

YONDO CROWDSALE

TERMS OF ISSUE OF TOKENS

Yondo proposes to issue and you propose to purchase Yon tokens (**Tokens**) during the Crowdsale (as defined below).

Your purchase of YON tokens (**Tokens**) during the Crowdsale from [Yondo Pty Ltd, ACN 148 174 109], acting as the issuer of the Tokens, and as the operating company, (referred together as the **Company, we, or us**) is subject to these terms of sale (**Terms**).

Each of you and Company is a **Party** and, together, are referred to as the **Parties**.

By purchasing Tokens from us during the Crowdsale, you will be bound by these Terms. If you have any questions regarding these Terms, please contact us at support@yondo.com.

You and Company agree as follows:

1 Commencement and Duration of Crowdsale

(a) Company will conduct a public sale of Tokens (**Crowdsale**), which will begin at 1pm PST (UTC-8) on March 13, 2018 (**Launch Date**) and the end of the token generation event is to be announced (**Crowdsale End Date**) or when 100 Million (100,000,000) (**Hard Cap**) worth of Tokens has been sold, whichever is earlier. Additional information regarding the crowdsale dates, is summarised in **Schedule 1** and further described in the Whitepaper available at <https://tokensale.yondo.com> (the **Whitepaper**).

(b)

2 Eligibility

To be eligible to participate in the Crowdsale and to log into the Crowdsale portal to make a purchase, you must;

- (a) provide us with your email address, residential address and telephone number (your **User Credentials**); and
- (b) have an Ethereum-compatible wallet that supports the ERC-20 token standard in order to receive any Tokens you purchase from us and provide the address for that wallet (the **Token Receipt Address**).

We reserve the right to prescribe additional guidance regarding specific wallet requirements.

If you select BTC or ETH as your Payment Currency (as defined below) you must provide us with a refund address to receive any necessary refunds (the **Refund Address**). For the avoidance of doubt, any refunds will be made in the Payment Currency not in USD.

We are not responsible for and nor will we have any liability in connection with any delays, losses, costs, non-delivery of refunds or of Tokens, or other issues arising from the failure to provide, or providing an inaccurate or incomplete Refund Address or Token Receipt Address.

3 Purchase and Sale of Tokens

- (a) **Payment Currencies.** The USD price per Token is \$[0.20] (**Price Per Token**). While the Price Per Token is set in USD, you must pay for Tokens in BTC, ETH, LTC or USD (each, a **Payment Currency**).

- (b) **Purchase Procedure and Purchase Tiers.** During the Crowdsale, Tokens will be available for sale in specified tiers by date of purchase (**Purchase Tiers**). After you log into the Crowdsale portal, and depending on the date of your purchase, we will assign to you an applicable Purchase Tier. We will make available a fixed amount of Tokens in each Purchase Tier. Once a Purchase Tier is exhausted, we will not accept any further purchases in that Purchase Tier. After we have assigned to you a Purchase Tier and you have selected a Payment Currency, the Crowdsale portal will display the Exchange Rate (as defined below) that will be applied to calculate your Purchase Price (as defined further below) for the Payment Currency you selected. Acting reasonably, we may (but we are not obliged to) modify any of the procedures described in these Terms to take account of any network congestion or other technical challenges.
- (c) **Purchase Price.** Your quoted **Purchase Price** in the selected Payment Currency is equal to the USD value of your Purchase Tier divided by the Exchange Rate (as defined below). The **Exchange Rate** will be the exchange rate between USD and your selected Payment Currency as sourced by the Company from coinpayments.net not more than one (1) hour before the time of your purchase request. For the avoidance of doubt, to the extent the Exchange Rate varies from the then-current rate on coinpayments.net, the Exchange Rate will apply.
- (d) **Purchase Price Must Be Received in Full Within Six Hours.** If we have not received the payment of the full Purchase Price in accordance with these Terms within six (6) hours of the time that you receive your payment instructions, we may cancel your purchase request and refuse to accept your payment of the Purchase Price. For these purposes, if the Purchase Price is payable in a Payment Currency that resides on a blockchain or similar delivery mechanism, payment will be taken to have been paid in full only after we have received at least three (3) network confirmations of the transaction. Acting reasonably, we may modify any of the timelines described in the Terms to take account of any network congestion or other technical challenges.
- (e) **Payment of Purchase Price.** You must pay the Purchase Price by sending the correct quantity of Payment Currency, but not a combination of different Payment Currencies, as instructed through the Crowdsale portal. Your purchase of Tokens is not assured until we receive the full amount of the Purchase Price.
- (f) **One Purchase Per Purchaser.** You will only be allowed to make one purchase during the Crowdsale. You agree not to allow anyone to use your User Credentials with any other person for the purpose of facilitating their unauthorised access to the Crowdsale. If you do share your User Credentials with anyone we will consider their activities to have been authorised by you. You are responsible for any acts or omissions that occur during the Crowdsale through the use of your User Credentials. We reserve the right to suspend or block your access to the Crowdsale if we suspect that may have been any unauthorised access or use of your User Credentials.
- (g) **Delivery of Tokens.** Company will deliver the quantity of Tokens you purchase by the later of:
- (1) four (4) weeks after the Crowdsale End Date (although acting reasonably we may (but we are not obliged to) extend the date by which Tokens must be delivered for up to two (2) additional weeks if necessary to address any unanticipated technical difficulties); or
 - (2) two (2) weeks after you have provided a complete and accurate Token Receipt Address.
- If we extend the date by which Tokens must be delivered, it will not otherwise affect our obligation to deliver your obligation to purchase Tokens.
- (h) **Suspension of Crowdsale.** If at any time circumstances arise that affect the security of the Crowdsale, acting reasonably we may temporarily or permanently suspend the Crowdsale by giving notice to you by email to the address that you stipulated for the purposes of the Crowdsale. We will also post a notice on the Crowdsale portal mentioned in section 3(b) above. If we suspend the Crowdsale, the suspension will take effect from the time that we give the notice to you by email and it will continue until we give notice to you of the end of the suspension by the same method that we use for applying the suspension (**Suspension Period**).

You must not send any contributions in any Payment Currency during such a Suspension Period.

If you send a contribution during a Suspension Period, you may lose that contribution. We will make reasonable efforts to return or refund your contribution in those circumstances but we are not liable to you if for any reason it is not feasible or technically practical to locate, to trace or to return a contribution.

4 Purpose and Use of Tokens in the Ecosystem

- (a) The purpose of the Tokens is to enable purchasers of content (**Services**) from our Yondo video streaming marketplace and platform to make their purchases of our Services easily, efficiently and quickly. Tokens may be used only for this purpose. Additional information regarding the Services, and the Company, is summarised in **Schedule 1** and further described in the Whitepaper available at <https://tokensale.yondo.com> (the **Whitepaper**).
- (b) Your purchase, ownership, receipt, or possession of Tokens carries no rights, express or implied, other than the expectation to use Tokens as a means to enable purchase and use of our Services from us. In particular, you understand and accept that Tokens do not represent or confer any ownership right or stake, share, security, or equivalent rights, or any right to receive future revenue shares, intellectual property rights or any other form of participation in or relating to the Ecosystem and/or the Company or any of its related companies, other than any rights relating to the provision and receipt of Services. The Tokens are not intended to be a digital currency, security, commodity, bond, debt instrument or any kind of financial instrument or investment carrying equivalent rights, nor are the Tokens intended to represent any form of money or legal tender in any jurisdiction, nor any representation of money (including electronic money). For this reason, any protections offered by applicable law in relation to the purchase, holding and/or sale of any of the instruments or investments referred to in this Section (b) will not apply to any contribution made under these Terms for the purchase of Tokens or to your holding of Tokens.

5 Possible Migration of Tokens

- (a) The Tokens are created as ERC-20 tokens on the Ethereum protocol. We reserve the right to migrate the ERC-20 based Tokens (the **Pre-existing Tokens**) to another protocol and to generate replacement Tokens (the **Replacement Tokens**) on a new protocol that we select in the future, if we determine, acting reasonably, that doing so is necessary or useful to the operation of the Ecosystem.
- (b) Should we decide to migrate the Tokens, we will give you notice by email sent to the email address you provided to us at the time of the Crowdsale. If any of your contact information (including your email address) changes, you must update your contact details with us.

6 Scope of Terms

- (a) Only these Terms govern your purchase of Tokens from Company during the Crowdsale (except as otherwise stated in these Terms).
- (b) Any use of Tokens in connection with providing or receiving our Services may be governed by other applicable terms and conditions and policies. In particular, but without limitation, from time to time we will determine (acting reasonably) the price of our Services expressed in Tokens.
- (c) **Cancellation: Refusal of Purchase Requests.** Any purchase of Tokens that you make from us during the Crowdsale is final, and we will not allow any refund in relation to or cancellation of a purchase except as expressly allowed under these Terms, or as may be required by any applicable law or regulation. We may refuse Token purchase requests at any time in our sole discretion. If

you fail to provide an accurate and complete Refund Address or Token Receipt Address, we are not liable for any delays, losses, costs, non-delivery of refunds or of Tokens, that may result.

7 Token Creation and Allocation

Important information about the Company's creation and the intended use of the Tokens is provided in **Schedule 2**. By purchasing Tokens, you acknowledge that you have read, understand, and agree to **Schedule 2**.

8 Acknowledgment and Assumption of Risks

You acknowledge that there are risks associated with purchasing, owning, and using Tokens for the provision or receipt of our Services, as disclosed and explained in **Schedule 3**.

9 Security

You are responsible for implementing reasonable measures for securing the wallet, vault, or other storage mechanism you use to receive and hold Tokens that you purchase from us, including any private key or other credentials necessary to access such a storage mechanism. If your private key or other access credentials is lost, you may lose access to your Tokens. We are not responsible for any losses, costs, or expenses relating to lost access credentials.

10 Personal Information

We may determine, in our sole discretion, that it is necessary to obtain certain information about you in order to comply with applicable laws or regulations in connection with selling Tokens to you. You agree to provide us such information promptly upon request and acknowledge that we may refuse to sell Tokens to you until you provide such requested information and we have determined that it is permissible to sell you Tokens under applicable laws or regulations.

11 Taxes

Any amount that you pay for Tokens is exclusive of all applicable taxes except that the Purchase Price for Tokens is inclusive of goods and services tax (**GST**) payable in Australia in respect of the issue of Tokens (if any). You are responsible for determining what, if any, taxes apply to your purchase of Tokens, including, for example, goods and services taxes, and sales, use, value added, and similar taxes. It may be your responsibility to withhold, collect, report and remit the correct taxes to the appropriate tax authorities except for GST payable in connection with the supply of Tokens in Australia. We are not responsible for withholding, collecting, reporting, or remitting any sales, use, value added, or similar tax arising from your purchase of Tokens except for GST payable in connection with the supply of Tokens in Australia.

12 Representations and Warranties

By sending the Payment Currency to purchase Tokens from us, you represent and warrant that:

- (a) You have read and understand these Terms (including all Exhibits):

- (b) You have sufficient understanding of technical and business matters (including those that relate to our Services), cryptographic tokens, token storage mechanisms (such as token wallets), and blockchain technology to understand these Terms and to appreciate the risks and implications of purchasing Tokens;
- (c) You understand the restrictions and risks associated with the creation of Tokens as described in these Terms, and you acknowledge and assume all such risks;
- (d) You have obtained sufficient information about the Tokens and the Services to make an informed decision to purchase Tokens;
- (e) You understand that the Tokens confer only the right to provide and receive Services, and confer no other rights of any form in connection with the Company, including, but not limited to, any ownership, distribution, redemption, liquidation, proprietary, intellectual property, or other financial or legal rights;
- (f) You are purchasing Tokens solely for the purpose of receiving Services. You are not purchasing Tokens for any other purposes, including, but not limited to, any investment, speculative or financial purpose;
- (g) Your purchase of Tokens complies with applicable laws and regulations in your jurisdiction, including, but not limited to: (i) legal capacity and any other threshold requirements in your jurisdiction for the purchase of the Tokens and entering into contracts with the Company; (ii) any foreign exchange or regulatory restrictions applicable to such purchase; and (iii) any governmental or other consents that may need to be obtained;
- (h) You will comply with any applicable tax obligations in your jurisdiction arising from your purchase of Tokens;
- (i) If you are purchasing Tokens on behalf of any entity, you are authorized to accept these Terms on that entity's behalf and that entity will be responsible for breach of these Terms by you or any other employee or agent of that entity (and in that case, references to **you** in these Terms are taken to refer to you and such entity, jointly);
- (j) You are not a citizen, lawful permanent resident of or domiciled in China, or in any jurisdiction or country where such distribution of Tokens or use would be contrary to any law or regulation (including without limitation the People's Republic of China), or which would subject the Company, or any related company, or any of its products or services to any registration, licensing or other authorization requirement within that jurisdiction or country; and
- (k) You are not:
 - (1) a citizen or resident of a geographic area in which access to or use of the Services or the acceptance of delivery of the Tokens is prohibited by applicable law, decree, regulation, treaty, or administrative act;
 - (2) a citizen or resident of, or located in, a geographic area that is subject to sanctions or embargoes imposed by Australia or the USA; or
 - (3) an individual, or an individual employed by or associated with an entity, identified on the Consolidated List published on the website of the Department of Foreign Affairs and Trade of Australia or on the U.S. Department of Commerce's Denied Persons or Entity List, the U.S. Department of Treasury's Specially Designated Nationals or Blocked Persons Lists, or the U.S. Department of State's Debarred Parties List. You agree that if your country of residence or other circumstances change so that any of the above representations is no longer accurate, you will immediately cease using the Services. If you are registering to use the Services on behalf of a legal entity, you further represent and warrant that the legal entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization.
- (l) making a contribution and receiving Tokens under these Terms is not unlawful or prohibited under the laws of your jurisdiction or under the laws of any other jurisdiction to which you may be subject and any contribution shall be made in full compliance with applicable laws (including, but not limited to, in compliance with any tax obligations to which you may be subject in any relevant jurisdiction);

- (m) Any contribution to be made by you for the purchase of Tokens is not derived from or related to any unlawful activities, including but not limited to terrorist financing activities;
- (n) You must not use the Tokens to finance, engage in, or otherwise support any unlawful activities;
- (o) Your Payment Currency will be transferred to us from a digital wallet that:
 - (1) is registered in your name or in the name of a person who is duly authorized by you to transfer the Payment Currency and is eligible to do so under Section 2;
 - (2) is not located in or that is not registered in the name of a person located in or resident of any country or territory that has been designated by the Financial Action Task Force as a “non-cooperative country or territory”.

13 Indemnification

- (a) To the fullest extent permitted by applicable law, you must indemnify, defend and hold harmless the Company and our respective past, present and future employees, officers, directors, contractors, consultants, attorneys, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns (the **Company Parties**) from and against all claims, demands, actions, damages, losses, costs and expenses (including attorneys’ fees) that arise from any breach of any of your obligations under these Terms or as a result of any representation you make being untrue or materially misleading.
- (b) We will hold the benefit of the indemnity in paragraph (a) above upon trust for each of the Company Parties.
- (c) Company reserves the right to exercise sole control over the defense, at your expense, of any claim that is subject to the indemnity you give in Clause (a). This indemnity is in addition to, and not in substitution for, any indemnity that you give for the benefit of the Company or the Company Parties in any other document.

14 Disclaimers

- (a) Subject to Clause (b), we do not make any warranties about the Tokens except in relation to their purpose and proposed use as specified in Clause 4. In particular:
 - (1) we do not represent or warrant that the Tokens are reliable or error free, meet your requirements, or that defects in the Tokens will be corrected; and
 - (2) we do not represent or warrant that the Tokens or the delivery mechanisms for Tokens are free of viruses or other harmful components.
- (b) Some jurisdictions do not allow the exclusion of certain warranties or the disclaimer of implied terms in contracts with consumers, so some or all of the exclusions of warranties and disclaimers in this Section 14 may not apply to you. If, in relation to the purchase of Tokens, you are a **consumer** as defined in section 3 of Schedule 2 of the Competition and Consumer Act 2010 (Commonwealth), then you are entitled to the benefit of certain consumer guarantees that are taken to be given by us under the Australian Consumer Law in connection with the Tokens.
- (c) Neither these Terms nor the Whitepaper constitutes a prospectus or offering document, and are not an offer to sell, nor the solicitation of an offer to buy any investment or financial instrument in any jurisdiction. Tokens should not be acquired for speculative or investment purposes with the expectation of making a profit on immediate or future re-sale.

- (d) No regulatory authority has examined or approved of any of the information set out in these Terms or in the Whitepaper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of these Terms and the Whitepaper does not imply that applicable laws, regulatory requirements or rules have been complied with.

15 Limitation of Liability

- (a) We exclude any liability to you that we might otherwise have for any indirect, special, exemplary or punitive losses or damages, or for loss of revenue, profits or business, that may arise in contract, tort (including negligence) or otherwise in connection with these Terms and the issue or proposed issue of Tokens. This exclusion does not apply in the case of our fraud or willful misconduct, or where clause 16(c) applies.
- (b) Our liability to you for any damages or losses that are not excluded under clause 16(a) and which may arise in contract, tort (including negligence) or otherwise in connection with these Terms and the issue or proposed issue of Tokens, is limited to an amount equal to the contribution that we actually receive from you on account of the purchase of Tokens.
- (c) Some jurisdictions do not allow the limitation or exclusion of liability for incidental or consequential damages. Accordingly, some of the limitations of this Section 16 may not apply to you. If you are a **consumer** as defined in section 3 of Schedule 2 of the Competition and Consumer Act 2010:
 - (1) we do not exclude or limit our liability in connection with any breach of the consumer guarantees that we are taken to give under the Australian Consumer Law except where paragraph (2) applies; but
 - (2) if you do not acquire the Tokens for personal, domestic or household purposes, we limit our liability for breach of those consumer guarantees to the refund of any amount we received from you in respect of the Tokens.

16 Dispute Resolution

Notice: Informal Dispute Resolution. Each Party will notify the other Party in writing of any dispute within thirty (30) days of the date it arises, so that the Parties can attempt in good faith to resolve the dispute informally. Notice to the Company shall be sent by e-mail to the Company at support@yondo.com. Notice to you shall be by email to the email address you provide to us as part of the Crowdsale. Your notice must include:

- (a) your name, postal address, email address and telephone number;
- (b) a description in reasonable detail of the nature or basis of the dispute; and
- (c) the specific relief that you are seeking. If you and the Company cannot agree how to resolve the dispute within thirty (30) days after the date that notice is received by the applicable Party, then either you or the Company may commence legal proceedings in relation to that dispute.

17 Governing Law and Jurisdiction

These Terms will be governed by the laws of Queensland, Australia, without regard to conflict of law rules or principles that would cause the application of the laws of any other jurisdiction. The parties submit to the non-exclusive jurisdiction of the courts of Queensland in relation to any dispute arising under or in connection with these Terms or the Tokens.

18 Severability

If any term, clause or provision of these Terms is held unlawful, void or unenforceable, then that term, clause or provision will be severable from these Terms 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 these Terms.

19 Miscellaneous

- (a) We may assign our rights and obligations under these Terms.
- (b) Our failure to exercise or enforce any right or provision of these Terms will not operate as a waiver of such right or provision.
- (c) We will not be liable for any delay or failure to perform any obligation under these Terms where the delay or failure results from any cause beyond our reasonable control.
- (d) Purchasing Tokens from us does not create any form of partnership, joint venture, or any other similar relationship between you and us.
- (e) These Terms are intended solely for the benefit of you and us and are not intended to confer third-party beneficiary rights upon any other person or entity, except as otherwise expressly stated in these Terms.
- (f) You agree and acknowledge that any notices, disclosures, and other communications that we provide to you, including these Terms, may be provided in electronic form.

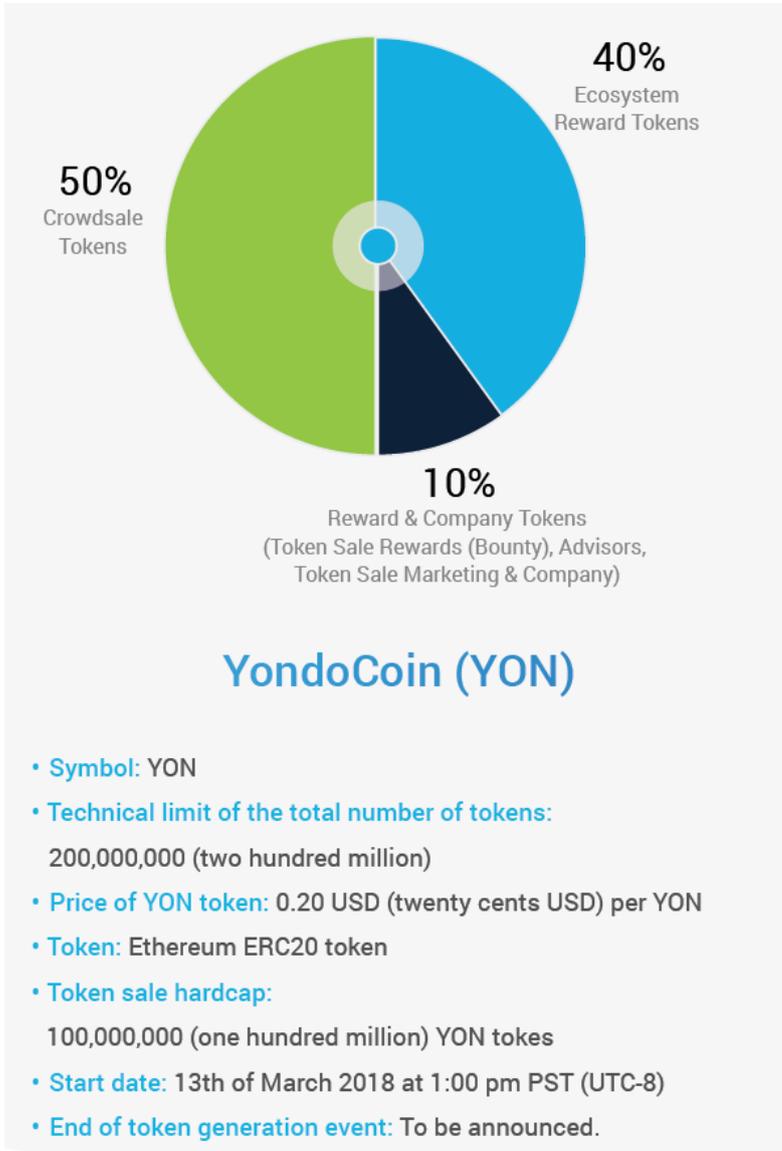
Schedule 1

Description of the Company and the Tokens

Yondo Pty Ltd (ACN 148 174 109) was established in Queensland, Australia in 2013. Over \$2 Million has been invested into Yondo to-date. The company's products account for thousands of users signed up in over 114 countries worldwide.

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|---|---|
| Start date | 13th March 2018 at 1:00 pm PST (UTC-8) |
| End of token generation event | To be announced |
| Price of YON token | 0.20 USD (twenty cents) per YON |
| Option for early termination | Yes, upon reaching 100,000,000 tokens sold (Hardcap) |
| Technical limit to the number of tokens | 200,000,000 (two hundred million) |
| Adjustable distribution | Unsold tokens from the public sale will be discarded |
| Further token issues | No, a single issue within this token sale |
| Token symbol | YON |
| Methods of token purchase | Bitcoin (BTC), Ethereum (ETH), Litecoin (LTC) and fiat payments |
| Mincap | There is no minimum cap |
| Token distribution supported | 10 business days from the end of the token sale |
| Token type | Utility |

Creation and Allocation of Tokens by Company



● **Crowdsale Tokens**

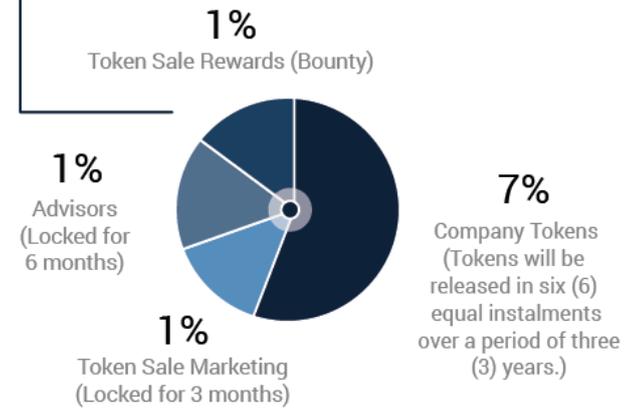
Total of up to 100,000,000 (one hundred million) tokens will be sold in the token sale

● **Ecosystem Reward Tokens**

Total of up to 80,000,000 (eighty million) allocated for distribution to incentivize participation in the Yondo ecosystem.

● **Company Tokens**

Total of up to 20,000,000 (twenty million) tokens will be allocated for distribution to token sale rewards (bounty), Yondo Advisors, token sale marketing and company (see the following distribution chart based on 200,000,000 tokens).



Additional information on the YON token and bonus structure can be found in the YondoCoin white paper at <https://tokensale.yondo.com/>

Schedule 3

Certain Risks Relating to Purchase, Sale, and Use of Tokens

Important Note: *The Tokens are not being structured or sold as securities or any other form of investment product. Accordingly, none of the information presented in this Schedule 3 is intended to form the basis for any investment decision, and no specific recommendations are intended. Nevertheless, Exhibit C does form part of the Terms and is subject to clauses 13, 14 and 15 of the Terms.*

By purchasing, owning, and using Tokens, you expressly acknowledge and assume the following risks:

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

In some circumstances a private key, or a combination of private keys, may be necessary to control and dispose of Tokens stored in your digital wallet or vault. Accordingly, loss of a private key required for access to or use of your digital wallet or vault storing Tokens will result in loss of such Tokens. Moreover, any third party that gains access to such a private key, including by gaining access to login credentials of a hosted wallet service you use, may be able to misappropriate your Tokens. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive and store Tokens, including your own failure to properly maintain or use such digital wallet or vault, may also result in the loss of your Tokens. Additionally, your failure to precisely follow the procedures set forth in for buying and receiving Tokens, including, for instance, if you provide an incorrect Token Receipt Address, or provide an address that is not ERC-20 compatible, may result in the loss of your Tokens.

2 Risks Associated with the Ethereum Protocol

Because Tokens are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on the Tokens. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the Tokens, including the utility of the Tokens for obtaining Services, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol. Smart contracts concept, the underlying software application and software platform (i.e. the Ethereum blockchain) is still in an early development stage and unproven. There is no warranty or assurance that the process for creating Tokens will be uninterrupted or error-free and there is an inherent risk that the software could contain defects, weaknesses, vulnerabilities, viruses or bugs that could cause, among other things, the loss of contributions and/or Tokens.

3 Risk of Mining Attacks

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

Schedule 3

Certain Risks Relating to Purchase, Sale, and Use of Tokens

of miners will ultimately be in control of the delivery of the Tokens via the smart contract mechanism, and that a majority of miners could agree at any point to make changes, updates, modifications to, or effect a deletion or destruction of the smart contract mechanism, and that such a scenario could lead to the Tokens losing functionality and therefore value..

4 Risk of Hacking and Security Weaknesses

Hackers or other malicious groups or organizations may attempt to interfere with the Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because the Ecosystem is based on open-source software, there is a risk that a third party or a member of the Company's team may intentionally or unintentionally introduce weaknesses into the core infrastructure of the system, which could negatively affect the system and the Tokens, including the utility of the Tokens for obtaining Services.

5 Risks Associated with Markets for Tokens

The Tokens are intended to be used solely for payment for Services and the Company does not intend to enable or otherwise facilitate any secondary trading or external valuation of Tokens. This may restrict the contemplated avenues for using Tokens to the provision or receipt of Services, and could therefore create illiquidity risk with respect to any Tokens you own. Even if secondary trading of Tokens is facilitated by third-party exchanges, those exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to fraud or manipulation. Furthermore, to the extent that third parties do ascribe an external exchange value to Tokens (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile and diminish to zero. You accept that the Tokens are not offered by the Company on an investment or speculative basis. You further acknowledge that because Tokens are not an investment the funds you pay for the Tokens will not be protected, guaranteed or reimbursed by any governmental, regulatory or other entity.

6 Risks Associated with Uncertain Regulations and Enforcement Actions

Blockchain technology allows new forms of interaction and 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 implemented in the Crowdsale and which may result, among other things, in substantial modifications to the smart contract, including its termination and the loss of your Tokens. Additionally, regulation of the business of the Company may be uncertain in some jurisdictions owing to the potential crossovers between the treatment of the business of the Company in relation to the regulation of financial services and the laws and regulations affecting blockchain technology. It is not known what regulatory framework the Tokens and associated applications will be caught by, the nature and obligations that will be imposed on the Company in order to comply with any such regulatory framework or when or if the Company will even be able to apply to be regulated so that it may lawfully carry out its proposed business activities.

Schedule 3

Certain Risks Relating to Purchase, Sale, and Use of Tokens

7 Risk of Uninsured Losses

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

8 Risks Associated with Uncertain Regulations and Enforcement Actions

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

9 Risks Arising from Taxation

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

10 Risk of Competing arrangements for Tokens

It is possible that alternative arrangements could be established that utilize the same open source code and protocol underlying the Tokens and attempt to facilitate services that are materially similar to the Services. A new arrangement of this kind may compete with these alternatives, which could negatively impact the Tokens, including the utility of the Tokens for obtaining Services.

11 Risk of Insufficient Interest in the Company's Services or Distributed Applications

It is possible that the Tokens will not be used by a large number of individuals, companies and other entities dealing with the Company or that there will be limited public interest in the creation and development of distributed payment arrangements (such as the Tokens) more generally. Such a lack of use or interest could negatively impact the potential utility of the Tokens, including the utility of the Tokens for obtaining Services.

Schedule 3

Certain Risks Relating to Purchase, Sale, and Use of Tokens

12 Risks Associated with the Development and Maintenance of the Ecosystem

The payment system in which the Tokens are to be used is still under development and may undergo significant changes over time. Although we intend for the Tokens to function as described in **Schedule 1**, and intend to take commercially reasonable steps toward those ends, we may have to make changes to the specifications of the Tokens and the related payment arrangements.

13 Risk of Hard Fork

Our payment system in which tokens can be used will need to go through substantial development work as part of which it may become the subject of significant conceptual, technical and commercial changes. As part of the development, an upgrade to the Token may be required (hard-fork of Token) and if you decide not to participate in such upgrade, you may no longer be able to use your Tokens and any non-upgraded Tokens may lose their functionality in full.

14 Risk of Dissolution of the Company or Ecosystem

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of Payment Currency (or other cryptographic and fiat currencies), decrease in the Tokens' utility (including their utility for obtaining Services), the failure of commercial relationships, or intellectual property ownership challenges, the payment system for tokens may no longer be viable to operate, or the Company may dissolve.

15 Risks Arising from Lack of Governance Rights

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

16 Unanticipated Risks

Cryptographic tokens such as the Tokens are a new and untested technology. In addition to the risks included in this **Schedule 3**, there are other risks associated with your purchase, possession, and use of the Tokens, including unanticipated risks. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this **Schedule 3**.