

TKN Creation and TokenCard Project Creation Conditions: Explanatory Note & Governance Terms

1. Principles

- 1 By transferring Ether (ETH) or other accepted ERC20 tokens to the Smart Contract System and the Smart Contract System creating TokenCard Tokens (“TKN”), the User understands and accepts that the User makes a contribution into a Smart Contract System for the development of the TokenCard Project, as described in the TokenCard Project Crowdfunding Whitepaper (“TokenCard Project” / “the Whitepaper”). For the Whitepaper and/or further information on the TokenCard Project, visit: www.tokencard.io. 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. 4 below.
- 2 The User understands and accepts that while the individuals and entities, including Monolith Studio GmbH (under formation, hereinafter “Monolith”), assigned to this task will make reasonable efforts to develop and complete the TokenCard Project, **it is possible that such development may fail and User’s TKN 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 TokenCard Project are successfully developed and released in full or in parts, due to a lack of public interest, the TokenCard 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 or other ERC20 tokens to the Smart Contract System and the creation of TKN by the Smart Contract System carry significant financial, regulatory and/or reputational risks (including the complete loss of value of created TKN if any, and attributed features of the TokenCard Project).**
- 4 The User furthermore understands and accepts that - as the creation of the TKN as well as the assignment of the execution of the TokenCard Project are smart contract based - the terms and conditions applicable thereon are set forth in the Smart Contract System Code, consisting of multiple interconnected software codes, existing on the Ethereum blockchain at as set forth on the website: tokencard.io. **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 Monolith or publisher of these terms or developer of the Smart Contract System and/or any other person, entity and/or affiliates involved with the deployment of the Smart Contract System and the setting up of the TokenCard Project beyond those set forth in the Smart Contract System.**
- 5 By transferring ETH or other ERC20 tokens to the Smart Contract System, 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”). **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 TKN and contributing into a Smart Contract System for the development of the TokenCard 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 or other ERC20 tokens to the Smart Contract System and/or receiving TKN, no form of partnership, joint venture or any similar relationship between the Users and Monolith and/or other individuals or entities involved with the deployment of the Smart Contract System and the setting up of the TokenCard 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 and other ERC20 tokens).

2. TKN Creation Function

2.1 Contribution

- 9 **Accepted ERC20 token:** The Smart Contract System accepts contributions of the following token: ETH, MLN, MKR, SWT, GNT, REP, DGD and SNGLS (“Contribution Tokens”).
- 10 **Token Pools:** During the Creation Period, an open amount of TKN 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 60% of the total amount of TKN**, intended to be created by the Smart Contract System during the Creation Period for public backers and early contributors.
 - **Pool B of 20% of total amount of TKN**, intended to be created by the Smart Contract System at the end of Creation Period: If Creation Period has ended, the Smart Contract System allocates the 50% of Pool B to Monolith Studio and 50% to founders of the TokenCard project, Pool B TKN will be locked and not transferable for 18 months, starting at the end of the Creation Period.;
 - **Pool C consisting of 5% of the total amount of TKN**, intended to be created by the Smart Contract System at the end of Creation Period: If Creation Period has ended, the Smart Contract System allocates the Pool C TKN to advisors of the TokenCard

Project (see below para 23),

- **Pool D of 15% of the total amount of TKN**, intended to be created by the Smart Contract System at the end of Creation Period: If Creation Period has ended, the Smart Contract System allocates the Pool D to another smart-contract which allows Monolith to call a sell function triggering the sale of all or parts of the TKN held by this smart-contract as part of an auction pursuant the functionality of this smart-contract (see below para 23);

- 11 **Target Contribution Quantity:** The Target Contribution Quantity is the amount contributed in ETH corresponding to the value of USD 4'500'000 calculated according to the exchange rate as specified on coinmarketcap.com at the Start of the Creation Period. Only contributions made in ETH will be taken into consideration for the calculation of the Target Contribution Quantity. If during the 7-day Creation Period, the Target Contribution Amount has been reached, the Creation Period will last a final 24-hours as detailed in para 15. Each TKN will have the same functions implemented.
- 12 **Maximum Contribution Quantity:** The Maximum Contribution Amount is the amount contributed in ETH corresponding to the value of USD 12'500'000 calculated according to the exchange rate as specified on coinmarketcap.com at the Start of the Creation Period. Only contribution made in ETH will be taken into consideration for the calculation of the Maximum Contribution Quantity. If during the 24 Hour Extension, the Maximal Contribution Amount has been reached, the Creation Period will automatically end. Each TKN will have the same functions implemented.
- 13 **Maximum contribution of Contribution Token other than ETH:** It remains within the discretion of Monolith to at any time stop the acceptance of Contribution Tokens other than ETH during the Creation Period. Monolith may inform on such decision after its implementation on its website.
- 14 **Creation Period:** The Creation Period starts with the deployment of the Smart Contract System and the initiation of its start function ("Start of the Creation Period") and lasts for a maximal duration of 7 days (Maximal Duration Of Creation Period, unless extended by the 24 Hour Extension period according to para. 15 or reduced if the Maximum Contribution Quantity has been reached according to para. 12).
- 15 **24 Hour Extension period:** If ETH contributions in an amount corresponding to the value of USD 4'500'000, calculated according to the exchange rate as specified on coinmarketcap.com at the Start of the Creation Period., have been made, the Creation Period shall last an additional 24 hours (even if thereby extending or reducing the duration of the Creation Period) and then automatically terminate. If within these 24 hours, ETH contributions total in an amount of USD 12'500'000 will be made, the 24-hour period will end and the Creation Period will finish.
- 16 **Minimal / Maximal contribution amounts per User:** No minimal or maximal contribution

amounts per User are inbuilt in the Smart Contract System.

- 17 **Activation Threshold:** If contributions in ETH in an amount corresponding to the value of less than USD 500'000 (without any Contributions in any Token other than ETH), calculated according to the exchange rate as specified on coinmarketcap.com at the Start of the Creation Period., have been made during the Creation Period (Activation Threshold), the project is considered to have failed and each User will have the ability to initiate the transfer of the respective amount of Contribution Tokens submitted to the Smart Contract System from the Smart Contract System's address back to the address used to transfer the Contribution Tokens to the Smart Contract System.
- 18 **Creation and Allocation of TKN:** The creation and allocation of TKN of Pool A by the Smart Contract System are initiated by the User sending an amount of Contribution Tokens to the Smart Contract System, located on the Ethereum blockchain at the addresses set forth under para 4, which triggers a smart contract operation. The Smart Contract System creates and allocates the corresponding TKN to the User's wallet address, in an amount calculated according to para 23 hereinafter, from where the Contribution Tokens were sent from. **User therefore shall assure to make his contribution using an address to which the Smart Contract System can send back ETH, respectively Contribution Tokens and/or TKN to (e.g. not an address of a currency exchange or other provider such as Coinbase).** Issuance of TKN (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.
- 19 **TokenCard:** The 500 Users with the highest contribution amounts qualify to receive a free TokenCard subject to availability in the respective jurisdictions and fulfilment of applicable regulatory and compliance conditions.
- 20 **No Refund:** The User understands and accepts that all contributions / purchases of TKN are final and may not be reversed. Contributions of Contribution Tokens and purchases of TKN are non-refundable. By purchasing TKN, 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 TKN that is not used or remains unused.
- 21 **Assure to use the original Smart Contracts:** Only the Smart Contract(s) existing at the addresses set forth under para 4 will issue TKN during the Creation Periods. Access to this Smart Contract will be available through the TokenCard website at www.tokencard.io. To the extent that any third-party website, service or smart-contracts offers TKN during the Creation Periods or facilitates the sale or transfer of TKN in any way during the Creation Periods or at any time up to the release of the Genesis Block, such third-party websites or services are, unless explicitly mentioned on the TokenCard website at www.tokencard.io, not authorised by Monolith and have no relationship in any way with Monolith.
- 22 **Transferability of TKN during the Creation Period:** Any and all TKN will be locked, and are therefore not transferable, until Creation Period has ended as set forth in the Smart

Contract System. After the end of the Token Sale, all TKN - apart from those in Pools B (attributed to Monolith) and D, as set forth under Section 2.3 below, will become tradable.

2.2 Pricing

- 23 **Creation Rate:** The Creation Rate during Creation Period for each TKN of Pool A will be divided into different levels according to the already made contributions. The amount of ETH already contributed and expressed in USD according to the exchange rate as specified on at the Start of the Creation Period. ("USD pool"), using coinmarketcap.com, defines the applicable level. Only Contributions received in ETH will be taken into consideration for the calculation of the USD pools.

For the purpose of the calculation of the pricing (and the respective levels as set forth below), Contribution Tokens other than ETH will be measured in ETH according to the respective Contribution Token USD prices, fixed at: **MLN = 36.70, DGD = 28.96, SNGLS = 0.098, REP = 16.12, SWT = 1.38, GNT = 0.203 and MKR = 75.40**, at the Start of the Creation Period.

The levels will be defined as follows:

- **Level 1:** USD pool of USD 0-750'000: The exchange rate will be 150 TKN per 1 ETH (or equivalent value of Contribution Tokens, see para 23).
 - **Level 2:** USD pool of USD 750'000-1'500'000: The exchange rate will be 140 TKN per 1 ETH (or equivalent value of Contribution Tokens, see para 23).
 - **Level 3:** USD pool of USD 1'500'000-2'250'000: The exchange rate will be 130 TKN per 1 ETH (or equivalent value of Contribution Tokens, see para 23).
 - **Level 4:** USD pool of USD 2'250'000-3'000'000: The exchange rate will be 120 TKN per 1 ETH (or equivalent value of Contribution Tokens, see para 23).
 - **Level 5:** USD pool of USD 3'000'000-3'750'000: The exchange rate will be 110 TKN per 1 ETH (or equivalent value of Contribution Tokens, see para 23).
 - **Level 6:** USD Pool of USD 3,750,000-4,500,000: The exchange rate will be 100 TKN per 1 ETH (or equivalent value of Contribution Tokens, see para 23).
 - **Possible Final 24 Hour period:** 100 TKN per 1 ETH (or equivalent value of Contribution Tokens, see para 23).
 - **Contributions in, DGD and SNGLS** receive a 5% TKN bonus on top of what the ETH equivalent would receive. Contributions in MLN, MKR, SWT, GNT and REP receive the same TKN rate as what the ETH equivalent would receive.
- 24 If an individual contribution exceeds a level, then the conditions of the lower level apply for the entire contribution. The first Contribution Token contributed as part of the individual

contribution defines the exchange rate for the entire contribution. With regard to Contributions consisting of different Contribution Tokens, each transfer of one type of Contribution Tokens (e.g. MLN and ETH) is considered to qualify as a separate Contribution.

- 25 The allocations set forth under para 23 above will be defined according to the following formula:

$$[\text{TKN Amount}] = [\text{Contribution Amount expressed in ETH}] \times [\text{TKN rate of the level (150/140/130/120/110/100)}]$$

2.3 Pre-Allocation of TKN

- 26 The User understands and accepts that out of the total Launch Quantity,
- **20% of total amount of TKN (Pool B)**, will be directly released by the Smart Contract System to the founders of the TokenCard Project (50% of Pool B TKN) and Monolith (50% of Pool B TKN). Pool B TKN will be locked through a smart contract function and may not be transferred for a period of 18 months, starting at the end of the Creation Period.
 - **5% of total amount of TKN (Pool C)**, will be directly released by the Smart Contract System to advisors of the TokenCard Project.
 - **Pool D of 15% of the total amount of TKN will be created**, and allocated to another smart-contract which allows Monolith to call a sell function triggering the sale of all or parts of the TKN held by this smart-contract as part of an auction pursuant the functionality of this smart-contract. Monolith may, at its sole discretion, trigger the auction mechanism, but has no further influence on the proceedings. Especially, Monolith is not able to withdraw any of these TKN, nor initiate the “Cash and Burn” function, before these TKN have been sold to Contributors in para 25.

2.4 TKN Functionality

- 27 TKN are only for use in connection with the TokenCard Project under the terms of the Smart Contract System and under the terms of the TokenCard Project (to be released), and only constitute a transferable representation of attributed functions of the Smart Contract System.
- 28 Through the allocation of TKN to a User, the User receives the right to claim, by triggering the “Cash and Burn” function of the Smart Contract System and thereby burning the respective TKN, a pro-rata share of net license revenue (License Revenues) generated by the intellectual property rights developed as part of the TokenCard Project (IPR) as specified in the (Reward) Smart Contract System Code, if - and only if - the TokenCard Project successfully generates such License Revenues. The User understands and hereby agrees that the sole and exclusive usage rights of these IPR are assigned to Monolith. Beyond this, ownership of TKN carries no rights express or implied. In particular, User understands and

accepts that he has no right to claim as holder of TKN any equity or equivalent rights or any other form of participation in or relating to the TokenCard Project and/or Monolith.

2.5 Representation and Warranties of User

29 By transferring Contribution Tokens to the Smart Contract and creating TKN, the User represents and warrants that:

- the user is not a citizen or resident of a country, whose legislation conflicts with the present sale of TKN and/or the TokenCard Project in general.
- the User confirms not be a US-citizen and/or US-resident.
- 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 TKN to the Users as proposed by these Terms.
- 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 Contribution Tokens to the Smart Contract System, create and obtain TKN in the User's jurisdiction;
- User will contribute Contribution Tokens from a Wallet or Wallet service provider that technically supports the TKN. User understands and accepts, that failure to assure this may have the result that User will not gain access to his TKN;
- the User is legally permitted to receive software and contributing to the Smart Contract System for the development of the TokenCard Project;
- the User is of a sufficient age to legally create and obtain TKN;
- the User will take sole responsibility for any restrictions and risks associated with the creation of TKN by the Smart Contract System as set forth below;
- the User is not submitting Contribution Tokens to the Smart Contract System to obtain TKN for the purpose of speculative investment;
- the User is not obtaining or using TKN for any illegal purposes;
- the User is purchasing the functionality of the TKN issued by the Smart Contract System primarily to support the development, testing, deployment and operation of the TokenCard Project, being aware of the commercial risks associated with the

TokenCard Project;

- the User waives the right to participate in a class action lawsuit or a classwide arbitration against any entity or individual involved with the creation of TKN;
- the User understands the creation of TKN 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 Contribution Tokens to the Smart Contract System, the creation of TKN and the development of the TokenCard 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 TKN, the Smart Contract System and/or the success of the TokenCard Project, expressed or implied, to the extent permitted by law, and that the Smart Contract System is used and TKN 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, other than as implemented in the Smart Contract System in case the Activation Threshold has not been reached (see para 14), no right against any other party to request any refund of the Contribution Tokens submitted to the Smart Contract System for the creation of the TKN under any circumstance; and that
- the User understands with regard to TKN no market liquidity may be guaranteed and that the value of TKN 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 TokenCard Project, the transfer of Contribution Tokens to the Smart Contract System, the creation, ownership or use of TKN, the potential appreciation or depreciation in the value of TKN over time, the sale and purchase of TKN and/or any other action or transaction related to the TokenCard Project have tax implications for him; by creating, holding or using TKN, and to the extent permitted by law, the User agrees not to hold any third party (including developers, auditors (e.g. contractors or founders) liable for any tax liability associated with or arising from the creation, ownership or use of TKN or any other action or transaction related to the TokenCard Project.

30 As part of the creation 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 TKN by the Smart Contract System, the TKN 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 TKN 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 TKN.

3. TokenCard Project Execution

- 31 The User understands and accepts that the development and execution of the TokenCard Project will be released by the Smart Contract System to the wallet of a third party contractor, Monolith GmbH (to be incorporated using parts of the contributed funds in Switzerland, "Monolith"). Monolith shall use the funds only for the purpose of the development and execution of the TokenCard Project and has the right to engage subcontractors to perform the entire or partial development and execution of the TokenCard Project. The scope of the development work will be triggered by the amount of contribution received during the Creation Period as set forth in the TokenCard Whitepaper.
- 32 The User understands and accepts that for the purpose of the development and execution of the TokenCard Project, Monolith receives a flat fee consisting of 10% of total TKN (50% of Pool B), the potential revenues of the auction of Pool D TKN and the full amount of Contribution Tokens transferred to the Smart Contract System during the Creation Period. This flat fee covers expenses, charges and other costs that may arise by Monolith and/or its subcontractors as part of the development and execution of the TokenCard Project. It remains at Monolith's sole discretion to decide how to allocate the funds in order to develop and execute the TokenCard Project.
- 33 The User understands and accepts that the User may not have any expectation of influence over governance on the TokenCard Project.
- 34 The User understands and accepts that the TokenCard Project will need to go through substantial development works as part of which they 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 TKN may be required (hard-fork of TKN) and that, if User decides not to participate in such upgrade, he may no longer use his TKN and that non-upgraded TKN may lose their functionality in full.

4. Audit of the Smart Contract System

- 35 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.

- 36 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 TKN are fit for a particular purpose or do not contain any weaknesses, vulnerabilities or bugs which could cause, inter alia, the complete loss of Contribution Tokens and/or TKN.

5. Risks

- 37 The User understands and accepts the risks in connection with transferring Contribution Tokens to the Smart Contract System and creating TKN 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 TKN 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 Contribution Tokens and/or TKN.
- **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 TokenCard Project, including its termination and the loss of TKN for the User.
- **Risk of abandonment / lack of success:** The User understands and accepts that the creation of the TKN and the development of the TokenCard 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 TokenCard Project is partially or fully developed and launched, the User will receive any benefits through the TKN held by him.
- **Risk associated with other applications:** The User understands and accepts that

the TokenCard Project and/or particular TokenCard Projects may give rise to other, alternative projects, promoted by unaffiliated third parties, under which TKN will have no intrinsic value.

- **Risk of loss of private key:** TKN 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 TKN 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 TKN or Contribution Tokens, impacting the ability to develop the TokenCard 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 TKN transactions, and expected proper execution and sequencing of contract computations.
- **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 TKN. The failure to assure this may have the result that User will not gain access to his TKN.

6. Taxation

- 38 The User bears the sole responsibility to determine if his contribution into the Smart Contract System for the development of the TokenCard Project, the creation, ownership or use of TKN, the potential appreciation or depreciation in the value of TKN over time, the sale and purchase of TKN and/or any other action or transaction related to the TokenCard Project have tax implications for him.
- 39 By creating, holding or using TKN, 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 TKN or any other action or transaction related to the TokenCard Project.

7. No Liability

- 40 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 TKN, the Smart Contract System and/or Monolith liable for any and all damages or injury whatsoever caused by or related to the use of, or the inability to use, TKN 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 TKN and/or the TokenCard 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 TokenCard Project and/or TKN.
- 41 The User further specifically acknowledges that developers, auditors, contractors or founders of the TKN, Smart Contract System and/or the TokenCard 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 TKN, and that the risk of creating, holding and using TKN rests entirely with the User.
- 42 By creating, holding or using TKN, 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 TKN or any other action or transaction related to the TokenCard Project.

8. Miscellaneous

- 43 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 TKN losing intrinsic value.
- 44 The Smart Contract System is located in Alderney. Consequently, the TKN creation and allocation and the assignment of the development and execution of the TokenCard Project to Monolith (to be founded) are considered to be executed in Alderney.
- 45 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.
- 46 The Terms govern the creation, ownership and use of TKN and supersede any public statements about the launch of TKN and/or the Smart Contract System made by anyone in

the past, present and future.

- 47 The applicable law is Swiss law. Any dispute arising out of or in connection with the creation of the TKN and the development and execution of the TokenCard Project shall be finally settled by the ordinary courts of the registered domicile of the defendant.

Version [01/05/2017]