE ASSETS THAT YOU MAY DISPOSE OF. WE MAKE NO PROMISE OR GUARANTEE A FUTURE PERFORMANCE. THE EXCHANGE RATIO OF ANJ TO ANT MAY UNDERGO POSITIVE AND NEGATIVE FLUCTUATIONS AND YOU MAY NOT RECOVER THE ANT AMOUNT ORIGINALLY USED TO OBTAIN ANJS.

YOU SHALL BE PREPARED TO LOSE THE ANJS, ANTS OR ANY OTHER ASSET THAT YOU USE IN ORDER TO PARTICIPATE IN THE ARAGON COURT.

THE ANJ SHALL NOT BE UNDERSTOOD AS A PAYMENT METHOD, THEY HAVE JUST A PURPOSE WITHIN THE ARAGON COURT AND ARE NOT APPROPRIATE OR AVAILABLE FOR USE IN ANY OTHER JURISDICTION.

YOU ARE THE SOLE RESPONSIBLE OF ANY TAX CLAIM OR TAX WITHHOLDING THAT MAY APPLY CURRENTLY OR EVENTUALLY TO THE ANTS OR THE ANJS IN THE FRAMEWORK OF THE ARAGON COURT.

YOU ACKNOWLEDGE AND AGREE THAT THE DISCLAIMERS OF LIABILITY CONTAINED IN THESE TERMS, SHALL APPLY TO THE FULLEST EXTENT PERMITTED BY THE APPLICABLE LAW.

## 14. INDEMNIFICATION

TO THE FULLEST EXTENT PERMITTED BY THE APPLICABLE LAW, YOU AGREE TO INDEMNIFY, DEFEND, AND HOLD US, ARAGON ONE AND THE ARAGON NETWORK DAO HARMLESS, OUR AFFILIATES, EMPLOYEES, LICENSORS AND SERVICE PROVIDERS, AND OUR AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, CONTRACTORS, AGENTS, LICENSORS, SUPPLIERS, PARENT COMPANIES, SUCCESSORS, SUBSIDIARIES, AFFILIATES, AGENTS, REPRESENTATIVES AND ASSIGNS FROM AND AGAINST ALL CLAIMS, LIABILITIES, DAMAGES, JUDGMENTS, LOSSES, COSTS, EXPENSES OR FEES (INCLUDING REASONABLE ATTORNEYS' FEES) THAT ARISE FROM OR RELATE TO: (I) YOUR VIOLATION OF THESE TERMS; AND (II) YOUR USE OF ARAGON COURT.

#### 15. Changes to the Terms of Use

We may modify, revise, or update these Terms at any time, without notice to You. All changes are effective immediately when We post them and apply to all access to and use of Aragon Court thereafter. You agree that it is your responsibility to review periodically the Terms and to be aware of any changes. In case You do not accept the new Terms We may forbid You access to the Aragon Court.

#### 16. Governing Law and Jurisdiction

Any claims, disputes and controversies arising out of these Terms or in connection with the access or use of Aragon Court shall be settled in the Aragon Court following the dispute process established herein.

Notwithstanding the above, if a party wished to bring such claim, dispute or controversy in court, it shall do so in the Court of the city of Zug (Switzerland) and these Terms shall be governed by and construed and enforced in accordance with the laws of Switzerland. However, we retain the right to

bring any suit, action or proceeding against You in your country of residence or any other relevant country. You agree to waive any and all objections to the exercise of jurisdiction over you by such courts and to venue in such courts.

# 17. Waiver and Severability

The waiver or failure of any party to exercise rights under these Terms will not be deemed a waiver or other limitation of any other right or any future right. Any waiver must be in writing and signed by the party to be charged therewith.

If any provision of these Terms is held by a court or other tribunal of competent jurisdiction to be invalid, illegal or unenforceable for any reason, such provision shall be eliminated or limited to the minimum extent such that the remaining provisions of the Terms will continue in full force and effect.