

# Northern Lights

TOKEN SALE  
TERMS &  
CONDITIONS



# Northern Lights Token

## Presale & Crowd Sale Terms & Conditions

PLEASE READ THESE TOKEN CROWD SALE TERMS & CONDITIONS CAREFULLY. NOTE THAT SECTION 17 CONTAINS A BINDING ARBITRATION CLAUSE & CLASS ACTION WAIVER, WHICH AFFECT YOUR LEGAL RIGHTS. IF YOU DO NOT AGREE TO THESE TOKEN PRESALE & CROWD SALE TERMS & CONDITIONS, DO NOT PURCHASE TOKENS OF NORTHERN LIGHTS

Your purchase of Northern Lights Tokens (each, a “**Token**”) during the Crowd Sale (as defined below) from Northern Lights Crypto Capital AB (the “**Company**”) is subject to these terms & conditions of sale:

(the “**Terms**”). Each of you & the Company is a “**Party**” &, together, the “**Parties**” to these Terms.

By purchasing Tokens from the Company during the Crowd Sale, you will be bound by these Terms & any terms incorporated by reference. If you have any questions regarding these Terms, please contact the Company at: [info@northernlightstoken.com](mailto:info@northernlightstoken.com)

**You & the Company agree as follows:**

## Commencement & Duration of Crowd Sale

1

Presale information is contained in Exhibit B in this document.

The Company will conduct a public sale of Tokens (the “**Crowd Sale**”), which will begin on 1. March 2022 15:00 CET (the “**Launch Date & Time**”) & end at 21. March 15:00 CET (the “**Crowd Sale End Date & Time**”) or when the total available supply of tokens has been sold.

## Eligibility

2

In order to be eligible to participate in the Crowd Sale you will need to visit <https://www.northernlightstoken.com> (the “**Northern Lights Token Website**”). You must also have an Ethereum wallet that supports the ERC-20 token standard in order to receive any Tokens purchased from the Company (the “**Token Receipt Address**”). The Company reserves the right to prescribe additional guidance regarding specific wallet requirements. The Company is not responsible for any delays, losses, costs, non-delivery of funds or of Tokens, or other issues arising from the failure to provide, or providing an inaccurate or incomplete Token Receipt Address. In the public sale only ETH will be the accepted payment currency via Smart Contract.

The Company is not responsible for any loss occurring due to incorrect or wrong input of Northern Lights Token Crowd Sale Smart Contract address. The company will never share the Crowd Sale Smart Contract address on any Social Media Channels. Also the address will not be shared by email, chat programs or on any online forums.



Sale Smart Contract will only be shared on our official website:

<https://www.northernlightstoken.com>

### 3 Purchase & Sale of Tokens

Price; Payment Currencies; Exchange Rates. The price per Token in the presale is approximately USD\$ xxxxx (“**Price Per Token**”).

While the Price Per Token is set in US dollars, you must pay for Tokens in the following cryptocurrency:

- Ethereum (ETH).

In the public sale only Ethereum (ETH) is accepted via the smart contract. Your purchase is not guaranteed until the Company receives the full amount of the Purchase Price. The price in the public sale is pegged to Ethereum & is defined further in this document.

- a. The Public Sale price is set & locked / pegged to Ethereum. Reference Exhibit B in this document.
- b. Your quoted “**Purchase Price**” in the selected Payment Currency is equal to the US dollar value of your Purchase Tier (e.g., USD \$50,000) divided by the Exchange Rate (as defined below). The “**Exchange Rate**” will be the exchange rate between US Dollar & your selected Payment Currency as sourced by the Company from [cryptocompare.com](https://cryptocompare.com) within approximately one hour prior to the time of your purchase request. For the avoidance of doubt, to the extent the Exchange Rate varies from the then-current rate on [cryptocompare.com](https://cryptocompare.com), the Exchange Rate will apply.
- c. Purchase price must be received in full within One Hour (In the Public sale). If the Company has not received the payment of the full Purchase Price in accordance with these Terms

within one hour of the time that you receive your payment instructions, the Company reserves the right to void your purchase request & refuse to accept your payment of the Purchase Price. For the avoidance of doubt, the Purchase Price will be deemed to be paid in full once the Company has received three network confirmations of the transaction. The Company reserves the right, in our sole discretion, to modify any of the timelines described herein to account for network congestion or other technical challenges.

**d. Delivery of Tokens:** The Company intends to deliver the quantity of Tokens you purchase in the Presale in March 2022. It should be noted that there will be a lock period of eight months for users who purchase Tokens during the the Presale. If by chance there is some delay the company reserves the right to deliver the tokens by the later of: (i) three weeks after the Presale End Date; provided, however, that the Company reserves the right to extend the Token delivery deadline for up to two additional weeks if necessary to address any unanticipated technical difficulties; or (ii) one week after you have provided a complete & accurate Token Receipt Address. For the avoidance of doubt, any such extension will not affect the obligation of the Company & you to make & take delivery, respectively, of Tokens purchased. The Company may also deliver the tokens sooner at their sole discretion. During the Token Sale, tokens will be delivered within the same day to purchasers.

## 5 Scope

- a. Unless otherwise stated herein, these Terms only govern your purchase of Tokens from Company during the Crowd Sale.
- b. Any use of Tokens in connection with providing or receiving Services in the Ecosystem may be governed by other applicable terms & conditions & policies.

## 6 Cancellation; Refusal of Purchase Requests

All Token purchases from the Company are final, & there are no refunds or cancellations, except as may be required by applicable law or regulation. The Company reserves the right to refuse or cancel Token purchase requests at any time in its sole discretion.

## 7 Token Allocation

Important information about the Company's creation & intended use of the Tokens is provided in Exhibit B to these Terms. By purchasing Tokens, you acknowledge that you have read & understood Exhibit B to these Terms.

## 8 Acknowledgment & Assumption of Risks

You acknowledge & agree that there are risks associated with purchasing Tokens, owning Tokens & using Tokens for the provision or receipt of Services in the Ecosystem, as disclosed & explained in Exhibit C to these Terms. BY PURCHASING TOKENS, PURCHASER EXPRESSLY ACKNOWLEDGES & ASSUMES THESE RISKS.

## 9 Security

You are responsible for implementing reasonable measures for securing the wallet, vault or other storage mechanism you use to receive & hold Tokens purchased from the Company, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If your private key(s) or other access credentials are lost, you may lose access to your Tokens. The Company is not responsible for any losses, costs or expenses relating to lost access credentials.

## 10 Personal Information

The Company may determine, in its sole discretion, that it is necessary to obtain certain information about you in order to comply with applicable laws or regulations in connection with selling Tokens to you. You agree to provide the Company such information promptly upon request. You acknowledge that the Company may refuse to sell Tokens to you until you provide such requested information & the Company has determined that it is permissible to sell you Tokens under applicable laws or regulations.

## 11 Taxes

Any amounts that you pay for Tokens are exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase of Tokens, including, for example, sales, use, value added, & similar taxes. It is also your responsibility to withhold, collect, report & remit the correct taxes to the appropriate tax authorities. The Company is not

responsible for withholding, collecting, reporting, or remitting any sales, use, value added, or similar tax arising from your purchase of Tokens.

## 12 Purchaser Representations & Warranties

By sending ETH to purchase Tokens from the Company, you represent & warrant that:

- a. you have read & understood these Terms (including all Exhibits);
- b. YOU ACKNOWLEDGE & AGREE THAT THERE ARE RISKS ASSOCIATED WITH PURCHASING TOKENS, OWNING TOKENS & USING TOKENS FOR THE PROVISION OR RECEIPT OF SERVICES IN THE ECOSYSTEM INCLUDING (BUT NOT NECESSARILY LIMITED TO) THE RISKS DESCRIBED IN EXHIBIT C OF THESE TERMS;
- c. you have a sufficient understanding of technical & business matters (including those that relate to the Services & Ecosystem), cryptographic tokens, token storage mechanisms (such as token wallets), & blockchain technology to understand these Terms & to appreciate the risks & implications of purchasing the Tokens;
- d. d. you understand the restrictions & risks associated with the creation of Tokens as set forth herein, & acknowledges & assumes all such risks;
- e. e. you have obtained sufficient information about the Tokens, the Services & the Ecosystem to make an informed decision to purchase the Tokens;



- f. you understand that the Tokens confer only the right to provide & receive Services in the Northern Lights Ecosystem (& potentially contribute to the technical development of the Ecosystem), & confer no other rights of any form with respect to the Ecosystem or the Company, including, but not limited to, any ownership, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights;
- g. you are purchasing Tokens solely for the purpose of receiving Services, participating in the Northern Lights Ecosystem, & supporting the development, testing, deployment & operation of the Ecosystem, being aware of the commercial risks associated with the Company & the Ecosystem, & you are not purchasing Tokens for any other purposes, including, but not limited to, any investment, speculative or financial purpose;
- h. your purchase of Tokens complies with applicable laws & regulations in your jurisdiction, including, but not limited to: (i) legal capacity & any other threshold requirements in your jurisdiction for the purchase of the Tokens & entering into contracts with the Company; (ii) any foreign exchange or regulatory restrictions applicable to such purchase; & (iii) any governmental or other consents that may need to be obtained;
- i. you will comply with any applicable tax obligations in your jurisdiction arising from your purchase of Tokens;
- j. if you are purchasing Tokens on behalf of any entity, you are authorized to accept these Terms on such entity's behalf & 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 & such entity, jointly);

- k. you are not resident or domiciled in the United States of America or purchasing Tokens from a location in the United States of America;
- l. you are not resident or domiciled in North Korea or purchasing Tokens from a location in North Korea;
- m. you have obtained independent legal advice with respect to same before accepting these Terms, & in accepting these Terms, you further represent & warrant to the Company that you have been so advised to obtain independent legal advice, & that prior to accepting these Terms you have obtained independent legal advice, or have, in your discretion, knowingly & willingly elected not to do so;
- n. you are not a citizen or resident of a geographic area in which access to or use of the Services or the acceptance of delivery of the Tokens is prohibited by applicable law, decree, regulation, treaty or administrative act, & if your country of residence or other circumstances change such that the above representations are no longer accurate, you will immediately cease using the Services;
- o. if you are registering to use the Services on behalf of a legal entity, you further represent & warrant that: (i) such legal entity is duly organized & validly existing under the applicable laws of the jurisdiction of its organization; & (ii) you are duly authorized by such legal entity to act on its behalf; &

- p. none of the funds being used to purchase the Tokens are to the your knowledge proceeds obtained or derived directly or indirectly as a result of illegal activities, & the funds being used to purchase the Tokens which will be advanced by you under these Terms will not represent proceeds of crime for the purposes of the Proceeds of Crime like Money Laundering & Terrorist Financing & you acknowledge that the Company may in the future be required by law to disclose your name & other information relating to these Terms, on a confidential basis, pursuant to the local laws, & to the best of the your knowledge, none of the funds to be provided by you to the Company are being tendered on behalf of a person or entity who has not been identified to you, & you will promptly notify the Company if you discover that any of such representations cease to be true, & will promptly provide the Company with all necessary information in connection therewith.

## 13 Indemnification

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

Terms; or (iv) your violation of any rights of any other person or entity.

- b. The Company reserves the right to exercise sole control over the defence, at your expense, of any claim subject to indemnification under this Section 13. This indemnity is in addition to, & not in lieu of, any other indemnities set forth in a written agreement between you & the Company.

## 14 Disclaimers

- a. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW & EXCEPT AS OTHERWISE SPECIFIED IN A WRITING BY THE COMPANY: (i) THE TOKENS ARE SOLD ON AN “AS IS” & “AS AVAILABLE” BASIS WITHOUT WARRANTIES OF ANY KIND, & THE COMPANY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES AS TO THE TOKENS, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE & NON-INFRINGEMENT; (ii) THE COMPANY DOES NOT REPRESENT OR WARRANT THAT THE TOKENS ARE RELIABLE, CURRENT OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN THE TOKENS WILL BE CORRECTED; & (iii) COMPANY CANNOT & DOES NOT REPRESENT OR WARRANT THAT THE TOKENS OR THE DELIVERY MECHANISM FOR TOKENS ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS.
- b. Some jurisdictions do not allow the exclusion of certain warranties or disclaimer of implied terms in contracts with consumers, so some or all of the exclusions of warranties &

disclaimers in this Section 14 may not apply to you.

## 15 Limitation of Liability

- a. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW: (i) IN NO EVENT WILL THE COMPANY OR ANY OF THE COMPANY PARTIES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES OF ANY KIND (INCLUDING, BUT NOT LIMITED TO, WHERE RELATED TO LOSS OF REVENUE, INCOME OR PROFITS, LOSS OF USE OR DATA, OR DAMAGES FOR BUSINESS INTERRUPTION) ARISING OUT OF OR IN ANY WAY RELATED TO THE SALE OR USE OF THE TOKENS 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 & REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE); & (ii) IN NO EVENT WILL THE AGGREGATE LIABILITY OF THE COMPANY & 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 THE TOKENS, EXCEED THE AMOUNT YOU PAID TO THE COMPANY FOR THE TOKENS.
- b. THE LIMITATIONS SET FORTH IN SECTION 15 WILL NOT LIMIT OR EXCLUDE LIABILITY FOR THE GROSS



NEGLIGENCE, FRAUD OR INTENTIONAL, WILLFUL  
OR RECKLESS MISCONDUCT OF THE 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 15 may not apply to you.

## 16 Release

To the fullest extent permitted by applicable law, you release the Company & the other Company Parties from responsibility, liability, claims, demands &/or damages (actual & consequential) of every kind & nature, known & unknown (including, but not limited to, claims of negligence), arising out of or related to disputes between users & the acts or omissions of third parties. You expressly waive any rights you may have under 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 favour at the time of agreeing to this release.

## 17 Dispute Resolution; Arbitration

- a. Arbitration: Except for any disputes, claims, suits, actions, causes of action, demands or proceedings (collectively, “Disputes”) in which either you or the Company seeks to bring an individual action in small claims court or 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, all

Disputes arising out of or in connection with these Terms, or in respect of any legal relationship associated therewith or derived therefrom, will be referred to & finally resolved by arbitration administered by the Swedish courts pursuant to Swedish Laws & Rules. The place of arbitration will be Brunnsgatan 2, SE-111 38, Stockholm, Sweden.

- b. No Class Arbitrations, Class Actions or Representative Actions:** Any Dispute arising out of or related to these Terms is personal to you & the Company & will be resolved solely through individual arbitration & will not be brought as a class arbitration, class action or any other type of representative proceeding. There will be no class arbitration or arbitration in which an individual attempts to resolve a Dispute as a representative of another individual or group of individuals. Further, a Dispute cannot be brought as a class or other type of representative action, whether within or outside of arbitration, or on behalf of any other individual or group of individuals.
- c. Notice; Informal Dispute Resolution:** Each of you & the Company will notify the other party in writing of any arbitrable or small claims Dispute within 30 days of the date it arises, so that each of you & the Company can attempt in good faith to resolve the Dispute informally. Notice to the Company will be sent by e-mail to the Company at [info@northernlightstoken.com](mailto:info@northernlightstoken.com). Notice to you will be by email to the email address provided to the Company. Your notice must include: (i) your name, postal address, email address & telephone number; (ii) a description in reasonable detail of the nature or basis of the Dispute; & (iii) the specific relief that you are seeking. If you & the Company cannot agree how to resolve the Dispute within

30 days after the date notice is received by the applicable party, then either you or the Company may, as appropriate & in accordance with this Section 17, commence an arbitration proceeding or, to the extent specifically provided for in Section 17(a), file a claim in court.

## 18 Governing Law & Venue

These Terms will be governed by & construed & enforced in accordance with the laws of Stockholm, Sweden, without regard to conflict of law rules or principles that would cause the application of the laws of any other jurisdiction. Any Dispute between the Parties arising out or relating to these Terms that is not subject to arbitration will be resolved & governed through The Arbitration Institute of the Stockholm Chamber of Commerce of Brunnsgatan 2, SE-111 38, Stockholm, Sweden.

## 19 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 & 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.

## 20 Miscellaneous

These Terms constitute the entire agreement between you & the Company relating to your purchase of Tokens from the Company. The Company may assign the Company's rights & obligations under these Terms. The Company's failure to exercise or enforce

any right or provision of these Terms will not operate as a waiver of such right or provision. The Company 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 the Company's reasonable control. Purchasing Tokens from the Company does not create any form of partnership, joint venture, or any other similar relationship between you & the Company. Except as otherwise provided in herein, these Terms are intended solely for the benefit of you & the Company & are not intended to confer third-party beneficiary rights upon any other person or entity. You agree & acknowledge that all agreements, notices, disclosures, & other communications that the Company provides to you, including these Terms, will be provided in electronic form.

# Exhibit A

## Description of the Company, platform, & Tokens

The Company, Northern Lights Crypto Capital AB, a Swedish Corporation co-founded by CEO Markus Winfridsson & CTO Gustaf Teurnberg, currently offers a blockchain-based decentralized renewable energy solution.

When created, the Northern Lights Token will be based on the Ethereum protocol & conform to the ERC-20 standard. Prior to the Crowd Sale, the Company will create & deploy an Ethereum-based smart contract, which creates & maintains a ledger that maps Ethereum addresses to token balances & implements this ERC-20 standard.

As Northern Lights has been built to be a multi-chain application, if in the future new chains emerge that could benefit from Northern Lights then those chains will be considered for integration. In addition to Ethereum smart contracts, the Company intends for the platform to also include the Company's existing services



(through which users will benefit from the Company's history & experience), & software to be developed by the Company for the purpose of enabling the installation and usability of solar panels as a sustainable source of energy.

While the Company intends to develop the initial smart contracts & software for the platform, the platform will be open to third-party providers. As a result, the Company will not have control over how other participants use the platform & it is possible that the platform could evolve over time in ways which diminish or increase the utility of NORTHERN LIGHTS TOKEN with respect to the Company's own offerings in the platform. Additionally, the Company reserves the right to modify features, functionalities, or development plans for any products or services that it may make available to platform participants its sole & absolute discretion.

For further information on the platform, the Services & the Company, see the Whitepaper available at our Website: <https://northernlightstoken.com/whitepaper>. Information in the Whitepaper & on the Company's website are of a descriptive nature only, & do not, unless explicitly incorporated herein, form part of these Terms.

# Exhibit B

## Creation & Allocation of Tokens by Company

### Allocation

Only 1,000,000,000 (One Billion) NORTHERN LIGHTS tokens will ever be created. The NORTHERN LIGHTS tokens are intended to be allocated as follows:

- Presale 8% - 80 Million (Eighty Million) tokens will be sold by the Company to pre-Crowd Sale purchasers pursuant to a SAFT offering or through Company Approved Affiliates.
- Token Sale 35% - 350 Million (Three Hundred and Fifty Million) tokens will be sold by the Company to Token Sale purchasers.
- Marketing Operations 20% - 200 Million (Two Hundred Million) tokens will Marketing and Development of Northern Lights
- Founders & Team 10% - 100 Million (One Hundred Million) tokens will be distributed to the founders & the team. The founder & team tokens will be locked for XXX months.
- Partnerships 5% - 50 Million (Fifty Million) tokens will be distributed to our professional partners & clients for promotion of Northern Lights tokens.
- Liquidity Pool 5% - 50 Million (Fifty Million) tokens will be locked in the liquidity pool to bootstrap trading.

## Presale

Starting on MARCH 1ST, 2022 & ending on MAY 1ST 2022 or when sold out. The Company is pre-selling Tokens (prior to the Crowd Sale) at a discount rate. These tokens will have a locking period of 8 months upon the completion of the Presale:

- 0.1 ETH = xxx Northern Lights Tokens

For special offers & more information on the terms of the Presale please contact the company at: [info@northernlightstoken.com](mailto:info@northernlightstoken.com)

## Public Crowd Sale

The Northern Lights tokens are intended to be sold at the following rates during the Public Crowd Sale:

**Week 1: 1 ETH = 525 NLT (50% Bonus)**

**Week 2: 1 ETH = 455 NLT (30% Bonus)**

**Week 3: 1 ETH = 420 NLT (20% Bonus)**

**Week 4 - End: 1 ETH = 350 NLT (No Bonus)**

ETH exchange rates are subject to change without notice prior to the start of the public Crowd Sale. Once the public Crowd Sale starts the exchange rate will be locked. The prices for the Presale are not subject to change & will remain the same & have no effect on the public Crowd Sale.

# Exhibit C

## Certain Risk Relating to Purchase, Sale & Use of Tokens

**Important Note:** As noted elsewhere in these Terms, the Tokens are not being structured or sold as securities or any other form of investment product. Accordingly, none of the information presented in this Exhibit C is intended to form the basis for any investment decision, & no specific recommendations are intended. The Company expressly disclaims any & 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, owning, & using Tokens, you expressly acknowledge & assume the following risks:**

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

A private key, or a combination of private keys, is necessary to control & dispose of Tokens stored in your digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your digital wallet or vault storing Tokens will result in loss of such Tokens. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet service you use, may be able to misappropriate your Tokens. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive & store Tokens in, including your own failure to properly maintain or use

such digital wallet or vault, may also result in the loss of your Tokens. Additionally, your failure to follow precisely the procedures set forth in for buying & receiving Tokens, including, for instance, if you provide the wrong address for the Token Receipt Address, or provides an address that is not ERC-20 compatible, may result in the loss of your Tokens.

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

Because Tokens & 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 Tokens. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the Tokens & the platform, including the utility of the Tokens for obtaining Services, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol.

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

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

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

Hackers or other malicious groups or organizations may attempt to interfere with the platform or the Tokens in



a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing & 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 & the Tokens, including the utility of the Tokens for obtaining Services.

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

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

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

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

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

The regulatory status of the Tokens & 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 & its applications, including the platform & the Tokens. It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to law & regulation affecting distributed ledger technology & its applications, including the platform & the Tokens. Regulatory actions could negatively impact the platform & the Tokens in various ways, including, for purposes of illustration only, through a determination that the purchase, sale & delivery of the Tokens constitutes unlawful activity or that the Tokens are a regulated instrument that require registration or licensing of those instruments or some or all of the parties involved in the purchase, sale & delivery thereof. The Company may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

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

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

#### **9. Risk of Competing platforms**

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

#### **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 & other entities or that there will be limited public interest in the creation & 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 & therefore the potential utility of the Tokens, including the utility of the Tokens for obtaining Services.

#### **11. Risks Associated with the Development & Maintenance of the platform**

The platform is still under development & may undergo significant changes over time. Although the Company intends for the Tokens & platform to function as described in Exhibit A of these Terms, & intends to take commercially reasonable steps toward those ends, the Company may have to make changes to the specifications of the Tokens or platform for any number of legitimate reasons. Moreover, the Company has no control over how other participants will use the platform, what products or services will be offered through the platform by third parties, or how third-party products & services will utilize Tokens (if at all). This could create the risk that

the Tokens or platform, as further developed & maintained, may not you're your expectations at the time of purchase.

Furthermore, despite the Company's good faith efforts to develop & participate in 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 & Tokens, & the potential utility of the Tokens, including the utility of the Tokens for obtaining Services.

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

If the value of ETH fluctuates unfavourably during or after the Crowd Sale, 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. In addition to the usual market forces, there are several potential events which could exacerbate the risk of unfavourable fluctuation in the value of ETH, such as DAO-like attack on the Ethereum network; or significant security incidents or market irregularities at one or more of the major cryptocurrency exchanges.

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

It is possible that, due to any number of reasons, including, but not limited to, an unfavourable fluctuation in the value of ETH (or other cryptographic & fiat currencies), decrease in the Tokens' utility (including their utility for obtaining Services), the failure of commercial relationships, or intellectual property ownership challenges, the platform may

no longer be viable to operate or the Company may dissolve.

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

Because Tokens confer no governance rights of any kind with respect to the platform or the Company, all decisions involving the Company's products or services within the platform or the Company itself will be made by the Company at its sole discretion, including, but not limited to, decisions to discontinue its products or services in the platform, to create & sell more Tokens for use in the platform, or to sell or liquidate the Company. These decisions could adversely affect the platform & the utility of any Tokens you own, including their utility for obtaining Services.

### **14. Unanticipated Risks**

Cryptographic tokens such as the Tokens are a new & untested technology. In addition to the risks included in this Exhibit C of these Terms, there are other risks associated with your purchase, possession & use of the Tokens, including unanticipated risks. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this Exhibit C of these Terms.