

Terms and Conditions for the Nethermind Ethereum Client

1. INTRODUCTION

- 1.1 Demerzel Solutions Limited ("**Demerzel**") has developed the Nethermind Ethereum Client (the "**Nethermind Client**") which connects the user ("**You**" and "**Your**") to the Ethereum mainnet and testnet networks and allows You to setup Your private blockchains using cross-platform .NET Core technology.
- 1.2 The following Terms and Conditions (the "**Terms**") govern the use of the Nethermind Client. Prior to any use of and/or download of the Nethermind Client, You confirm that You understand and expressly agree to all of the Terms.
- 1.3 All capitalized terms in this agreement shall have the meaning set out herein. The Nethermind Client is operated by Demerzel.

2. SECURITY WARNINGS

- 2.1 You are responsible for Your own computer security. If Your machine is compromised You may lose Your ETH, access to any contracts and transaction data. Demerzel offers support for the best computer security practises, but You are solely responsible for Your own computer security.
- 2.2 You are responsible for Your own actions. If You make any mistakes or do anything unlawful or illegal, this shall be Your responsibility alone.
- 2.3 The software is open-source and is governed by a Lesser General Public License ("**LGPL**").

3. DISCLAIMER OF LIABILITIES AND WARRANTIES

- 3.1 You acknowledge and agree that You are using the Nethermind Client at Your sole risk. In particular, Demerzel shall not be liable for any losses caused by viruses, Trojan horses or other malicious code in the Nethermind Client and/or that infect your systems as a result of downloading or using the Nethermind Client.
- 3.2 Demerzel may allow You to download third-party modules and/or extensions (together the "**Extensions**") to the Nethermind Client. Such Extensions may contain harmful code. Demerzel provides no warranties as to the suitability or safety of such Extensions and shall not be liable for any loss suffered by You as a result of downloading and/or using such Extensions. You acknowledge that You should only install any Extension after careful consideration and at Your own risk.
- 3.3 Demerzel may provide modules (the "**Modules**") that will allow You to interact with decentralized applications (the "**Applications**") via scripts and code. Such Applications may include decentralized exchanges, decentralized games, lending platforms, gambling sites and so on. Demerzel provides no warranties as to the suitability or safety of any Module and/or Application and shall not be liable for any loss suffered by You as a result of downloading and/or using any

Module and/or Application. Moreover, Demerzel shall not be liable for any loss suffered by reason of an incorrect implementation of any Module or as a result of any bug in the decentralized code.

- 3.4 You represent and warrant that You have an adequate understanding of the risks, usage and intricacies of cryptographic tokens and blockchain-based open source software, the Nethermind Client and ETH.
- 3.5 You acknowledge and agree that, to the fullest extent permitted by any applicable law, the disclaimers of liability contained herein apply to any and all damages or injury whatsoever caused by or related to risks of, use of, or inability to use, ETH or the Nethermind Client 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 Demerzel shall not be liable for any indirect, incidental, special, exemplary or consequential damages, including for loss of profits, goodwill or data.
- 3.6 Some jurisdictions do not allow the exclusion of certain warranties or the limitation or exclusion of liability for certain types of damages. Therefore, some of the above limitations in this section may not apply to You. In particular, nothing in these terms shall affect the statutory rights of any user or exclude injury arising from any wilful misconduct or fraud of Demerzel.

4. RISKS

- 4.1 You acknowledge the following serious risks inherent in using the Nethermind Client and expressly agree not to hold Demerzel liable for any loss or damage suffered by you for any reason including without limitation as a result of any of the following risks occurring:

Risk of regulatory actions

- (a) The Nethermind Client could be impacted by one or more regulatory inquiries or regulatory action, which could impede or limit the ability of Demerzel to continue to develop and/or operate the Nethermind Client, or which could impede or limit your ability to use the Nethermind Client.

Risk of alternative Ethereum networks

- (b) It is possible that alternative Ethereum-based networks could be established, which utilize the same open source code and open source protocol underlying the Nethermind Client. The Ethereum network may compete with these alternative Ethereum-based networks, which could potentially negatively impact the Nethermind Client.

Risk of Insufficient Interest in the Nethermind Client

- (c) It is possible that the Nethermind Client will not be used by a large number of external businesses, individuals, and other organizations and that there will be limited public interest in the creation and development of distributed applications. Such a lack of interest could impact the development of the Nethermind Client. Demerzel cannot predict the success of its own development efforts or the efforts of other third parties.

Risk that the Nethermind Client will not meet Your expectations

- (d) You recognize that the Nethermind Client is under development and may undergo significant changes before release. You acknowledge that any expectations regarding the form and functionality of the Nethermind Client held by you may not be met upon release of the Nethermind Client, for any number of reasons including a change in the design and implementation plans and execution of the implementation of the Nethermind Client.

Risk of Security Weaknesses in the Nethermind Client

- (e) The Nethermind Client is developed using open-source software, and there is a risk that Demerzel (inadvertently), or other third parties not directly affiliated with Demerzel, may introduce weaknesses or bugs into the core infrastructural elements of the Nethermind Client causing the system to lose ETH stored in one or more user accounts or other accounts or lose sums of other valued tokens issued on the Nethermind Client.

Risk of weaknesses or exploitable breakthroughs in the field of cryptography

- (f) Cryptography can advance over time through improvements in code cracking, or technical advances such as the development of quantum computers. This potentially could present risks to cryptocurrencies and the Nethermind Client, which could result in the theft or loss of ETH. To the extent possible, Demerzel intends to update the protocol underlying the Nethermind Client to account for any advances in cryptography and to incorporate additional security measures, but it cannot predict the future of cryptography or the success of any future security updates.

Risk of Ether mining attacks

- (g) As with other cryptocurrencies, the blockchain used for the Nethermind Client 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 Nethermind Client, expected proper execution and sequencing of ETH transactions, and expected proper execution and sequencing of contract computations. Despite the reasonable efforts of Demerzel, known or novel mining attacks may be successful.

Risk of Rapid Adoption and Increased Demand

- (h) If the Nethermind Client is rapidly adopted, the demand for ETH could rise dramatically and at a pace that exceeds the rate with which ETH miners can create new ETH tokens. Under such a scenario, the entire Nethermind Client could become destabilized, due to the increased cost of running distributed applications. In turn, this could dampen interest in the Nethermind Client and ETH. Instability in the demand of for ETH may lead to a negative change of the economical parameters of an Ethereum based business which could result in the business being unable to continue to operate economically or to cease operation.

Risk of rapid adoption and insufficiency of computational application processing power on the Nethermind Client

- (i) If the Nethermind Client is rapidly adopted, the demand for transaction processing and distributed application computations could rise dramatically and at a pace that exceeds the rate with which ETH miners can bring online additional mining power. Under such a scenario, the entire Nethermind Client could become destabilized, due to the increased

cost of running distributed applications. This could reduce interest in the Nethermind Client and ETH. Insufficiency of computational resources and an associated rise in the price of ETH could result in businesses being unable to acquire scarce computational resources to run their distributed applications. This could result in revenue losses to businesses and/or cause businesses to cease operations because such operations have become uneconomical due to distortions in the crypto-economy.

5. DISPUTE RESOLUTION

- 5.1 All disputes or claims arising out of, relating to, or in connection with the Terms, the breach thereof, or use of the Nethermind Client shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the “**Court**” and “**ICC**”) by one or more arbitrators appointed in accordance with said rules. All claims between the parties relating to these Terms that are capable of being resolved by arbitration, whether sounding in contract, tort, or otherwise, shall be submitted to ICC arbitration.
- 5.2 Prior to commencing arbitration, the parties have a duty to negotiate in good faith and attempt to resolve their dispute in a manner other than by submission to ICC arbitration.
- 5.3 The arbitration panel shall consist of one arbitrator only, unless the ICC Court of Arbitration determines that the dispute is such as to warrant three arbitrators. If the Court determines that one arbitrator is sufficient, then such arbitrator shall be Swiss resident. If the Court determines that three arbitrators are necessary, then each party shall have 30 days to nominate an arbitrator of its choice -- in the case of the claimant, measured from receipt of notification of the ICC Court’s decision to have three arbitrators; in the case of respondent, measured from receipt of notification of Claimant’s nomination.
- 5.4 If a party fails to nominate an arbitrator, the Court will do so.
- 5.5 The Court shall appoint the chairman. All arbitrators shall be and remain “independent” of the parties involved in the arbitration. The place of arbitration shall be London, UK. The language of the arbitration shall be English.
- 5.6 In deciding the merits of the dispute, the tribunal shall apply the laws of England and Wales and any discovery shall be limited and shall not involve any depositions or any other examinations outside of a formal hearing.
- 5.7 In the final award, the Court shall fix the costs of the arbitration and decide which of the parties shall bear such costs in what proportion. Every award shall be binding on the parties. The parties undertake to carry out the award without delay and waive their right to any form of recourse against the award in so far as such waiver can validly be made.