

## ZEROEX INTERNATIONAL

### TERMS OF TOKEN SALE

**Last Updated: August 9, 2017**

PLEASE READ THESE TERMS OF TOKEN SALE CAREFULLY. NOTE THAT SECTION 15 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 ZeroEx tokens (“**ZRX**”) during the ZRX token sale (“**Token Sale**”) from ZeroEx International (“**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 ZRX from us during the Token Sale, 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@0xproject.com](mailto:info@0xproject.com).

You and Company agree as follows:

1. **Purpose and Use of ZRX**

- (a) Company is developing and deploying an open source network protocol designed to facilitate peer-to-peer exchange of ERC20 tokens on the Ethereum blockchain (“**0x Protocol**”). In connection with its development of the 0x Protocol, Company is selling ZRX in the Token Sale.
- (b) ZRX are protocol tokens designed and intended for three specific uses within the 0x Protocol: (1) enabling participation and voting in decentralized decision-making regarding technical changes to the 0x Protocol (“**Technical Governance Voting**”), (2) paying fees to a Development Pool (as defined in **Exhibit A**) before proposing a technical change to the 0x Protocol (“**Technical Governance Fees**”) and (3) paying fees to third parties (“**Relayers**”) that host, maintain and broadcast off-chain order books using the 0x Protocol (“**Broadcast Fees**,” and together with Technical Governance Voting and Technical Governance Fees, the “**Protocol Utility**”). Important additional details regarding Protocol Utility are provided in **Exhibit A**.
- (c) Purchase, ownership, receipt or possession of ZRX carries no rights, express or implied, other than the right to use ZRX in connection with Protocol Utility, in each case, to the extent that the 0x Protocol remains in use after its deployment by Company. You understand and accept that ZRX 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 Company and its corpo-

rate affiliates, including the governance of Company and its corporate affiliates, subject to limitations and conditions in these Terms. ZRX are not intended to be a digital currency, security, commodity or any other kind of financial instrument.

## 2. **Eligibility**

In order to be eligible to participate in the Token Sale, you must:

- (a) Comply with all the terms and conditions set forth in these Terms.
- (b) Complete the Registration process, as defined and described in more detail in **Exhibit B**. The Registration process is mandatory and requires you to have (i) an account at Civic Technologies, Inc. (“**Civic**”), (ii) the Civic mobile application on your smartphone, (iii) the Google Chrome browser, and (iv) an ERC20-compatible Ethereum wallet with either MetaMask, Parity Signer, or Ledger Nano S (each, a “**Purchaser Wallet**”).
- (c) Fund your Purchaser Wallet with an amount of Ether sufficient to allow you to complete your purchase of ZRX pursuant to these Terms.

## 3. **Scope of Terms**

Unless otherwise stated herein, these Terms govern only your purchase of ZRX from us during the Token Sale. Company will have no responsibility for the use of ZRX and/or the 0x Protocol after ZRX are sold and the 0x Protocol is deployed.

## 4. **Cancellation; Refusal of Purchase Requests**

Your purchase of ZRX from us during the Token Sale is final, and there are no refunds or cancellations except as may be required by applicable law or regulation. We reserve the right to refuse or cancel ZRX purchase requests at any time in our sole discretion.

## 5. **Token Sale Procedures and Specifications**

Important information about the procedures and material specifications of the Token Sale is provided in **Exhibit B**. By purchasing ZRX, you acknowledge that you have read and understand **Exhibit B**.

## 6. **Acknowledgment and Assumption of Risks**

You acknowledge and agree that there are risks associated with purchasing ZRX, owning ZRX, and using ZRX in connection with Protocol Utility, as disclosed and explained in **Exhibit C**. If you have any questions regarding these risks, please contact us at [info@0xproject.com](mailto:info@0xproject.com). BY PURCHASING ZRX, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THESE RISKS.

## 7. **Security**

You are responsible for implementing reasonable measures for securing your Purchaser Wallet and any other wallet or vault you use to receive and hold ZRX you purchased from us, including any requisite private key(s) or other credentials necessary to access such wallet or vault. Notwithstanding any other provision of these Terms, we will not be responsible or liable for any damages, losses, costs, penalties, fines or expenses arising out of or relating to (i) your failure to implement reasonable measures to secure your Purchaser Wallet or any other wallet or vault you use to receive and hold ZRX or the relevant access credentials or (ii) the loss of or unauthorized use of any of your access credentials.

## **8. Registration Information**

- (a) We will collect certain information from you, including your phone number, email address, and Purchaser Wallet address, in connection with your Registration (your “**Registration Information**”).
- (b) We may use your Registration Information for determining your eligibility for the Token Sale, determining your compliance with these Terms, providing updates to you regarding the Token Sale, facilitating your purchase of ZRX and use of ZRX in connection with the 0x Protocol, and providing notices to you under these Terms.
- (c) We may share your Registration Information as follows: (i) with consultants and other service providers who need access to such information to carry out work on our behalf, (ii) in response to a request for information if we believe disclosure is in accordance with, or required by, any applicable law, regulation or legal process, (iii) if we believe your actions are inconsistent with these Terms or to protect the rights, property and safety of Company or others, (iv) in connection with, or during negotiations of, any merger, sale of company assets, financing or acquisition of all or a portion of our business by another company, (v) between and among Company and our current and future parents, affiliates, subsidiaries and other companies under common control and ownership and (vi) with your consent or at your direction.

We may also share aggregated or de-identified information, which cannot reasonably be used to identify you.

- (d) You acknowledge that we may obtain some Registration Information from third parties such as Civic, including your phone number and email address, and you authorize us to use such Registration Information in accordance with these Terms. We are not responsible for the collection, use or sharing of any information that you provide to such third parties or that such third parties collect from you.
- (e) We may determine, in our sole discretion, that it is necessary to obtain certain other information about you or (if relevant) your family members, beneficiaries, shareholders, beneficial owners, partners, directors, officers or any other individuals connected to you in order to complete the Token Sale or in order to comply with applicable laws or regula-

tions or requests of any regulator in any relevant jurisdiction. You agree to provide us such information promptly upon request, and any information you provide in respect of any third party individuals may be collected, used and disclosed by us in order for us or our corporate affiliates to complete the Token Sale or to comply with laws or regulations or requests of any regulator in any relevant jurisdiction. You acknowledge that we may refuse to sell ZRX to you until you provide such requested information and we have determined that it is permissible to sell you ZRX under applicable laws or regulations.

## **9. Taxes**

Any amounts that you pay for ZRX are exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase of ZRX, including, for example, sales, use, value added, and similar taxes. It is 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 ZRX.

## **10. Representations and Warranties**

You represent and warrant that:

- (a) You have a sufficient technical understanding of cryptographic tokens (including ZRX and Ether), Ethereum-based protocols (including the 0x Protocol), token storage mechanisms (including your Purchaser Wallet), and blockchain technology in general to understand these Terms and to appreciate the risks and implications of purchasing ZRX;
- (b) You have read and understand the terms and conditions of these Terms (including all exhibits which are part of these Terms);
- (c) You have obtained sufficient information about ZRX to make an informed decision to purchase ZRX;
- (d) You understand the restrictions and risks associated with the sale of ZRX as set forth herein, and acknowledge and assume all such risks;
- (e) You understand, acknowledge and assume the risks associated with the purchase, holding and use of ZRX in connection with Protocol Utility, as explained and disclosed in Section 6 and **Exhibit C**;
- (f) You understand that ZRX are intended to be used only in connection with Protocol Utility, and confer no rights of any form with respect to 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;

- (g) You are purchasing ZRX solely for use in connection with Protocol Utility and are not purchasing ZRX for any other purposes, including, but not limited to, any investment, speculative or other financial purposes;
- (h) Your purchase of ZRX complies with applicable laws and regulations in your jurisdiction, including, but not limited to, (i) legal capacity and any other applicable legal requirements in your jurisdiction for purchasing ZRX, using ZRX, 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;
- (i) You will comply with any applicable tax obligations in your jurisdiction arising from your purchase of ZRX;
- (j) If you are purchasing ZRX on behalf of any entity, (i) you are authorized to accept these Terms and to act on such entity's behalf, (ii) 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), and (iii) such entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization.
- (k) You are not resident or domiciled in New York State or purchasing ZRX from a location in New York State;
- (l) You hereby certify that you are not (i) a citizen or resident of a geographic area in which use of ZRX in connection with Protocol Utility 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 applicable 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 hereby represent and agree that if your country of residence or other circumstances change such that the above representations are no longer accurate, you will immediately notify Company and cease using ZRX.
- (m) You will not use ZRX or the 0x Protocol in connection with any activity that violates applicable laws in any relevant jurisdiction, including, but not limited to, use of ZRX or the 0x Protocol in connection with transactions that violate U.S. federal or state securities or commodity laws;
- (n) You will at all times maintain control of your Purchaser Wallet, and you will not share or disclose the account credentials associated with your Purchaser Wallet with any other party. If you transfer ZRX from your Purchaser Wallet into another wallet or vault, you will likewise at all times maintain control of such other wallet or vault, and you will not share or disclose the account credentials associated with such other wallet or vault with any other party; and

- (o) You understand and acknowledge that title to, and risk of loss of, ZRX you purchase from Company passes from Company to you in the Cayman Islands.

## **11. Indemnification**

- (a) 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 ZRX, (ii) your responsibilities or obligations under these Terms, (iii) your violation of these Terms, or (iv) your violation of any rights of, or laws or regulations applicable to, 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 Section 11(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.

## **12. Disclaimers**

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS OTHERWISE SPECIFIED IN A WRITING BY US, (A) ZRX ARE SOLD ON AN “AS IS” AND “AS AVAILABLE” BASIS WITHOUT WARRANTIES OF ANY KIND, AND WE EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES AS TO ZRX, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT; (B) WE DO NOT REPRESENT OR WARRANT THAT ZRX ARE RELIABLE, CURRENT OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN ZRX WILL BE CORRECTED; AND (C) WE CANNOT AND DO NOT REPRESENT OR WARRANT THAT ZRX OR THE DELIVERY MECHANISM FOR ZRX 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 12 may not apply to you.

## **13. 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 LOSS OF PROFITS OR 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 ZRX 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 ZRX, EXCEED THE AMOUNT YOU PAY TO US FOR ZRX.

- (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 13 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. **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 (including similar laws in other applicable jurisdictions) to include only those claims which you may know or suspect to exist in your favor at the time of agreeing to this release.**

#### **15. 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.

- (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) **Federal Arbitration Act.** These Terms affect interstate commerce and the enforceability of this Section 15 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.
- (d) **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@0xproject.com](mailto:info@0xproject.com). We may provide notice to you via email to the email address you provide in connection with Registration. 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 extent specifically provided for in Section 15(a), file a claim in court.
- (e) 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.



- (f) **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.
- (g) **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.
- (h) **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 the Cayman Islands, without regard to conflict of law rules or principles (whether of the Cayman Islands or any other jurisdiction) 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.

## 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. Disruption Event

In the event of a Disruption Event, we have the right to suspend the Token Sale. If we elect to suspend the Token Sale, we will publicly announce the suspension as soon as reasonably practicable and, prior to resuming the Token Sale, we will announce the resumption at least four (4)

hours in advance. If we suspend the Token Sale for a period of time (the “**Suspension Period**”) pursuant to this Section 18, we will determine in our sole discretion whether to (i) nevertheless end the Token Sale on the scheduled Token Sale End Date (as defined in **Exhibit B**) or (ii) extend the Token Sale for a period equal to the Suspension Period. We will provide notice of its election in this regard in the public announcements of the resumption of the Token Sale following the Suspension Period. A “Disruption Event” means (i) any event or occurrence that causes a disruption in the functionality of the Ethereum blockchain, and such disruption has a material adverse effect on the processing time for Ethereum blockchain transactions, or (ii) a change in the price of Ether of twenty percent (20%) or more in any twenty-four (24) hour period.

## **19. Civic**

The role of Civic with respect to the Token Sale is limited to facilitating the collection and sharing of certain Registration Information. You acknowledge and agree that (i) Company is the seller of ZRX in the Token Sale, (ii) the terms and conditions under which you create an account with Civic are solely between you and Civic, and we are not a party to such terms and conditions, (iii) we are not responsible or liable for the acts or omissions of Civic, and (iv) we are not responsible or liable for, and you hereby release us from, any claims, losses, or other liabilities you may incur as a result of your use of the Civic website, Civic mobile application, Civic’s services, or your account with Civic.

## **20. Modification of Terms**

We have the right to modify these Terms if we reasonably believe that such modifications are necessary to comply with applicable laws or regulations or to address technical inaccuracies. If we make changes, we will post the amended Terms at [0xproject.com/registration](https://0xproject.com/registration) and update the “Last Updated” date above. We may also provide notice to you via email to the email address you provide during Registration. The amended Terms will be effective immediately, and your continued use or holding of ZRX you purchased shall constitute your acceptance of the modified Terms.

## **21. Miscellaneous**

These Terms constitute the entire agreement between you and us relating to your purchase of ZRX from us. 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. We may assign our rights and obligations under these Terms. Purchasing ZRX 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, may be provided in electronic form.

\* \* \* \* \*

## Exhibit A

### **Description of Company, the 0x Protocol, and ZRX**

#### **1. *Overview of Company and Affiliates***

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 and its corporate affiliates will have primary responsibility for administering certain aspects of the ongoing development of the 0x Protocol.

Until recently, the 0x Protocol was developed by the Company's affiliate, ZeroEx, Inc. ("**ZeroEx U.S.**"). As part of a strategic reorganization, the Company and its corporate affiliates decided to administer ongoing development of the 0x Protocol from Company rather than ZeroEx U.S. It is anticipated that ZeroEx U.S. and other corporate affiliates will provide certain administrative, technical and development services to Company in connection with ongoing development of the 0x Protocol.

#### **2. *Transactions on the 0x Protocol***

The 0x Protocol is an open-source protocol that is designed to facilitate peer-to-peer ERC20 token exchange interoperability among decentralized applications ("**dApps**") built on the Ethereum blockchain. Transactions using the 0x Protocol are conducted by smart contracts, developed according to the 0x Protocol, that exchange ERC20 tokens directly between the parties on the Ethereum blockchain. There are two basic types of orders that may be sent or broadcast through the 0x Protocol: point-to-point and broadcast, as described below:

*Point-to-Point Orders.* Parties interested in offering ERC20 tokens to trade ("**Makers**") can create an order to exchange one token for another by accessing a smart contract, inputting the desired exchange rate and the expiration time, and signing the order with a cryptographic key that authorizes the smart contract to access Maker's tokens ("**Order**"). In a point-to-point Order, the Maker will also specify a particular party that is authorized to fill an Order ("**Taker**") and send the Order to the Taker through a communication medium. The Taker can then fill the Order by accessing the same smart contract and authorizing the smart contract to access Taker's tokens and execute the transaction.

*Broadcast Orders.* It is also anticipated that Relayers will host, maintain and broadcast off-chain order books that permit Makers to broadcast Order Messages in exchange for Broadcast Fees.

If a Maker would like to broadcast an Order Message through a Relayer's order book, the Maker generally takes the same steps as in a point-to-point Order, but with two key differences. First, the Maker's Order does not specify a Taker address, thus allowing a broadcast Order to be filled by any Taker that intercepts it. Second, the Maker's broadcast Order specifies a Broadcast Fee value according to a Relayer's fee schedule and an address used by a Relayer to collect such fees, and authorizes the smart contract to transfer payment of the Broadcast Fee to the Relayer upon execution of the Order.

If the Order is valid and provides the required Broadcast Fees, the Relayer will post the Order to its order book. Takers will then receive an updated version of the order book that includes Maker's Order, and may fill Maker's Order according to the same execution steps as described for point-to-point Orders. Broadcast Fees are paid to Relayers only upon execution of an Order, and must be paid in ZRX. Relayers do not have the ability to execute trades or handle user funds. Rather, Relayers only facilitate price signaling between market participants through generic messages on their order books.

### **3. *Technical Governance of the 0x Protocol***

While the 0x Protocol is a network protocol used to facilitate signaling between buyers and sellers (rather than a cryptoeconomic protocol), it is also intended to serve as an open standard for dApps that incorporate exchange functionality that can be updated from time to time. But when an Ethereum smart contract is deployed to the blockchain, its internal logic cannot be changed, thus creating the possibility of forking or disruption when a protocol update is proposed. To mitigate the potential of disruptive updates, the Technical Governance Voting mechanism is being developed for the 0x Protocol to facilitate decentralized approval by ZRX holders of proposed technical updates. Further, to encourage bona fide technical update proposals, a Technical Governance Fee (in ZRX) must be paid to the Development Pool (as defined in **Exhibit B**) before proposing any technical update.

### **4. *Additional Information Regarding 0x Protocol and Ongoing Development***

Further details regarding the 0x Protocol and the use of ZRX for Protocol Utility are described in the ZeroEx Whitepaper, [0x: An open protocol for decentralized exchange on the Ethereum blockchain](https://0xproject.com/pdfs/0x_white_paper.pdf) ("**Whitepaper**"), which is available at: [0xproject.com/pdfs/0x\\_white\\_paper.pdf](https://0xproject.com/pdfs/0x_white_paper.pdf). More information regarding Company's ongoing development plans is described in the ZeroEx development roadmap ("**Development Roadmap**"), which is available at [blog.0xproject.com/0x-development-roadmap-e82a2974efcc](https://blog.0xproject.com/0x-development-roadmap-e82a2974efcc).

Although Company intends for the 0x Protocol and ZRX to function in the manner generally described above, it reserves the right to modify features, functionalities or ongoing development plans in its sole and absolute discretion. Moreover, the information provided in the Whitepaper and Development Roadmap is provided for illustrative and descriptive purposes only, does not form part of these Terms unless expressly incorporated herein, and is subject to modification by Company in its sole and absolute discretion.

## **Exhibit B**

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

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

Company will create 1,000,000,000 ZRX shortly before the Token Sale. No additional ZRX will be created. The allocation of these ZRX will be as follows:

- 500,000,000 ZRX will be sold in the Token Sale (“Sale ZRX”).
- 150,000,000 ZRX will be allocated for grants and prizes to persons that are undertaking development projects in connection with the 0x Protocol (“Development Pool”).
- 148,125,000 ZRX will be allocated for internal Company expenses in supporting development at the protocol layer.
- 120,250,000 ZRX will be allocated to Company’s founding team (with a 4 year vesting schedule and one year cliff) as compensation for their efforts on the 0x Protocol.
- 81,625,000 ZRX will be allocated to early backers and advisors.

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

The Token Sale is currently scheduled to begin on or about 10:00 AM Cayman Islands time on August 15, 2017, and to continue until (a) all Sale ZRX have been sold or (b) 96 hours have elapsed, whichever is earlier (either of (a) or (b), the “**Token Sale End Date**”). In the event that not all Sale ZRX have been sold by the Token Sale End Date, the remaining ZRX will be transferred to Company.

#### ***3. Purchase Limits***

To facilitate the sale of ZRX to a broad community of purchasers, consistent with ZRX’s express purpose as a utility token, Company will impose a per person purchase limit (“**Purchase Limit**”). During the first twenty-four (24) hours of the Token Sale, the Purchase Limit will be based on the Development Target (as defined below) divided by the total number of persons who have completed Registration. After the first twenty-four (24) hours of the Token Sale, the Purchase Limit will increase each successive twenty-four (24) hours until the Token Sale End Date.

#### ***4. ZRX Price***

The price of ZRX (in Ether) in the Token Sale will be based on the estimated amount of Ether needed to complete ZeroEx’s ongoing Development Roadmap, currently estimated at \$24 million (the “**Development Target**”). The price of ZRX (in Ether) will be fixed throughout the Token Sale. The fixed price of ZRX will be determined at a specific time shortly before the com-

mencement of the Token Sale, and calculated as the amount of Ether per ZRX that would generate \$24 million worth of Ether (as of that specific time) if all Sale ZRX were sold.

## **5. *Registration and Other Procedures for Buying ZRX in the Token Sale***

To participate in the Token Sale, you must undergo a pre-Token Sale registration process (“**Registration**”). Registration is currently scheduled to begin on or about 10:00 AM Cayman Islands time on August 9, 2017 and to conclude on or about 10:00 PM Cayman Islands time on August 12, 2017.

Before beginning Registration, you must: (a) install the Google Chrome browser, (b) establish an account with Civic and install Civic’s mobile application on your smartphone, and (c) create a Purchaser Wallet, which must be a user-controlled, ERC-20 compatible Ethereum wallet with either MetaMask, Parity Signer, or Ledger Nano S. Additional information on how to take the above steps, if needed, is available at [blog.0xproject.com](http://blog.0xproject.com).

To begin Registration, you must access the Registration webpage at [0xproject.com/registration](http://0xproject.com/registration) using the Google Chrome browser. To complete Registration, you must: (a) review and agree to these Terms, (b) generate a Civic QR code and scan it using your Civic mobile application, and (c) sign a message with the private key corresponding to your Purchaser Wallet.

We will provide further instructions for purchasing ZRX during the Token Sale via email to persons who complete Registration.

During the Token Sale, the ZRX smart contract address will only accept Ether from, and send ZRX to, verified Purchaser Wallets with adequate Ether balances belonging to persons who have completed Registration. Ether must be sent to the ZRX smart contract address during the Token Sale in order to purchase and receive ZRX. Sending Ether to any other address may result in loss of Ether. Attempted transactions to purchase ZRX will be rejected if Ether is sent to the ZRX smart contract address at any time before or after the Token Sale.

The ZRX smart contract will be deployed by Company from the Cayman Islands. As such, you acknowledge that title to, and risk of loss of, ZRX delivered by the smart contract passes from Company to you in the Cayman Islands.

## **6. *Use of Proceeds from ZRX Token Sale***

The proceeds of the Token Sale are intended to be used for the ongoing development of the 0x Protocol and associated open-source software tools for users and developers to leverage the 0x Protocol, as outlined in ZeroEx’s Development Roadmap (referenced in **Exhibit A**). As noted above, the Development Roadmap is provided for illustrative and descriptive purposes only, does not form part of these Terms unless expressly incorporated herein, and is subject to modification by Company in its sole and absolute discretion.





## **Exhibit C**

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

***Important Note:*** As noted elsewhere in these Terms, ZRX are not being designed 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 ZRX, you expressly acknowledge and assume the following risks:**

##### ***1. Risk of Losing Access to ZRX 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 ZRX stored in your Purchaser Wallet or other digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your Purchaser Wallet or other digital wallet or vault storing ZRX will result in loss of such ZRX. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of your Purchaser Wallet or other digital wallet or vault service you use, may be able to misappropriate your ZRX. Any errors or malfunctions caused by or otherwise related to your Purchaser Wallet or other digital wallet or vault you choose to receive and store ZRX, including your own failure to properly maintain or use such Purchaser Wallet or other digital wallet or vault, may also result in the loss of your ZRX. Additionally, your failure to follow precisely the procedures set forth in **Exhibit B** for buying and receiving ZRX may result in the loss of your ZRX.

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

Because ZRX and the 0x Protocol are based on the Ethereum blockchain, any malfunction, breakdown or abandonment of the Ethereum blockchain may have a material adverse effect on the 0x Protocol or ZRX. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to ZRX and the 0x Protocol, including the use of ZRX for Protocol Utility, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum blockchain.

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

As with other decentralized cryptographic tokens based on the Ethereum blockchain, ZRX are susceptible to attacks by miners in the course of validating ZRX 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 0x Protocol and ZRX, including, but not limited to, accurate execution and recording of transactions involving ZRX and the use of ZRX for technical governance of the 0x Protocol.

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

Hackers or other malicious groups or organizations may attempt to interfere with the 0x Protocol or ZRX 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 0x Protocol is an open-source protocol, 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 0x Protocol, which could negatively affect the 0x Protocol and ZRX, including ZRX's use for Protocol Utility.

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

ZRX are intended to be used solely in connection with the 0x Protocol, and Company does not support or otherwise facilitate any secondary trading or external valuation of ZRX. This restricts the contemplated avenues for using ZRX, and could therefore create illiquidity risk with respect to ZRX you hold. Even if secondary trading of ZRX 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 ZRX (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, ZRX 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 ZRX 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 0x Protocol and ZRX. Regulatory actions could negatively impact the 0x Protocol and ZRX in various ways, including, for purposes of illustration only, through a determination that the purchase, sale, delivery or use of ZRX constitutes unlawful activity, or that registration or licensing is required for ZRX or for some or all of the parties involved in the purchase, sale, delivery or use of ZRX. Company may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regula-

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

#### **9. *Risk of Competing Protocols***

It is possible that alternative platforms could be established that utilize the same open source code and protocol underlying the 0x Protocol. The 0x Protocol may compete with these alternative platforms, which could negatively impact the adoption of the 0x Protocol and ZRX, including ZRX's use for Protocol Utility.

#### **10. *Risk of Insufficient Interest in the 0x Protocol or Distributed Applications***

It is possible that the 0x Protocol 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 protocols and decentralized applications, more generally. Such a lack of use or interest could negatively impact the development of the 0x Protocol and the potential utility of ZRX, including its use for Protocol Utility.

#### **11. *Risks Associated with the Development of the 0x Protocol***

Although the 0x Protocol will be deployed and operational at the time of the Token Sale, it is still subject to ongoing development and may undergo significant changes over time. Moreover, technical changes to the 0x Protocol are driven by Technical Governance Voting, which is outside of Company's control. How other participants, including Makers, Takers and Relayers, will use the 0x Protocol is also outside of Company's control. This could create the risk that ZRX or the 0x Protocol, as further developed and used, may not meet your expectations at the time of purchasing ZRX. It is also possible that the 0x Protocol will experience malfunctions or otherwise fail to be adequately developed over time, which may negatively impact the 0x Protocol and the potential utility of ZRX, including its use for Protocol Utility.

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

The Company team intends to use the proceeds from selling ZRX to contribute to the ongoing development of the 0x Protocol, as described further in **Exhibits A and B**. The proceeds of the Token Sale will be denominated in Ether, and may, at Company's discretion, be converted into other cryptographic and fiat currencies. If the value of Ether or other currencies fluctuates unfavorably during or after the Token Sale, the Company team may not be able to contribute to ongoing development of the 0x Protocol in the manner that it intended. Although the 0x Protocol will be deployed and operational at the time of the Token Sale, such unfavorable fluctuation may still

adversely impact the 0x Protocol and the utility of ZRX, given Company's role in developing the 0x Protocol and its anticipated role in contributing to the ongoing development of the 0x Protocol.

**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 ZRX's utility (including its use for Protocol Utility), the failure of commercial relationships, or intellectual property ownership challenges, the Company may dissolve. Although the 0x Protocol will be deployed and operational at the time of the Token Sale, the dissolution of Company may still adversely impact the 0x Protocol and the utility of ZRX, given Company's role in developing the 0x Protocol and its anticipated role in contributing to the ongoing development of the 0x Protocol.

**14. *Risks Arising from Lack of Governance Rights in Company***

Because ZRX confer no governance rights of any kind with respect to Company, all decisions involving the Company will be made by Company at its sole discretion, including, but not limited to, decisions to discontinue contributions to the 0x Protocol's ongoing development or to sell or liquidate the Company. As noted above, the consequences of those decisions could adversely impact the 0x Protocol and the utility of ZRX that you hold, including ZRX's use for Protocol Utility.

**15. *Risks Associated with New and Evolving Laws Impacting Decentralized Application Technology***

The distributed protocol and decentralized application ecosystem, and by extension the 0x Protocol, may be 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, intellectual property (including copyright, patent, trademark and trade secret laws), 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 0x Protocol could be enacted, which could adversely impact the Company, the 0x Protocol and ZRX, including ZRX's use for Protocol Utility.

Additionally, the users and developers of the 0x Protocol, including Makers, Takers and Relayers, may be subject to industry specific laws and regulations or licensing requirements. For instance, if Relayers facilitate the exchange of ERC20 tokens that are unregistered securities under U.S. state or federal law, they may be subject to regulatory enforcement or private litigation. More generally, 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 0x Protocol and ZRX, including ZRX's use for Protocol Utility.

## **16.     *Unanticipated Risks***

Cryptographic tokens such as ZRX 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 ZRX, 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**.

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