

These Terms and Conditions (the “T&Cs”) are a constituent component of the Agreements, which collectively govern your Use of TGD Tokens granted by Ocean Blue Foundation (the ‘Issuer’) or as may otherwise be generated and received in connection with the operation of the mainnet iteration of the Tgrade Blockchain. The T&Cs include but are not limited to provisions containing risk disclosures and acknowledgments, waivers, as well as exclusions and limitations of liability, qualifying, defining and affecting your legal rights and obligations. You must read them carefully and ensure that you understand them in full before You proceed with any planned Use of Tgrade Tokens. If You do not agree to any of these T&Cs or to any of the other terms set out in the Agreements then You should refrain from, or terminate or withdraw from any Use or planned Use of TGD Tokens with immediate effect.

1. Introduction

1. The Issuer is a non-profit foundation that is incorporated under the laws of and established in the Netherlands, the objects of which are the development, supporting and financing of open-source software in the field of (non-exhaustive) governance of decentralised networks.
2. In connection with such objects, the Issuer may, in its sole discretion, engage in activities to promote and support the development and deployment of the Tgrade Blockchain and of decentralised financial products and platforms built thereon, including through financing the retention of services from third parties to support the functionality, security and operational integrity of, and through the issuance and distribution of TGD Tokens for Use in connection with the mainnet iteration of, the Tgrade Blockchain.
3. The T&Cs constitute a legally binding agreement between the Issuer and the User, as defined herein in the *Definitions* (Clause 2 “Definitions”).
4. By Using or continuing to Use any TGD Tokens You expressly agree to all of the terms and conditions set forth in the Agreements and confirm that you have carefully reviewed the Agreements and fully understand the risks and costs of undertaking or continuing to undertake any such Use.

2. Definitions

The terms defined below in this section will have the meaning assigned to them here throughout this entire document unless explicitly mentioned otherwise:

1. ‘*Agreements*’ mean the T&Cs, the agreement(s) that are governed by the T&C’s, any other rules, policies or procedures (including but not limited to any codes of conduct, or any constitutional documents or other rules of governance relating to the operation, development or use of the Tgrade Blockchain) that may be issued by, at the direction or on behalf of the Issuer and / or otherwise published from time to time on the Tgrade Repository, any other supplementary agreements that the Issuer may enter into with a User to set out any counterparty-specific additional terms governing such person’s Use of TGD Tokens (such as any terms of sale or terms of grant, or any terms for the provision of services in support of the development, promotion, operation or validation of the Tgrade Blockchain), as such documents or agreements may be modified, amended, supplemented, replaced or updated from time to time in accordance with their terms.
2. ‘*Applicable Law*’ means the laws of The Netherlands.
3. ‘*Cryptoasset*’ means a digital representation of value or rights which may be transferred and stored electronically, using distributed ledger technology or similar technology.
4. ‘*Party*’ refers to one or other of the parties to the T&Cs, being the Issuer or the User, and ‘*Parties*’ refer to both of them together.
5. ‘*Restricted Location*’ means any state, country, territory or other jurisdiction (1) that at any given time is subject to Sanctions, (2) where your Use of any TGD Tokens (including but not limited to where such Use arises in connection with your participation in a Token

Distribution) would be illegal or otherwise violate any applicable law, (3) that has been or becomes a jurisdiction identified as an “other monitored jurisdiction” in the Financial Action Task Force’s list of “high-risk and other monitored jurisdictions”, or (4) that the Issuer determines in its sole discretion is ineligible as a location from which to undertake any Use of TGD Tokens and is included on any list of “Restricted Locations” published on the Tgrade Repository from time to time. For the avoidance of doubt, Restricted Location includes the following: United States of America, People’s Republic of China, and Singapore, and the overseas territories of such countries; and Iran, North Korea, Syria, and Sudan.

6. ‘*Sanctions*’ means any law, regulation, decree or order, rule or requirement relating to economic or trade sanctions, embargoes or export controls and similar laws in force from time to time of: (i) the United Nations; (ii) the European Union; (iii) the Netherlands; (iv) the United States of America; or (v) any other country, authority or regional or supranational body which imposes the aforementioned measures affecting any Party and/or any of the activities contemplated by the Agreements.
7. ‘*TGD Tokens*’ means Cryptoasset utility tokens that have been or are intended to be issued and distributed by the Issuer and that are or are intended to be generated in connection with the operation of the mainnet iteration of the Tgrade Blockchain, for the purposes of permitting Users to participate and / or be rewarded for participating in securing - through the delegation and staking of such tokens - the validated consensus and other governance processes of the Tgrade Blockchain and any applications built thereon.
8. ‘*Tgrade Blockchain*’ – a Cosmos-based blockchain network intended to support a variety of applications including decentralised financial products and platforms, as more fully described in the Tgrade Whitepaper and related documentation published on the Tgrade Repository from time to time.
9. ‘*Tgrade Repository*’ means the GitHub repository at <https://github.com/Ocean-Blue-Foundation>, which is maintained, and operated by the Issuer, including (technical) whitepapers, manuals, constitutional and governance documents, codes of conduct, and other information relating to the Tgrade Blockchain.
10. ‘*Token Distribution*’ means a distribution of TGD Tokens to Users: (i) by the Issuer, whether by way of a fundraising sale, grant to finance activities or payment for services undertaken in connection with the Tgrade Blockchain, or (ii) generated by and received for participation in activities supporting the operation of the mainnet iteration of the Tgrade Blockchain, or (iii) received from a third party that is not the Issuer.
11. ‘*Use*’ means use of TGD Token(s) in any manner including to earn, receive, acquire, sell, purchase, trade, lend, borrow, stake, delegate or transfer.
12. ‘*User*’ (also referred to as “*You*” or “*Your*” as required) means any person who Uses any TGD Token(s) and who thereby in connection with any such Use agrees to be bound by and undertakes to act in accordance with the terms of the Agreements.

3. General Terms of Use for Tgrade Tokens

1. ***Important: Restricted Locations & Sanctions:*** Any person that is a citizen or national of, or resident or domiciled in a Restricted Location or is otherwise subject to Sanctions is prohibited from directly or indirectly Using any TGD Tokens, including by way of participation in any Token Distribution. For the avoidance of doubt, this prohibition also extends to companies or other legal entities that have been created, are controlled by and / or have as any one or more of their ultimate beneficial owners, any such person. If having commenced the Use of any Tgrade Tokens you subsequently become subject to this prohibition you will immediately notify the Issuer and will cease any and all Use of Tgrade Tokens.
2. You are bound by the Agreements including the T&Cs from the time you commence any Use of any TGD Tokens.
3. As between the Parties and to the extent permitted by Applicable Law, You are responsible for determining whether your acceptance of the T&Cs, your undertaking to

be bound by the terms of the Agreements and any Use by You directly or indirectly of any TGD Tokens does not and will not (i) contravene Clause 3.1 above and / or (ii) be otherwise in breach of any applicable laws or regulations.

4. The User acknowledges and accepts that:
 - The T&Cs are (and other constituent elements of the Agreements in accordance with their respective terms, may be) subject to change, modifications, amendments, alterations or supplements at any time without prior written notice, at the Issuer's sole discretion. Any such changes will be effective and will apply to any continued Use by You of any TGD Tokens as soon as they have been published on the Tgrade Repository (or otherwise at such time and in such manner as may be specified by the terms of such other constituent elements of the Agreements).
 - TGD Tokens are not intended to be a commodity or any other kind of financial instrument or money, do not represent any share, stake, option, debt or security or equivalent rights, including any right to receive future revenue shares, interests and intellectual property rights in, and do not represent or constitute any legal claim (whether proprietary, contractual or otherwise) against, the Issuer or any assets that the Issuer owns or controls (including any rights that the Issuer owns or controls in the Tgrade Blockchain and / or in the Tgrade Repository). Holders of TGD Tokens are only entitled to a limited right to Use such Tokens in connection with the operation of the mainnet iteration of the Tgrade Blockchain in accordance with the terms set out in the Agreements.
 - TGD Tokens are not intended nor have they been designed for use as a store of value, medium of exchange or investment. They are primarily a tool for participating in and facilitating various governance processes associated with, and that support the operation of, the Tgrade Blockchain and any applications built thereon.
 - If and to the extent that You have transferred funds to the Issuer, whether as consideration for an allocation or future allocation of TGD Tokens or otherwise as a contribution to support its stated objects, any decision as to when and how to use such funds in accordance with its objects is at the sole discretion of the Issuer.
 - The T&Cs, other constituent elements of the Agreements and any other information published as part of the Tgrade Repository do NOT in any way constitute a prospectus of any sort (whether for the purposes of Article 3 of Directive 2003/71/EC of the European Parliament and of the European Council, and amendments thereto (including those resulting from Directive 2010/73/EU), or otherwise), nor do they constitute a solicitation for, or advice or a recommendation in relation to any financial investment and do not pertain in any way to an initial public offering or a share/equity offering.
 - The Issuer, whether in connection with any of the matters referred to in the Agreements or otherwise, does not and is not authorised by any financial services regulator to provide any licensed financial services, such as investment services, financial advice, money changing, banking, fund management or investment advice, and does not otherwise undertake any activities that are regulated by and subject to the Dutch Financial Supervision Act (*Wet op het Financieel Toezicht*).
 - TGD Tokens are not securities (*effecten*), financial instruments (*financiële instrumenten*) and/or financial products (*financiële producten*), within the meaning of the Dutch Financial Supervision Act and no items or objects (*zaken*), within the meaning of the Dutch civil code (*Burgerlijk Wetboek*).
 - You are and will be solely responsible for any applicable taxes imposed on any Use by You of TGD Tokens.
 - The T&Cs and other constituent elements of the Tgrade Repository do not create any form of partnership, joint venture or any similar relationship between You and the Issuer.

- You will access the Tgrade Repository on a regular basis to ensure that you are aware in a timely manner of any and all updates to any of the Agreements that are published and made available thereby.
5. By Using the Tgrade Tokens, You as a User covenant, represent, and warrant that (under Applicable Law and any other applicable laws and regulations):
- if You are an individual, You are of an age of majority, and are at least 18 years of age;
 - if You are a corporate entity or other form of legal person, You are correctly incorporated or established, and in good standing under applicable laws;
 - You have capacity, full power and are duly authorised to enter into the T&Cs and to undertake to be legally bound by the terms of the Agreements;
 - the undertakings that You have made pursuant to the T&Cs and otherwise in connection with the Agreements constitute valid, binding and legally enforceable obligations, do not contravene any applicable laws or regulations, and do not breach or constitute a default of any other agreement to which You are a party;
 - You fully comprehend and either possess the skills, resources, experience and expertise required, or have and will obtain appropriate, professional advice, to fully assess for yourself and, as between the Parties and to the fullest extent permissible under Applicable Law, to be solely responsible for fully assessing and managing, the risks and restrictions (i) particular to any and all Uses of TGD Tokens that You undertake or intend to undertake, and (ii) that apply to the operation of the Tgrade Blockchain, and to Cryptoassets and blockchain-based systems in general, including the risks set out in Annex A below;
 - You will provide any information (including “Know Your Customer” information) that the Issuer may request in its absolute discretion within the timeframes specified (if any) that the Issuer deems are required in order for the Issuer to fully comply with its obligations under all applicable laws and regulations to prevent, detect and report on potential financial crime activities, including fraud, the circumvention or contravention of Sanctions, money laundering, terrorist financing or tax evasion;
 - You will not use or facilitate on behalf of any other person the use of any Tgrade Tokens for (i) any illegal activity, including activities associated with money laundering, the financing of terrorism, fraud, illegal gambling, tax evasion or the circumvention of Sanctions; (ii) any activity that may expose the Issuer to the risk of civil or criminal liability, regulatory investigation or sanction, or (iii) any activity that may otherwise bring the Issuer, TGD Tokens, or the Tgrade Blockchain or any applications built thereon into disrepute, including any form of market abuse or market manipulation;
 - You are not (nor are any of Your authorised representatives) located, domiciled, a national of or resident in, nor do you conduct operations or maintain any establishment in any Restricted Location.

4. Indemnity

1. Without prejudice to any other indemnity agreed between the Parties, to the fullest extent allowable under Applicable Law, the User shall indemnify, defend, and hold the Issuer and/or its subsidiaries, affiliates, directors, officers, employees, agents, successors, consultants and permitted assignees harmless from and against any and all claims, damages, losses, suits, actions, demands, proceedings, expenses, and/or liabilities (including but not limited to reasonable attorneys’ fees incurred and/or those necessary to successfully establish the right to indemnification) arising out of or relating to (i) any Use by You of any TGD Tokens; and / or (ii) a breach of any warranty, representation, or obligation arising under or in connection with the Agreements.
2. The Issuer reserves the right to exercise sole control over the defence, at Your expense, of any claim subject to indemnification pursuant to the T&Cs. This indemnity is in addition to, and not in lieu of, any other indemnities set forth in the T&Cs or any other

written agreement between you and any one or more of the indemnified parties, including in any other constituent element of the Agreements.

5. Disclaimers, Exclusions & Limitations of Liability

1. Any purchase monies or funds that will, are or have been provided by You to the Issuer in any Token Distribution and in consideration for the acquisition of TGD Tokens are final and non-refundable. You agree and acknowledge that you have no right to request a refund from the Issuer and are not entitled to receive or demand monetary or other compensation in respect of any purchase monies or funds that remain in whole or in part unused.
2. To the maximum extent permitted by Applicable Law, TGD Tokens are provided in any Token Distribution on an “as is” and “under development” basis and without any warranties of any kind, whether express or implied, including: (a) any warranties of title or implied warranties of merchantability or fitness for a particular purpose; (b) any warranties as to the success, operation or governance of the Tgrade Blockchain, and (c) any warranties as to the legitimacy or characterisation of TGD Tokens and any services associated with such tokens under any applicable law (including any applicable tax law) or regulation in any and all relevant jurisdictions.
3. The Issuer does not warrant or represent that any information on the Tgrade Repository is accurate or reliable or that the Tgrade Repository will be free of errors or viruses, that defects will be corrected, or that the service or the server that makes it available is free of viruses or other harmful components.
4. The Issuer provides no guarantee or assurance that any TGD Tokens acquired by any User will be readily transferable for value to third parties during or after any Token Distribution, whether through established trading exchanges or otherwise.
5. To the maximum extent permitted by Applicable Law, the Issuer does not accept any liability for any claims, damages, liabilities, losses, costs or expenses of any kind, including loss of any savings, business, revenue, or profits, or future profits, or loss of or damage to data, equipment, or software, goodwill or other intangible losses (whether direct, indirect, punitive, actual, consequential, incidental, special, exemplary or otherwise, and regardless of whether the Issuer has been advised of the possibility of such damages, liabilities, losses, costs or expenses and regardless of the basis upon which the liability is claimed) arising out of or in connection with (a) any Use by You of any TGD Tokens; (b) any reliance on, or decision made by You on the basis of, information or material provided by the Issuer or otherwise accessible via the Tgrade Repository; (c) any acts, omissions, statements or representations of any third party, including: any third party providing development or other services in connection with any Token Distribution; any third party providing development or other services in connection with the implementation and deployment of the Tgrade Blockchain or any applications built thereon; or any third party participating in the operation or governance of the Tgrade Blockchain, including in relation to the validation of blocks or transactions executed thereon (in all instances, irrespective of whether any such third party has been appointed, engaged, supported, or funded by the Issuer or not); (d) any matter affecting the utility, legitimacy, legality, or legal or regulatory characterisation of TGD Tokens; (e) any change in the absolute or relative value of Your TGD Tokens or any lack or loss of market liquidity for such tokens at any time; (f) any change in the value of any Cryptoassets subsequent to any transfer by You of purchase monies or funds in the form of such Cryptoassets to the Issuer in consideration for and / or in connection with any Token Distribution; (g) any unauthorized access, use or alteration of Your TGD Tokens; (h) any temporary or permanent loss of access to or limitations in the functionality of Your TGD Tokens; (i) any interruptions to or loss of availability of the Tgrade Repository at any time, in any location; or (j) any interruptions to, loss of availability, discontinuation or change in the operation, capacity or functionality of the Tgrade Blockchain.
6. The disclaimers, exclusions and limitations of liability set out in this clause 5 are without prejudice and in addition to, and not in lieu of, any other disclaimers, exclusions or

limitations of liability set forth in the T&Cs or any other written agreement between You and the Issuer (including in any other constituent element of the Agreements).

6. Applicable Law & Choice of Forum

1. Unless and to the extent expressly stated to the contrary in any constituent element of the Agreements, all questions concerning the construction, validity, enforcement and interpretation of, and any non-contractual obligations arising out of or in connection with, the Agreements shall be governed by and construed and enforced in accordance with Applicable Law, for which law the Parties make an explicit choice.
2. Unless and to the extent expressly stated to the contrary in any constituent element of the Agreements, any disputes, claims, suits, actions, causes of action, demands or proceedings (collectively, 'Disputes'), that are related to the Agreements, including as to their existence or validity, and whether contractual or non-contractual, will be subject to the sole and exclusive jurisdiction of the competent court in Amsterdam, the Netherlands.
3. The Parties waive all their rights to claim class arbitrations, class actions or representative actions. Any Dispute arising out of or related to the Agreements is personal to You and the Issuer and will be resolved solely in the manner as described in the preceding Clauses 6.2. and 6.3., 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 a Party 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 a Court procedure, or on behalf of any other individual or group of individuals.
4. If any term, clause or provision of this Clause 6 is held invalid or unenforceable, it will be so held to the minimum extent applicable and required by law, and all other terms, clauses and provisions of this Clause 6 will remain valid and enforceable. Further, the waivers set forth in Clause 6.3 above are severable from the other provisions of the Agreements and will remain valid and enforceable, except as prohibited by Applicable Law.

7. Additional Provisions

1. *Complete Agreement:* The T&Cs together with the rest of the Agreements set forth the entire understanding between You and the Issuer with respect to the Use of TGD Tokens. The User agrees to rely only on the Agreements in determining any decisions relating to any such Use and understands that the Agreements supersede any public statements about the Use of TGD Tokens or any Token Distribution made by third parties or by the Issuer or individuals associated with the Issuer, past and present, and during any Token Distribution. Unless and to the extent expressly stated to the contrary in any constituent element of the Agreements, in the event of any inconsistency between the provisions of the T&Cs and any other constituent element of the Agreements, the provisions of the T&Cs will prevail.
2. *Severability:* If any term, clause or provision of the Agreements is held unlawful, void or unenforceable, then that term, clause or provision will be severable from the Agreements 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 the Agreements.
3. *No Waiver:* The failure of the Issuer to require or enforce strict performance by the User of any provision of the Agreements or failure to exercise any right under the Agreements shall not be construed as a waiver or relinquishment of the Issuer's right to assert or rely upon any such provision or right in that or any other instance. The express waiver by the Issuer of any provision, condition, or requirement of the Agreements shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement. Except as expressly and specifically set forth in the Agreements, no representations, statements, consents, waivers, or other acts or omissions by the Issuer shall be deemed

a modification of the Agreements nor be legally binding, unless documented in physical writing, and executed by the User and a duly appointed officer, employee, or agent of the Issuer.

4. *Force Majeure*: You shall not have any claim of any nature whatsoever against the Issuer for any failure by the Issuer to carry out any of its obligations under the Agreements as a result of causes beyond its control, including but not limited to any strike, lockout, power interruption(s), failure of computer and/or data-processing systems, shortage of labour or materials, delays in transport, hacker attacks or any resources which have any relation to such obligations, accidents of any kind, any default or delay by any third party service provider or supplier, riot, political or civil disturbances, the elements, by an act of state or government including regulatory action imposed, any delay in securing any permit, consent or approval required by the Issuer for the supply of products under the Agreements, or by an act of any other authority, or any other cause whatsoever beyond the Issuer's absolute and direct control.
5. *Cooperation with Legal Authorities*: The Issuer will cooperate with all law enforcement enquiries, subpoenas, or requests provided they are fully supported and documented by the law in the relevant jurisdictions.
6. *Construction*: For the purposes of Agreements, whenever the context requires:
 - the singular form shall include the plural, and vice versa;
 - the masculine gender shall include the feminine and neuter genders, the feminine gender shall include the masculine and neuter genders, the neuter gender shall include the masculine and feminine genders; and
 - the words "include" and "including", and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation".
7. *Assignment*: The User shall not assign any of the Agreements, either in whole or in part, without the express prior written consent of the Issuer. Any attempted assignment without such consent shall be void.

ANNEX A

Certain Risks Relating to the Use of TGD Tokens

BY ACCEPTING THESE T&Cs YOU EXPRESSLY UNDERSTAND AND ACKNOWLEDGE AND TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ASSUME SOLE RESPONSIBILITY FOR, THE FOLLOWING RISKS:

1. ***TGD Tokens are not controlled by the Issuer*** – The Issuer does not have access to the private keys controlling any Tgrade Blockchain network address at which You hold any TGD Tokens. If You lose access to your TGD Tokens there is nothing that the Issuer can do in terms of restoring TGD Tokens to You. Accordingly, You are solely responsible for implementing and maintaining adequate safeguarding measures for retaining access to any such private keys.
2. ***Limited Availability of Sufficient Information*** - While prospective and current Users of TGD Tokens will have access to core information in relation to the development roadmap for the Tgrade Blockchain, to planned Token Distributions, and to the structure of, rights attached to and functionality of TGD Tokens, each of these elements is still in a relatively early development phase and subject to adjustments and updates from time to time. Accordingly, prospective and current Users of TGD Tokens may not have full access to all relevant information prior to acquiring, utilising or divesting of any TGD Tokens.
3. ***LEGAL AND REGULATORY CHARACTERISATION & COMPLIANCE*** –the Token Distributions that have or are to be implemented and the structure of and rights attached to TGD Tokens may be subject to the scrutiny, supervisory and enforcement jurisdiction of multiple national and supranational legal and regulatory authorities globally, as well as to evolving and untested legal and regulatory frameworks. Changes in regulatory or legal policies, or to the substance or interpretation of regulatory or legal frameworks may adversely impact the utility, legitimacy, legality, or legal or regulatory characterisation of TGD Tokens. To the extent permitted by applicable law, such legal and / or regulatory risks in any relevant jurisdiction howsoever arising shall be borne by you as a User of TGD tokens alone and shall not in any way be the responsibility of the Issuer. You should consider consulting legal advisors prior to the acquisition of any TGD Tokens and are solely responsible for ensuring that your use of TGD Tokens complies with all applicable laws and regulations in all relevant jurisdictions.
4. ***Compromised Cryptographic Protections*** - Cryptography-based security is an evolving area of research and there can be no guarantee that its current applications will be comprehensively effective at all times. Advancement in cryptography technologies and techniques are therefore unpredictable and developments such as (but not limited to) code cracking, the emergence of artificial intelligence-based tools and / or quantum computers could undermine or render ineffective cryptography-based systems including TGD Tokens and / or the consensus mechanism underpinning the Tgrade Blockchain, resulting in the potential theft, loss, disappearance, destruction, devaluation or diminution in utility of TGD Tokens.
5. ***Abandonment or Development Failure*** – The Issuer’s plans for supporting the development of the Tgrade Blockchain and of decentralised financial products and platforms built thereon involve

the realisation of complex projects and to a degree involve new and relatively untested technologies. The firms, projects and personnel appointed, engaged, supported or funded by the Issuer in furtherance of such plans (which may include start-ups or early stage companies with limited experience and / or limited resources) may encounter technical or operational challenges in their implementation that are unforeseeable and / or unresolvable. Consequently, such development plans could fail or fail to function as intended, terminate or be delayed at any time for any reason (including on account of a lack of funds, experience or expertise). Development failure or termination of the Tgrade Blockchain may render TGD Tokens non-transferable, or reduce the utility of or render obsolete any TGD Tokens.

6. ***Theft of TGD Token Sale & Fundraising Proceeds*** – The Issuer will endeavour to adopt industry standard practices in maintaining secure and safe custody of the funds received from any Token Distributions or other fundraising activities. Nevertheless, the Issuer may be subjected to attempts to steal such funds, particularly where held in the form of Cryptoassets, by sophisticated cyber-criminals, and successful thefts may still occur. Any theft of Token Distribution sale and other fundraising proceeds could undermine the ability of the Issuer to provide funding for the development or maintenance of the Tgrade Blockchain and for supporting the development of decentralised financial products and platforms thereon.

7. ***Flaws in Source Codes*** - Although the Issuer expects that the firms, projects and personnel that it appoints, engages or funds to support the development of the Tgrade Blockchain have and will adopt various quality assurance and audit procedures to help ensure that the source codes underpinning the Tgrade Blockchain and the TGD Tokens reflect their intended operation, such source codes cannot be guaranteed to be error-free. Source codes may contain flaws, bugs, defects or inconsistencies that could compromise the predictability, usability, functionality, stability, and/or security of TGD Tokens.

8. ***Source Code Updates*** - Source code modifications can lead to unexpected or unintended outcomes that may adversely affect the utility and integrity of TGD Tokens, the Tgrade Blockchain and / or any associated applications. Furthermore, a failure to participate in source code modifications that constitute upgrades may result in You no longer being able to utilise some or all of your TGD Tokens' functionality.

9. ***Risk of Validator Attacks*** - The utility, value and integrity of any TGD Tokens may be undermined if the stability, integrity or security of the underlying Tgrade Blockchain is compromised. The Tgrade Blockchain is potentially susceptible to bad faith attacks by the validators that support its operation, which could compromise the expected proper execution and sequencing of transactions involving such tokens.

10 ***Risks Associated with Delegation & Staking*** – A User's TGD Tokens may be staked and / or delegated to a third party validator for staking in support of the Proof of Engagement consensus mechanism underpinning the operation and integrity of the Tgrade Blockchain. Although delegation and staking offer the opportunity for a User to earn a share of block validation rewards in the form of additional TGD Tokens, they also place any stake or delegated holding at risk of loss or reduction if such holding is adversely affected by a validator that acts maliciously or incompetently, has its security compromised or hacked, or is otherwise subject to stake slashing penalties or other sanctions for breach of the Tgrade Blockchain constitution (including the Validators Code of Conduct set out therein).

11. ***Risks Associated with Decentralised Governance & Consensus*** - The genesis and future blocks of the mainnet iteration of the Tgrade Blockchain are and will ultimately be controlled by a network of third party validators and accordingly, the Issuer can provide no assurance that such network will perform their functions and reach proper consensus to distribute to the User any or any expected allocation of TGD Tokens as contemplated by the terms of any of the Agreements.
12. ***Compromised Security*** - The Tgrade Blockchain comprises open source software and unpermissioned distributed ledgers subject to decentralised governance protocols. Accordingly, anyone may intentionally or unintentionally compromise the core infrastructural elements of such systems, resulting in a loss or a diminution in the value, utility or functionality of TGD Tokens.
13. ***Distributed Denial of Service & Other Cyber-Attacks*** - The technology infrastructure supporting TGD Tokens and the Tgrade Blockchain is and will be connected to a number of public and unpermissioned systems and is therefore at risk of cyber-attacks from hackers or other malicious actors attempting to subvert or compromise the operation of such systems, including distributed denial of service, Sybil, consensus-based, malware, smurfing or spoofing attacks. Such attacks could result in delays in TGD Token transactions being recorded to the Tgrade Blockchain and in extreme scenarios, render TGD Tokens and / or the Tgrade Blockchain at any time, unusable for an extensive and undefined period of time.
14. ***Inadequacy of Processing Power*** - The launch and subsequent deployment of the Tgrade Blockchain may be accompanied by sharp increases in demand for processing power, leading to destabilisation and increased exposure to fraudulent transactions, which may adversely impact its usability, stability and security.
15. ***Unauthorised Access to / Use of TGD Tokens*** – TGD Tokens can be transferred or exploited in bad faith by any person who successfully gains access to the wallet or private keys linked to a public blockchain network address at which they are held, through the use of hacking techniques, such as phishing scams or cracking passwords. You are and will be solely responsible for implementing and maintaining adequate security measures (including the use of two-factor authentication) for any wallet or private keys that you use to access and control Your TGD Tokens.
16. ***Forking*** - hard and soft forks as well as similar events may, inter alia, lead to the creation of new or competing tokens to TGD Tokens, adversely affect the functionality, convertibility or transferability or result in a full or partial loss of units or reduction (including reduction to zero) of value of the User's TGD Tokens (if and when created and/or issued).
17. ***Popularity*** - The utility of TGD Tokens is dependent on the popularity of the Tgrade Blockchain and of the applications associated with and supported by the staking of such tokens. A lack of active users could negatively impact the development and maintenance of the Tgrade Blockchain and its associated applications, resulting in a loss or reduction in the utility of TGD Tokens.
18. ***Price Volatility & Liquidity*** – As with many Cryptoassets, TGD Tokens may exhibit volatile prices (relative to fiat currencies and / or other Cryptoassets) and / or a lack of liquidity in secondary markets. The Issuer provides no guarantee or assurance that any TGD Tokens acquired by any User will be readily transferable for value to third parties, whether through established trading exchanges or otherwise.
19. ***The Issuer's Exposure to Cryptoassets*** - The Issuer will hold certain funds received from its Token Distributions or other fundraising activities in the form of one or more Cryptoassets, which it

may in its sole discretion convert over time in whole or in part into fiat currencies. Unfavourable fluctuations in the value of such Cryptoassets could result in the failure or abandonment of the Issuer's plans to finance the development of the Tgrade Blockchain and / or any applications built thereon.

20. **Potential Competitors** - Other persons or groups may attempt to establish platforms that compete with or even outperform the Tgrade Blockchain, rendering it obsolete.

21. **Reliance on Third Party Developers & Suppliers** – Although the Issuer intends to use its financial resources to support the issue and operation of TGD Tokens, and the development of the Tgrade Blockchain and of decentralised finance applications built thereon, the success of such platforms and products will ultimately be dependent on the business and technical expertise of third party providers of development and other services, as well as the efforts and engagement of other unconnected network participants, many of which may be start-ups or early stage companies with limited experience and / or limited resources. The development and operation of such systems may therefore be delayed, undermined or discontinued due to a lack of expertise, experience, resources and / or commitment on the part of such third parties, and the utility of TGD Tokens may be negatively impacted as a result.

22. **Risks Relating to Decentralised Finance** – Decentralised financial services and platforms are potentially subject to a variety of national and international laws and regulations, including those governing financial services licensing and authorisation, financial crime prevention and reporting, privacy and data protection, consumer protection and data security. These laws and regulations, and the interpretation or application of these laws and regulations, could change. In addition, new laws or regulations affecting such services and platforms could be enacted, which could impact the utility of TGD Tokens. Furthermore, the providers of such services may be subject to industry-specific laws and regulations or licensing requirements. If any of these providers fail 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, the development of the Tgrade Blockchain and / or of decentralised financial services and platforms built thereon could be adversely affected, and the utility of TGD Tokens negatively impacted as a result.

23. **General Risks Relating to the Use of the Internet or Other Electronic Medium** – In addition to the risks described elsewhere in this section, any use of the internet or other electronic media for the transmission of any communication, transaction or other information exposes You to the following risks:

23.1. Unauthorised access/use, hacking or identity theft relating to the use of authentication technologies by or on behalf of the Issuer;

23.2. Failures or delays in the transmission or communication of information; and

23.3. Damage to the computer equipment you use in connection with any TGD Tokens or the Tgrade Blockchain caused by harmful agents (including any computer virus, malicious program or harmful component).

24. **Tax Matters Relating to the Issuer's Operations** - If any tax authority successfully challenges the Issuer's operational structure or its interpretation of any related tax liabilities, such liabilities could increase substantially. As a result, the financial resources of the Issuer (and consequently, the opportunity to use such resources to develop and support the Tgrade Blockchain) could be adversely impaired.

25. ***Tax Matters Relating to TGD Tokens*** - The Use of TGD Tokens may have reporting implications and liabilities for holders of such tokens. Furthermore, the taxation of Cryptoassets is a complex and evolving area, and the characterisation of TGD Tokens and their associated rights may be subject to change. As between the Parties, such liabilities, obligations and re-characterisation risks shall be borne by You, as a holder of TGD Tokens, alone. Prospective, current and former TGD Token Users should properly consider consulting their tax advisors prior to any Use of TGD Tokens and are solely responsible for ensuring that any Use of Tgrade Tokens and their use of any services associated with such tokens complies with all tax laws in all relevant jurisdictions.