

## SNT Creation and Status Project Creation Conditions: Explanatory Note & Governance Terms

*IMPORTANT: The following is a draft and are subject to change. The exact addresses of the Smart Contract System will be added before the Contribution Period begins.*

### 1. Principles

- 1 By transferring Ether ("ETH") to the Smart Contract System and/or calling the corresponding function of Status Genesis Tokens ("SGT", SGT have been given to members of the community and other supporters as reward for their support of the Status Project) and the Smart Contract System creating Status Tokens ("SNT"), the User understands and accepts that the User makes a contribution into a Smart Contract System for the development of the Status Project ("Contribution"), as further described in the Status Project Whitepaper ("Status Project" / "the Whitepaper"). For the Whitepaper and/or further information on the Status Project, visit: <https://status.im>. The information contained in the Whitepaper and on the website are of descriptive nature only, are not binding and do – unless explicitly referred to herein – not form part of the Terms as set forth under para. 5 below.
- 2 The User understands and accepts that while the individuals and entities, including Status Research & Development GmbH (hereinafter "Status GmbH"), assigned to this task will make reasonable efforts to develop and complete the Status Project, **it is possible that such development may fail and User's SNT become useless and/or valueless due to technical, commercial, regulatory or any other reasons** (see also Chapter 5 regarding Risks).
- 3 The User is also aware of the risk that even if all or parts of the Status Project are successfully developed and released in full or in parts, due to a lack of public interest, the Status Project could be fully or partially abandoned, remain commercially unsuccessful or shut down for lack of interest, regulatory or other reasons. **The User therefore understands and accepts that the transfer of ETH to the Smart Contract System and/or the call of the collect function on the Smart Contract System for the activation of SGT (instructions for which will be published on <https://contribute.status.im> within 30 days after the Contribution Period has ended, "Activation of SGT") and the creation of SNT by the Smart Contract System carry significant financial, regulatory and/or reputational risks (including the complete loss of value of created SNT if any, and attributed features of the Status Project).**
- 4 The User furthermore understands and accepts that - as the creation of the SNT as well as the assignment of the execution of the Status Project are smart contract based - the terms and conditions applicable thereon are set forth in the Smart Contract System Code, existing on the Ethereum blockchain at the address published 24 hours before the start of the Contribution Period on: <https://contribute.status.im>. **To the extent the terms contained**

herein or in any other document or communication contradict to the ones set forth in the Smart Contract System, the terms of the Smart Contract System prevail. Furthermore, neither this document nor any other document or communication may modify or add any additional obligations to Status GmbH or publisher of these terms or developer of the Smart Contract System and/or any other person, Status GmbH and/or affiliates involved with the deployment of the Smart Contract System and the setting up of the Status Project beyond those set forth in the Smart Contract System.

- 5 By transferring ETH to the Smart Contract System and/or by the Activation of SGT, the User expressly agrees to all of the terms and conditions set forth in Smart Contract System Code existing on the Ethereum blockchain (at the addresses set forth under para 4) and in this document (together the “Terms”), which is incorporated by reference herein. **The User further confirms to have carefully reviewed the Smart Contract System Code, its functions and the terms and conditions set forth in this document and to fully understand the risks and costs of creating SNT and contributing into a Smart Contract System for the development of the Status Project.**
- 6 This document does not constitute a prospectus of any sort, is not a solicitation for investment and does not pertain in any way to an initial public offering or a share/equity offering and does not pertain in any way to an offering of securities in any jurisdiction. It is a description of the functionality of a Smart Contract System.
- 7 By transferring ETH to the Smart Contract System and/or by the Activation of SGT and/or receiving SNT, no form of partnership, joint venture or any similar relationship between the Users and Status GmbH and/or other individuals or entities involved with the deployment of the Smart Contract System and the setting up of the Status Project is created.
- 8 The contribution into the Smart Contract System will not involve any fiat currencies and will strictly be done in cryptocurrencies (ETH).

## **2. SNT Creation Function**

### **2.1 Usage License; No Ownership, Revenue or Governance Rights**

- 9 **Usage License:** Ownership of SNT carries no rights express or implied other than a limited right (license) to use the Status platform (“Status Platform”) based on the Status network (“Status Network”), if and to the extent the Status Project has been successfully completed and launched.
- 10 **No Ownership, Revenue or Governance Rights:** In particular, User understands and accepts that **SNT do not represent or constitute any ownership right or stake, share or security or equivalent rights nor any right to receive future revenues, shares or any**

**other form of participation or governance right in or relating to the Status Project in general, Status Network in particular and/or Status GmbH.**

## **2.2 Contribution**

**11 Contribution Cap / Dynamic Ceilings:** The total amount of Contributions will be capped by a system of dynamic ceilings ("Dynamic Ceilings") consisting of a Initial Ceiling, additional [ADDED 12 HOURS BEFORE] Hidden Ceilings and a Hard Ceiling:

- **Initial Ceiling:** The Initial Ceiling will be activated automatically after total Contributions of [EXCHANGE RATE TAKEN 12 HOURS BEFORE] ETH have been recorded by the Smart Contract System. In case (pending or transacted) Contributions exceed the Initial Ceiling, the exceeding Contributions will not be accepted as Contributions, but will be automatically transferred back to the address they have been sent from. After the Initial Ceiling has been reached, the first Hidden Ceiling will be communicated.
- **First and subsequent Hidden Ceilings:** The Hidden Ceilings will be activated automatically after total Contributions in the amount of the respective Hidden Ceiling as implemented in the Smart Contract System have been recorded by the Smart Contract System. In case (pending or transacted) Contributions exceed the respective Hidden Ceiling, the exceeding Contributions will not be accepted as Contributions but will be automatically transferred back to the address they have been sent from. After a Hidden Ceiling has been reached, the amount of the next Hidden Ceiling will be communicated.
- **Hard Ceiling / Maximal Contribution Amount:** The Hard Ceiling will be activated automatically after total Contributions in the amount of the Hard Ceiling as implemented in the Smart Contract System have been recorded by the Smart Contract System. In case (pending or transacted) Contributions exceed the respective Hard Ceiling, the exceeding Contributions will not be accepted as Contributions. Once the Hard Ceiling has been reached, the Contribution Period ends.

**12 Token Pools:** At the end of the Contribution Period (and regarding Pool C also after the end of the Contribution Period), an amount of max. [EXCHANGE RATE TAKEN 12 HOURS BEFORE] SNT (as specified by Status GmbH 24 hours prior to the start of the Contribution Period on: <https://contribute.status.im>) is planned to be created by the Smart Contract System, all of equal value and functionality, however, divided by the Smart Contract System into four different pools.

- **Pool A consisting of a max. amount of [EXCHANGE RATE TAKEN 12 HOURS**

**BEFORE] SNT**, intended to be created by the Smart Contract System at the end of the Contribution Period for Users having made Contributions. These SNT become transferrable 20 days after the end of the Contribution Period (see para. 18 below).

User understands and accepts that the Smart Contract System may contain whitelisted addresses that receive a guaranteed allocation of up to 35% of Pool A SNT for their Contributions (apart from the guaranteed allocation and the non-applicability of the Dynamic Ceilings, no special conditions apply).

- **Pool B consisting of 20% of the SNT of Pool A**, intended to be created by the Smart Contract System at the end of the Contribution Period. After the end of the Contribution Period, Pool B will be allocated to persons that provided early contributions to the Status Project by participating as managers, founders, working to develop the ideas, implementations and supporting structures of the Status Project (“Status Team Members”).
  - **Pool C consisting of a maximum of 10% of the SNT of Pool A**, intended to be created for members of the community and other supporters, who received for their merits SGT. SGT are also ERC20 Tokens, which enable its holder to obtain SNT by Activation. The amount of SNT, which will be allocated to a SGT holder who activated his SGT, depends on the total amount of ETH contributed during the Contribution Period and will be communicated on <https://contribute.status.im> within 30 days after the Contribution Period has ended.
- **Pool D consisting of 29% of the SNT of Pool A**, intended as a reserve for future Contribution Periods will be created by the Smart Contract System at the end of the Contribution Period. After the end of the Contribution Period, Pool C will be allocated to a multisignature Wallet controlled by Status GmbH. Status GmbH is entitled to use the SNT of Pool D to raise further funding for the Status Project. Especially, it may allocate SNT to individual Contributors or organize further Contribution Periods.

13 **Creation Rate:** The Smart Contract System will allocate 10'000 SNT for every Contribution of 1 ETH.

14 **Contribution Period:** The Contribution Period starts with the deployment of the Smart Contract System and lasts for 24 hours, starting once the Initial Ceiling has been reached or for a maximal duration of 14 days (“Maximal Duration Of Contribution Period”), whichever is earlier. Within the 24 hours after the Initial Ceiling has been reached, further Dynamic Ceilings will be announced by Status GmbH at its own discretion. Finally the Contribution Period will stop, if the last announced Ceiling has been reached or the 24 hours have elapsed.

15 **Creation and Allocation of SNT:** The creation and allocation of SNT of Pool A by the Smart

Contract System is initiated by the User sending an amount of ETH to the Smart Contract System, located on the Ethereum blockchain at the addresses set forth under para 4, which triggers a smart contract operation. After the end of the Contribution Period, the Smart Contract System creates and allocates the corresponding SNT to the User's wallet address, from where the ETH were sent from. **User must assure to make his contribution using an ETH address to which the Smart Contract System can send back SNT and/or ETH to** (e.g. not an address of a currency exchange like Coinbase, Poloniex etc.). Issuance of SNT (meaning that respective entries of the Public Key (PUK) of User) are made by the Smart Contract System on the blockchain according to the allocation information in the Smart Contract System.

- 16 **No Refund:** The User understands and accepts that all Contributions for SNT are final and may not be reversed, except in case Contributions have surpassed a Ceiling (see para. 11). User therefore shall assure to make his contribution using an ETH address to which the Smart Contract System can send back SNT and/or ETH to (e.g. not an address of a currency exchange like Coinbase, Poloniex etc.). Other Contributions are non-refundable. By contributing for SNT, the User acknowledges that he has no right to request a refund for any reason, and that the User will not receive money or other compensation for any SNT that is not used or remains unused.
- 17 **Minimum Contribution Amount:** Contributions of less than 0.001 ETH do not result in the allocation of SNT, nor will they be refunded.
- 18 **Assure to use the original Smart Contracts:** Only the Smart Contract(s) existing at the addresses set forth under para 4 will issue SNT during the Contribution Period. Access to this Smart Contract will be available through [ADDRESS ADDED 12 HOURS BEFORE]. To the extent that any third-party website, service or smart-contract offers SNT during the Contribution Period and/or facilitates the allocation or transfer of SNT in any way during the Contribution Period or at any time up to the release of the Genesis Block, such third-party websites or services are, unless explicitly mentioned on [please add exact address], not authorised by Status GmbH and have no relationship in any way with Status GmbH.
- 19 **Transferability of SNT during the Contribution Period and after:** Any and all SNT are not transferable during a period of 20 days, starting with the end of the Contribution Period, as set forth in the Smart Contract System. Further restrictions apply for the SNT of Pool B (see para 20).
- 20 **Early Termination of the Contribution Period:** During the Contribution Period, Status GmbH may at any time stop the contribution function at its own discretion and thereby end the Contribution procedure, in particular for security reasons.

## 2.3 Pre-Allocation of SNT

21 The User understands and accepts that max. 59% of the amount of SNT of Pool A, will be pre-allocated to certain individuals as set forth below:

- **20% of SNT of Pool A (Pool B)**, will be released to Status Team Members..

SNT of Pool B are subject to a descending vesting / lockup-period implemented in the Smart Contract System and therefore may not be transferred in accordance to the following schedule:

First 6 months upon the end of the Contribution Period: No transfers possible;

7<sup>th</sup> -12<sup>th</sup> months upon the end of the Contribution Period: 1/4 of Pool B SNT transferable;

13<sup>th</sup> -18<sup>th</sup> months upon the end of the Contribution Period: 2/4 of Pool B SNT transferable;

19<sup>th</sup> -24<sup>th</sup> months upon the end of the Contribution Period: 3/4 of Pool B SNT transferable;

After the 24<sup>th</sup> month upon the end of the Contribution Period: All of Pool B SNT transferable.

- **maximum of 10% of the SNT of Pool A (Pool C)**, will be created and released to members of the community and other supporters, who activated their SGT. The amount of SNT which will be allocated to a SGT holder who activated his SGT depends on the total amount of ETH contributed during the Contribution Period and will be communicated on <https://contribute.status.im> within 30 days after the Contribution Period has ended.
- **29% of the SNT of Pool A (Pool D)**, will be released to a multisignature Wallet controlled by Status GmbH. Status GmbH is entitled to use the SNT of Pool D to raise further funding for the Status Project. Especially, it may allocate SNT to individual Contributors or organize further Contribution Periods.

## 2.4 SNT Functionality

22 SNT are only for use in connection with the Status Project under the terms of the Smart Contract System and only constitute a transferable representation of attributed functions specified in the Smart Contract System.

- 23 SNT is a usage token, which enables to participate in the Status Network. Furthermore, certain governance functions may be implemented. If such governance functions exist, at least at the beginning, Status GmbH has the final decision power regarding all matters discussed.
- 24 Ownership of SNT carries no rights express or implied other than the right to use SNT as a mean to enable usage of and interaction with and within the Status Network, if successfully completed and deployed (see section 3). Beyond this, ownership of SNT carries no rights express or implied. In particular, User understands and accepts that he has no right to claim as holder of SNT any intellectual property rights, equity or equivalent rights or any other form of participation in or relating to the Status Project, Status Network and/or Status GmbH.

## **2.5 Representation and Warranties of User**

- 25 By transferring ETH to the Smart Contract System and/or by Activation of SGT and creating SNT, the User represents and warrants that:
- the user is not a citizen or resident of a country, whose legislation conflicts with the present allocation of SNT and/or the Status Project in general;
  - the user is not a citizen or resident of the USA;
  - the User has a deep understanding of the functionality, usage, storage, transmission mechanisms and intricacies associated with cryptographic tokens, like bitcoin (BTC) and Ether (ETH), and blockchain-based software systems;
  - the User understands and accepts that there is no warranty or assurance that the network of miners will allocate the SNT to the Users as proposed by these Terms. The User understands and accepts that the consensus mechanism securing the Ethereum Network may change in the future, and the stakeholders who control of the Network may also change as a result.
  - the User has carefully reviewed the code of the Smart Contract System located on the Ethereum blockchain at the addresses set forth under para 4 and fully understands and accepts the functions implemented therein;
  - the User is legally permitted to transfer ETH to the Smart Contract System, activate SGT, create and obtain SNT in the User's jurisdiction;
  - User will contribute ETH and/or activate SGT from a wallet respectively within a wallet or wallet service provider that technically supports the SNT. User understands and accepts, that failure to assure this may have the result that User will not gain



access to his SNT;

- the User is legally permitted to receive software and contributing to the Smart Contract System for the development of the Status Project;
- the User is of a sufficient age to legally create and obtain SNT;
- the User will take sole responsibility for any restrictions and risks associated with the creation of SNT by the Smart Contract System as set forth below;
- the User is not submitting ETH to the Smart Contract System and/or activating SGT to obtain SNT for the purpose of speculative investment;
- the User is not obtaining or using SNT for any illegal purposes;
- the User is purchasing the functionality of the SNT issued by the Smart Contract System primarily to support the development, testing, deployment and operation of the Status Project, being aware of the commercial risks associated with the Status Project;
- the User waives the right to participate in a class action lawsuit or a classwide arbitration against Status GmbH or any individual involved with the creation of SNT;
- the User understands the creation of SNT does not involve the purchase of shares or any equivalent in any existing or future public or private company, corporation or other entity in any jurisdiction;
- the User understands that the transfer of ETH to the Smart Contract System, the Activation of SGT, the creation of SNT and the development of the Status Project carries significant financial, regulatory and reputational risks as further set forth in the Terms;
- the User understands and expressly accepts that there is no warranty whatsoever on SNT, the Smart Contract System and/or the success of the Status Project, expressed or implied, to the extent permitted by law, and that the Smart Contract System is used and SNT are created and obtained at the sole risk of the User on an “as is” and “under development” basis and without, to the extent permitted by law, any warranties of any kind, including, but not limited to, warranties of title or implied warranties, merchantability or fitness for a particular purpose;
- the User understands that the User has no right against any other party to request any refund of the ETH submitted to the Smart Contract System and/or SGT activated for the creation of the SNT under any circumstance; and that



- the User understands with regard to SNT no market liquidity may be guaranteed and that the value of SNT over time may experience extreme volatility or depreciate in full;
- the User understands that the User bears the sole responsibility to determine if the User's contribution to the Smart Contract System for the development of the Status Project, the transfer of ETH to the Smart Contract System, the Activation of SGT, the creation, ownership or use of SNT, the potential appreciation or depreciation in the value of SNT over time (if any), the allocation of SNT and/or any other action or transaction related to the Status Project have tax implications for him; by creating, holding or using SNT, and to the extent permitted by law, the User agrees not to hold any third party (including developers, auditors, contractors or founders) liable for any tax liability associated with or arising from the creation, ownership or use of SNT or any other action or transaction related to the Status Project.

26 As part of the contribution process the User will use own account (address) on the Ethereum network, with a private key associated to this address and password. The password is used to encrypt the User's private key. Following the creation of SNT by the Smart Contract System, the SNT will be transferred to the User's address by the Smart Contract System. The User understands that the User must keep his password and private key safe and that the User may not share them with anybody. The User further understands that if his private key and/or password is lost or stolen, the User will not be able to generate a new password or recover his private key, and if the User also loses his private keys and password, the SNT associated with the User's account (address) will be unrecoverable and will be permanently lost. Furthermore, the User understands that there is no recovery mechanism for lost keys and passwords, so no one will be able to help the User retrieve or reconstruct a lost password and private keys and provide the User with access to any lost SNT.

### **3. Status Project Execution**

- 27 The User understands and accepts that the development and execution of the Status Project will be assigned to a third party contractor, Status GmbH, by releasing the amount of contributed ETH by the Smart Contract System to the wallet of Status GmbH. Status GmbH has the right to engage subcontractors to perform the entire or partial development and execution of the Status Project. The scope of the development work will be triggered by the amount of Contributions received during the Contribution Period. Status GmbH shall further have the right to assign the entire Status Project including the Contributions received for its development to a third party.
- 28 The User understands and accepts that for the purpose of the development and execution of the Status Project, Status GmbH receives the full amount of ETH transferred to the Smart Contract System during the Contribution Period. This amount covers expenses, charges and

other costs that may arise by Status GmbH and/or its subcontractors as part of the development and execution of the Status Project. It remains at Status GmbH's sole discretion to decide how to allocate the funds in order to develop and execute the Status Project.

- 29 The User understands and accepts that the User may not have any expectation of influence over governance on the Status Project.
- 30 The User understands and accepts that the Status Project will need to go through substantial development works as part of which it may become subject of significant conceptual, technical and commercial changes before release. User understands and accepts that as part of the development, an upgrade of the SNT may be required (hard-fork of SNT) and that, if User decides not to participate in such upgrade, he may no longer use his SNT and that non upgraded SNT may lose their functionality in full.

#### **4. Audit of the Smart Contract System**

- 31 The Smart Contract System has been, on a reasonable effort basis, audited and approved by technical experts. The technical experts have confirmed that the Smart Contract System has, with regard to both accuracy and security, been programmed according to the current state of the art.
- 32 However, the User understands and accepts that smart contract technology is still in an early development stage and its application of experimental nature which carries significant operational, technological, financial, regulatory and reputational risks. Accordingly, while the audit conducted raises the level of security and accuracy, the User understands and accepts that the audit does not amount to any form of warranty, including direct or indirect warranties that the Smart Contract System and the SNT are fit for a particular purpose or do not contain any weaknesses, vulnerabilities or bugs which could cause, inter alia, the complete loss of ETH, SGT and/or SNT.

#### **5. Risks**

- 33 The User understands and accepts the risks in connection with transferring ETH to the Smart Contract System, activating SGT and/or creating SNT as exemplary set forth above and hereinafter. In particular, but not concluding, the User understands the inherent risks listed hereinafter:
- **Risk of software weaknesses:** The User understands and accepts that the Smart Contract System concept, the underlying software application and software platform (i.e. the Ethereum blockchain) is still in an early development stage and unproven, why there is no warranty that the process for creating SNT will be uninterrupted or

error-free and why there is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of ETH, SGT and/or SNT.

- **Regulatory risk:** The User understands and accepts that the blockchain technology allows new forms of interaction and that it is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, blockchain technology based applications, which may be contrary to the current setup of the Smart Contract System and which may, inter alia, result in substantial modifications of the Smart Contract System and/or the Status Project, including its termination and the loss of SNT for the User.
- **Risk of abandonment / lack of success:** The User understands and accepts that the creation of the SNT and the development of the Status Project may be abandoned for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects (e.g. caused by competing projects). The User therefore understands that there is no assurance that, even if the Status Project is partially or fully developed and launched, the User will receive any benefits through the SNT held by him.
- **Risk associated with other applications:** The User understands and accepts that the Status Project may give rise to other, alternative projects, promoted by unaffiliated third parties, under which SNT will have no intrinsic value.
- **Risk of loss of private key:** SNT can only be accessed by using an Ethereum wallet with a combination of User's account information (address), private key and password. The private key is encrypted with a password. The User understands and accepts that if his private key file or password respectively got lost or stolen, the obtained SNT associated with the User's account (address) or password will be unrecoverable and will be permanently lost.
- **Risk of theft:** The User understands and accepts that the Smart Contract System concept, the underlying software application and software platform (i.e. the Ethereum blockchain) may be exposed to attacks by hackers or other individuals that could result in theft or loss of SNT, ETH and/or SGT, impacting the ability to develop the Status Project.
- **Risk of Ethereum mining attacks:** The User understands and accepts that, as with other cryptocurrencies, the blockchain used for the Smart Contract System is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attacks present a risk to the Smart Contract System, expected proper execution and sequencing of SNT transactions, and expected proper execution and

sequencing of contract computations.

- **Risk of governance attacks and failure:** The Contributor understands and accepts that the Status Network may use an in-built decentralized governance system (“Governance System”). For these reasons, it is possible that the Governance System adopts proposals that have an adverse effect on the useful functioning of the Status Network and/or the value of SNT. If the Governance System is attacked, or becomes controlled either directly or indirectly by some party who makes unwise decisions, or the community generally makes unwise decisions, the value of SNT held by a Contributor might be greatly reduced or even permanently lost.
- **Risk of incompatible Wallet service:** The User understands and accepts, that the wallet or wallet service provider used for the contribution, has to be technically compatible with the SNT. The failure to assure this may have the result that User will not gain access to his SNT.

## 6. Taxation

- 34 The User bears the sole responsibility to determine if his contribution into the Smart Contract System for the development of the Status Project, the transfer of ETH and/or the Activation of SGT, the creation, ownership or use of SNT, the potential appreciation or depreciation in the value of SNT over time (if any), the allocation of SNT and/or any other action or transaction related to the Status Project have tax implications for him.
- 35 By creating, holding or using SNT, and to the extent permitted by law, the User agrees not to hold any third party (including developers, auditors, contractors or founders) liable for any tax liability associated with or arising from the creation, ownership or use of SNT or any other action or transaction related to the Status Project.

## 7. No Liability

- 36 The User acknowledges and agrees that, to the fullest extent permitted by any applicable law, the User will not hold any developers, auditors, contractors or founders of the SNT, the Smart Contract System and/or Status GmbH liable for any and all damages or injury whatsoever caused by or related to the use of, or the inability to use, SNT or the Smart Contract System under any cause or action whatsoever of any kind in any jurisdiction, including, without limitation, actions for breach of warranty, breach of contract or tort (including negligence) and that developers, auditors contractors or founders of the Smart Contract System, the SNT and/or the Status Project shall not be liable for any indirect, incidental, special, exemplary or consequential damages, including for loss of profits, goodwill or data, in any way whatsoever arising out of the use of, or the inability to use of the

Smart Contract System, the Status Project and/or SNT.

- 37 The User further specifically acknowledges that developers, auditors, contractors or founders of the SNT, Smart Contract System and/or the Status Project are not liable, and the User agrees not to seek to hold them liable, for the conduct of third parties, including other creators of SNT, and that the risk of creating, holding and using SNT rests entirely with the User.
- 38 By creating, holding or using SNT, and to the extent permitted by law, the User agrees not to hold any third party (including developers, auditors, contractors or founders) liable for any regulatory implications or liability associated with or arising from the creation, ownership or use of SNT or any other action or transaction related to the Status Project.

## **8. Miscellaneous**

- 39 The User understands and accepts that the network of miners will be ultimately in control of the Smart Contract System. The User understands that a majority of these miners could agree at any point to make changes to the official Smart Contract System and to run the new version of the Smart Contract System. Such a scenario could lead to SNT losing intrinsic value.
- 40 The Smart Contract System is located in Alderney. Consequently, the SNT creation and allocation and the assignment of the development and execution of the Status Project to Status GmbH are considered to be executed in Alderney.
- 41 The User agrees that if any portion of these Terms is found illegal or unenforceable, in whole or in part, such provision shall, as to such jurisdiction, be ineffective solely to the extent of such determination of invalidity or unenforceability without affecting the validity or enforceability thereof in any other manner or jurisdiction and without affecting the remaining provisions of the Terms, which shall continue to be in full force and effect.
- 42 The Terms govern the creation, ownership and use of SNT and supersede any public statements about the launch of SNT and/or the Smart Contract System made by anyone in the past, present and future.
- 43 The applicable law is Swiss law. Any dispute arising out of or in connection with the creation of the SNT and the development and execution of the Status Project shall be finally settled by the ordinary courts of the registered domicile of the defendant.

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