

[IF YOU ARE A NON-US PERSON, PLEASE CLICK THIS LINK [] TO ACCESS THE DOCUMENTS APPLICABLE TO YOU]

TERMS AND CONDITIONS RELATING TO BCT TOKEN DISTRIBUTION

FOR CONTRIBUTORS WHO ARE U.S. PERSONS ONLY

Last updated: 26 April 2018

PLEASE READ THESE TERMS AND CONDITIONS (“**T&Cs**”) CAREFULLY. BY MAKING A CONTRIBUTION TO BCT INC, A CAYMAN ISLANDS EXEMPTED COMPANY (THE “**DEVELOPER**”) FOR THE PURCHASE OF THE DEVELOPER’S DIGITALTOKENS DURING THE CONTRIBUTION PERIOD (AS DEFINED BELOW), YOU WILL BE BOUND BY THESE T&Cs AND ALL TERMS INCORPORATED HEREIN BY REFERENCE.

THE DEVELOPER IS THE CREATOR OF ITS OWN PROPRIETARY TOKEN KNOWN AS THE BCT TOKEN (THE “**BCT TOKEN**” OR “**BCT**”). THE DEVELOPER INTENDS TO DISTRIBUTE BCT TO INTERESTED PARTIES IN ACCORDANCE WITH THESE T&Cs (THE “**TOKEN DISTRIBUTION**”).

BY ACCEPTING THESE T&CS, YOU WILL BE ENTERING INTO A BINDING AGREEMENT WITH THE DEVELOPER IN CONNECTION WITH ACQUIRING BCT. THESE T&CS CONTAIN PROVISIONS THAT AFFECT YOUR LEGAL RIGHTS. NOTE THAT CLAUSE 20 CONTAINS A BINDING ARBITRATION CLAUSE. IF YOU DO NOT AGREE TO THESE T&CS, DO NOT MAKE A CONTRIBUTION FOR THE PURCHASE OF BCT AND NAVIGATE AWAY FROM THE WEBSITE.

PARTIES TO THESE T&Cs

References in these T&Cs to “**Developer**,” “**we**,” “**our**” or “**us**” shall be to the Developer and its respective successors in interests and assigns. References in these T&Cs to “**Contributor**,” “**your**” or “**you**” are to the person/entity who accepts these T&Cs and agrees to and makes a contribution to the Developer as set out in and on the terms of these T&Cs whether during the Contribution Period or prior thereto. You, personally, and the Developer shall together be referred to as the “**Parties**” and references to a “**Party**” shall be to the relevant one of them as the context requires.

THE DEVELOPER PLATFORM

The Developer is developing technology to support a blockchain terminal (in hardware and software versions, and as currently developed or updated in future, as applicable, the “**BC Terminal**”) that will rely on blockchain technology to provide tools and services to the financial services industry (the “**Developer Platform**”). BCT will be used to (i) request or commit domain objects and ontologies to the Developer Platform, (ii) obtain points of entry to the Developer Platform, (iii) access applications on the Developer Platform (either on a one-time use or subscription basis) and (iv) enable core services of the Developer Platform and capture application fees. The proposed uses and intended functionality of BCT is more fully described in Schedule 1. BCT are intended to be used in connection with a BC Terminal. An affiliate of the Developer will provide the means by which the Developer will make the Developer Platform applications available to Contributors. The purchase of BCT does not entitle the BCT holder to receive a BC Terminal, or to retain a BC Terminal if it should be received. BCT Terminals, if provided, shall be provided by an affiliate of the Developer according to terms of engagement between the user and such affiliate. Such affiliate shall have absolute discretion in determining which parties shall be entitled to receive BC Terminals, and which parties shall be entitled to retain BC Terminals if received.

For a more detailed description of the Developer Platform, please refer to:

- (a) the Developer’s website at <https://www.bct.io>, and

- (b) the Developer Whitepaper (a copy of which can be found at: <https://www.bct.io/bct-whitepaper.pdf>)

If you have any questions relating to these T&Cs, please contact us at: legal@bct.io.

YOU AND COMPANY HEREBY AGREE AS FOLLOWS:

1. Scope of T&Cs

- 1.1 Except as otherwise set out in these T&Cs, these T&Cs (including any terms incorporated herein by reference) govern only your contribution to the Developer for the purchase of BCT during the Contribution Period (as such term is defined in clause 2.1 below).
- 1.2 Any potential future use of BCT in connection with the provision or receipt of services on the Developer Platform, shall be subject to and governed by such other applicable terms, conditions and policies relating to the use of the Developer Platform (the “**Platform Terms**”) as may be published on the Developer’s website from time to time.

2. Contribution Period

- 2.1 Contributions may be made during a defined period of time (“**Contribution Period**”). The Contribution Period shall end at 11:59 PM EST April 30, 2018; or (ii) such other time as Developer posts a notice of conclusion of the Token Distribution on the Developer website (the “**Completion Conditions**”). The Developer reserves the right in its sole discretion to change the start and end date of the Contribution Period.
- 2.2 The Contributor shall be required to check the Developer website in order to ensure that any contribution is made prior to the conclusion of the Contribution Period. Contributors who send their contribution following the conclusion of the Contribution Period as notified by Developer under this clause 2, risk losing their entire contribution and we shall not be responsible or liable for recovering or returning any such contributions to the Contributor nor shall we be responsible or liable for any losses incurred by the Contributor in this respect.

3. Creation and issue of BCT through the Smart Contract System

- 3.1 The Developer is in the process of deploying a smart contract system (the “**Smart Contract System**”) on the Ethereum blockchain for the purposes of creating BCT and issuing such BCT to the Contributor’s Ethereum wallet. BCT shall be based on the Ethereum ERC20 token standard and is intended to have the functionality set out in Schedule 1. The Smart Contract System shall be made available in connection with the delivery of BCT Tokens.
- 3.2 Following the satisfaction of either of the Completion Conditions, any BCT not sold from the amount allocated to the Contribution Period as described at clause 3.3 will be burned by the Developer.
- 3.3 The total number of BCT to be created by the Developer with respect to contributions received is up to such number of BCT Tokens as shall be purchased by Contributors during and prior to the Contribution Period with aggregate contribution amounts (calculated in U.S. dollars) of no more than \$51.5 million.

4. Method of Contribution

- 4.1 You may contribute to Developer during the Contribution Period in ETH in accordance with clause 4.2. The creation and issue of BCT shall be initiated by the Contributor transferring an amount of ETH (the “**Contribution Amount**”) during the Contribution Period in the manner described in this clause 4.
- 4.2 Contributions must be sent from an Ethereum wallet in respect of which you can identify your private key and shall be sent exclusively to the wallet address specified on the Developer’s website in accordance with this clause 4.2. Your ETH address shall be required to verify your contribution to the Developer and to enable the Developer to issue BCT to you through the Smart Contract System.
- 4.3 To the extent that any third-party website, service or smart-contract offers to receive contributions and issue BCT or facilitates the allocation or transfer of BCT in any way during the Contribution Period, such third-party websites or services are, unless expressly set out in these T&Cs or mentioned on the Developer Platform’s website, not authorized by Developer nor do they have any legal or commercial relationship in any way with Developer, the Developer Platform or BCT.
- 4.4 In order to receive BCT, Contributors must have an Ethereum wallet that supports the ERC20 token standard (in other words the Contributor’s wallet must possess technical infrastructure that is compatible with the receipt, storage and transfer of BCT, being tokens that are created based on the ERC20 token standard). **THE CONTRIBUTOR WALLET MUST NOT BE CONNECTED TO ANY EXCHANGE. IF A WALLET CONNECTED TO AN EXCHANGE IS USED TO PURCHASE BCT, SUCH BCT BEING DISTRIBUTED TO THE CONTRIBUTOR MAY BE LOST WITHOUT ANY POSSIBILITY OF RECOVERY OR REPLACEMENT. FURTHER, IF THE CONTRIBUTOR IS PARTICIPATING IN MORE THAN ONE PHASE OF THE BCT DISTRIBUTION, THE CONTRIBUTOR MUST USE A SEPARATE WALLET FOR EACH PHASE.** The Developer reserves the right to prescribe additional conditions relating to the specific wallet requirements at any time acting in its sole and absolute discretion.
- 4.5 Subject to compliance with the foregoing provisions of this clause 4, BCT will be generated and delivered electronically through the Smart Contract System to the Contributor’s Ethereum digital wallet address. As such, the Contributor acknowledges that title to, and risk of loss of, BCT delivered to the Contributor by the Smart Contract System passes from the Developer to the Contributor. BCT will be delivered to the Contributor following the expiration of the Contribution Period on such day or days as may be determined by the Developer in its sole discretion, subject to (i) mining risks as identified in these T&Cs; and (ii) ordinary blockchain waiting periods for ERC20 tokens on the Ethereum Blockchain.

5. BCT Price

- 5.1 The price per BCT (“**Price per BCT**”) will be denominated in ETH and the base price of BCT shall be equal to 1/7,500th ETH (equivalent to 7,500 BCT per 1 ETH); *provided that* the Price per BCT for Contributors who shall contribute a minimum of 100 ETH shall be equal to 1/10,000th ETH (equivalent to 10,000 BCT per 1 ETH). The Developer reserves the right in its sole discretion to change the Price per BCT.
- 5.2 The number of BCT to be delivered to the Contributor shall be the Contributor’s Contribution Amount divided by the applicable Price per BCT. BCT Tokens are divisible, therefore fractional BCT Tokens may be delivered.

5.3 The Developer shall not be responsible or liable for any losses which may be suffered by the Contributor as a result of any currency conversion, nor shall we be liable for any errors in the rates of exchange obtained by the Developer from any third party website or source, or by any crypto-currency exchange from which the Developer may obtain exchange rates pursuant to such conversion.

6. Refusals and Suspensions of Contributions

6.1 The Developer reserves the right to refuse or reject any contributions made at any time in our sole and absolute discretion, even if the contribution was initially accepted. To the extent that we refuse or reject a contribution, we will exercise reasonable efforts to return the contribution to the Contributor to the wallet from which the contribution was made; *provided, however*, we do not represent or offer any assurances that we will successfully be able to recover or return any such contributions, and in any event you understand and acknowledge that any return of your contribution will be net of any expenses, including mining fees, applied at the time the contribution is made and thereafter until returned (if so returned).

6.2 Subject to clause 6.1 and except to the extent required by applicable law, all contributions received by the Developer under these T&Cs are final and the Contributor shall not be entitled to claim any refund or reimbursement of contributions from the Developer, and shall have no rights or interests in any amounts so contributed.

6.3 At any time prior to satisfaction of the Completion Conditions, the Developer may either temporarily suspend or permanently abort the Token Distribution for security reasons. Any suspension or abort of the Token Distribution shall be deemed to commence from the moment that Developer publishes a notice to that effect on its website.

6.4 During any period of suspension or in the event that the Token Distribution is aborted, the Smart Contract System will no longer be able to receive and accept contributions, create BCT or issue BCT to Contributors. Contributors who send us contributions (after we publish a notice that the Token Distribution has been suspended or aborted) risk losing their entire contribution and we shall not be responsible or liable for recovering or returning any such contributions to the Contributor nor shall we be responsible or liable for any losses incurred by the Contributor in this respect. Contributors are therefore strongly advised to check our website before sending a contribution to the Smart Contract System.

7. Purchase Factors; Trading Restrictions

7.1 The Contributor understands and agrees that BCT have not been and will not be registered under the Securities Act of 1933, as amended (the “**Securities Act**”), or any other law or regulation governing the offering, sale or exchange of securities in the United States, in any state therein, or any other jurisdiction. Unless otherwise determined by the Developer in its sole discretion based on the advice of counsel, BCT will be distributed by the Developer pursuant to this Agreement or otherwise inside the United States only to Contributors who are “accredited investors” (as defined in Section 501 of the Securities Act), in reliance on Regulation D under the Securities Act, and who are “U.S. persons.”

7.1.1 For purposes of these T&Cs, “U.S. person” means (i) any natural person resident in the United States; (ii) any partnership or corporation organized or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S.

person; (iv) any trust of which any trustee is a U.S. person; (v) any agency or branch of a foreign entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or corporation if (a) organized or incorporated under the laws of any foreign jurisdiction; and (b) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by “accredited investors” who are not natural persons, estates or trusts.

7.1.2 For purposes of these T&Cs, “non-U.S. person” means (i) any person who is not a “U.S. person” (ii) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States, (iii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if (a) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and (b) the estate is governed by foreign law; (iv) any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person; (v) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (vi) any agency or branch of a U.S. person located outside the United States if (a) the agency or branch operates for valid business reasons; and (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

7.2 Unless otherwise determined by the Developer in its sole discretion based on the advice of counsel, the Contributor understands and agrees that it will be required to maintain BCT in such manner as determined by the Developer and will not otherwise sell, assign, transfer or trade BCT for a period of 90 days from the date of distribution of BCT, and thereafter until the first anniversary of the BCT Delivery Date, shall only sell, assign, transfer or trade BCT in such manner as may be approved by the Developer in private transactions to other accredited investors and in a manner that satisfies the requirements of Regulation D. The Contributor confirms that it is an accredited investor and has provided to the Developer such written confirmation as to its status as an accredited investor as the Developer may require in its sole and absolute discretion. If the Contributor does not provide confirmation to the satisfaction of the Developer that it is an accredited investor, the Developer may terminate the Agreement and the Contributor bears the risk that it may forfeit its Contribution Amount.

7.3 In designing BCT, the Developer and its counsel have taken the view that the BCT is a “utility token” and should not be treated as a security under the Securities Act. Notwithstanding the foregoing, the Contributor understands and acknowledges that the Developer, or its counsel, are not able to provide any assurance that BCT would be exempt from regulation as a security under applicable United States securities laws or that the U.S. Securities Exchange Commission (“SEC”) would not consider BCT to be a security under such laws and SEC regulations.

8. Token Functionality

8.1 Ownership of BCT carries no rights, whether express or implied, other than a limited potential future right or expectation to use and interact with the Developer Platform as may be made available from time to time, (as further described in Schedule 1), if and to the extent the Developer Platform is successfully developed and deployed. Any potential future right or expectation relating to the provision and receipt of services on the Developer Platform shall be subject to any restrictions and limitations set out in these T&Cs or the Platform Terms (as applicable).

8.2 You acknowledge and accept that BCT do not represent or constitute:

- (a) any ownership right or stake, share, equity, security, commodity, bond, debt instrument or any other financial instrument or investment carrying equivalent rights;
- (b) any right to receive future revenues, shares or any other form of participation or governance right from, in or relating to the Developer, or the Developer Platform ;
- (c) any form of money or legal tender in any jurisdiction, nor do they constitute any representation of money (including electronic money); or
- (d) the provision of any goods or services as at the date that these T&Cs form a binding agreement between the Parties.

8.3 Protections offered by applicable law in relation to the acquisition, storage, sale or transfer of the instruments or investments of the types referred to in the sub-clauses of clause 8.2 shall not apply to any contribution made under these T&Cs for the acquisition of BCT or to your storage, sale or transfer of BCT.

8.4 The Developer makes no representations or warranties and offers no assurances (in each case whether express or implied) that BCT shall confer any actual or exercisable rights of use, functionality, features, purpose or attributes in connection with the Developer Platform, as well as any warranties of title or implied warranties of merchantability of fitness for a particular use with respect to the BCT or their functionality, or with respect to the BC Terminal or the Developer Platform. The Contributor understands, acknowledges and agrees that, the Developer makes no representations or warranties that BCT shall confer any actual or exercisable rights of use, functionality, features, purpose or attributes in connection with the Developer Platform. As a result, the Contributor acknowledges and understands that the Contributor may never receive delivery of BCT and may lose the entire amount of the contribution made to the Developer.

9. Contributor's Representations and Warranties

9.1 By participating in the Token Distribution and sending a contribution to the Developer, you hereby represent and warrant the matters set out in Schedule 2 of these T&Cs.

10. Risks

You acknowledge and agree that sending a contribution to the Developer, the creation and issue of BCT and the Developer's efforts to promote use of the Developer Platform, including without limitation development and deployment thereof, carries significant financial, regulatory and reputational risks, including but not limited to those set out in Schedule 3 of these T&Cs.

BY MAKING A CONTRIBUTION TO THE DEVELOPER AND ACCEPTING THESE T&Cs YOU EXPRESSLY AND FINALLY ACKNOWLEDGE, ACCEPT AND ASSUME ALL THESE RISKS SET OUT IN SCHEDULE 3.

11. Audit of the Smart Contract System

- 11.1 The Developer shall exercise reasonable endeavours to have the Smart Contract System audited and approved by technical experts with regard to both accuracy and security of the underlying code.
- 11.2 Notwithstanding clause 11.1, smart contract technology is still in an early stage of development and its application is currently of an experimental nature, which carries significant operational, technological, financial, regulatory and reputational risks. Accordingly, whilst any audit conducted shall raise the level of security and accuracy of the Smart Contract System, you acknowledge, understand and accept that the audit does not amount to any form of warranty, representation or assurance (in each case whether express or implied) that the Smart Contract System and BCT are fit for a particular purpose or that they are free from any defects, weaknesses, vulnerabilities, viruses or bugs which could cause, inter alia, the complete loss of ETH contributions or BCT.

12. Security

You are responsible for implementing all reasonable and appropriate measures for securing the wallet, vault or other storage mechanism you use to send a contribution to Developer and to receive and store BCT that are issued to you by the Smart Contract System, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If your private key(s) or other access credentials are lost, you may lose access to your BCT. Developer shall not be responsible for any security measures relating to your receipt, possession, storage, transfer or potential future use of BCT nor shall we be under any obligation to recover or return any BCT and we hereby exclude (to the fullest extent permitted under applicable law) any and all liability for any security breaches or other acts or omissions which result in your loss of (including your loss of access to) BCT issued to you during the Token Distribution.

13. Right to Request Information

- 13.1 Before you are able to make a contribution to the Developer or at any time after making a contribution, we may (in our sole and absolute discretion):
- (a) request you to provide certain information and documentation for the purposes of complying with any “know your customer” or similar obligations to which we may be subject; and
 - (b) determine that it is necessary to obtain certain other information about you in order to comply with applicable laws and regulations in connection with the creation and issue of BCT to you, including potentially obtaining from you a checksum for your Ethereum wallet.
- 13.2 You agree that you shall, promptly upon the Developer’s request, supply such information and documentation as may be requested by us in our absolute discretion pursuant to clause 13.1 in order for us to:

- (a) carry out, to our satisfaction, all necessary “know your customer,” anti-money laundering and other similar checks which we may be obliged to perform; and
- (b) ensure, to our satisfaction, that we have complied with all applicable laws and regulations in connection with the creation and delivery of BCT to you as contemplated by these T&Cs.

13.3 You acknowledge and accept that we may refuse or reject any contributions for the purchase of BCT until you provide all information and documentation that we may request under this clause 13 and we have determined that it is permissible to create and issue BCT to you under applicable law.

14. Anti-Money Laundering, Economic Sanctions, Anti-Bribery And Anti-Boycott

14.1 Identity of the Contributor and Beneficial Owners. Neither the Contributor, nor any of its affiliates or direct or indirect beneficial owners; (i) appears on the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control of the United States Department of the Treasury (“**OFAC**”), nor are they otherwise a party with which the Developer is prohibited to deal under the laws of the United States; (ii) is a person identified as a terrorist organization on any other relevant lists maintained by governmental authorities; or (iii) unless otherwise disclosed in writing to the Developer prior to the date of this Agreement, is a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure. The Contributor further represents and warrants that, if applicable, the Contributor: (i) has conducted thorough due diligence with respect to all of its beneficial owners; (ii) has established the identities of all direct and indirect beneficial owners and the source of each beneficial fund; and (iii) will retain evidence of those identities, any source of funds and any due diligence.

14.2 Source and Use of Funds. The Contributor represents, warrants and agrees that:

- (a) no payment or other transfer of value to the Developer and no payment or other transfer of value to the Contributor shall cause the Developer to be in violation of applicable U.S. federal or state or non-U.S. laws or regulations, including, without limitation, anti-money laundering, economic sanctions, anti-bribery or anti-boycott laws or regulations, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, or the various statutes, regulations and executive orders administered by OFAC (“**OFAC Regulations**”).
- (b) no payment or other transfer of value to the Developer is or will be derived from, pledged for the benefit of, or related in any way to, (i) the government of any country designated by the U.S. Secretary of State as a country supporting international terrorism, (ii) property that is blocked under any OFAC Regulations or that would be blocked under OFAC Regulations if it were in the custody of a U.S. national, (iii) persons to whom U.S. nationals cannot lawfully export services, or with whom U.S. nationals cannot lawfully engage in transactions under OFAC Regulations, (iv) the government of any country that has been designated as a non-cooperative country or designated by the U.S. Secretary of the Treasury as a money laundering or (v) directly or indirectly, any illegal activities. The Contributor acknowledges that, pursuant to anti-money laundering laws and regulations, the Developer may be required to collect documentation verifying the

identity and the source of funds used to acquire a Token before, and from time to time after, the date of this Agreement.

- (c) all payments or other transfer of value to the Developer by the Contributor will be made through an account (or virtual currency public address whose associated balance, either directly or indirectly, has been funded by such an account) located in a jurisdiction that does not appear on the list of boycotted countries published by the U.S. Department of Treasury pursuant to § 999(a)(3) of the Internal Revenue Code as in effect at the time of the payment or other transfer of value. In the event that the Contributor is, receives deposits from, makes payments to or conducts transactions relating to a non-U.S. banking institution (a “**Non-U.S. Bank**”) in connection with the acquisition of Tokens, the Non-U.S. Bank: (1) has a fixed address, other than an electronic address or a post office box, in a country in which it is authorized to conduct banking activities, (2) employs one or more individuals on a full-time basis, (3) maintains operating records related to its banking activities, (4) is subject to inspection by the banking authority that licensed it to conduct banking activities and (5) does not provide banking services to any other Non-U.S. Bank that does not have a physical presence in any country and that is not a registered affiliate.

14.3 Additional Information. The Contributor will provide to the Developer at any time during the existence of the Developer any information that the Developer determines to be necessary or appropriate (i) to comply with the anti-money laundering laws, anti-terrorism laws, rules and regulations and or any similar laws and regulations of any applicable jurisdiction and (ii) to respond to requests for information concerning the identity and or source of funds of the Contributor from any governmental authority, self-regulatory organization or financial institution in connection with its anti-money laundering compliance procedures, or to update that information. The Contributor understands and acknowledges that the Developer may be required to report any action or failure to comply with information requests and to disclose the identity to governmental authorities, self-regulatory organizations and financial institutions, in certain circumstances without notifying the Contributor that the information has been so provided. The Contributor further understands and agrees that any failure on its part to comply with this clause 14.3 would allow the Developer to terminate its agreement with the Contributor and require the forfeiture of any Tokens previously delivered to the Contributor.

14.4 Filing of Suspicious Activity Reports. The Contributor acknowledges and agrees that the Developer, in complying with anti-money laundering statutes, regulations and goals, may file voluntarily or as required by law, a suspicious activity report (“**SAR**”) or any other information with governmental and law enforcement agencies that identify transactions and activities that the Developer reasonably determine to be suspicious, or is otherwise required by law. The Contributor acknowledges that the Developer is prohibited by law from disclosing to third parties, including the Contributor, any SAR filing itself or the fact that a SAR has been filed.

14.5 Voluntary Compliance. The Contributor understands and agrees that the Developer may not be obligated to comply with any U.S. anti-money laundering requirements, but may nevertheless choose to voluntarily comply with such requirements as the Developer has deemed appropriate in its sole discretion. The Contributor agrees to cooperate with the Developer as may be required in the reasonable opinion of the Developer in connection with such compliance.

15. Indemnity

- 15.1 **Contributor Indemnification.** To the fullest extent permitted by applicable law, the Contributor will indemnify, defend and hold harmless the Developer and its affiliates and Developer's and the Developer's affiliates' employees, officers, directors, contractors, consultants, shareholders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns (the "**Indemnified Parties**") from and against all actual or threatened claims, lawsuits, damages, awards, judgments, losses, investigations (whether formal or informal), liabilities, obligations, penalties, interest, fees, expenses (including, without limitation, reasonable attorneys' fees and expenses) and costs (including, without limitation, court costs, costs of settlement and costs of pursuing indemnification and insurance), of every kind and nature whatsoever, whether claimed by the Indemnified Parties or third parties including governmental authorities, and whether known or unknown, foreseen or unforeseen, matured or unmatured, or suspected or unsuspected, in law or equity, whether in tort, contract or otherwise (collectively, "**Claims**") arising from or relating to (i) the Contributor's acquisition or use of BCT Tokens; (ii) the performance or non-performance of the Contributor's responsibilities or obligations under these T&Cs, (iii) the Contributor's breach of these T&Cs, (iv) any inaccuracy in any representation or warranty of the Contributor, (v) the Contributor's violation of any rights (including, but not limited to, intellectual property rights) of any other person or entity or (vi) any act or omission of the Contributor that is negligent, unlawful or constitutes willful misconduct. This foregoing indemnity is in addition to, and not in lieu of, any other remedies that may be available to the Indemnified Parties under applicable law.
- 15.2 **No Right of Action.** To the fullest extent permitted by applicable law, the Contributor disclaims any right of action against any Indemnified Party that would give rise to any liability whatsoever on the part of any Indemnified Party as a result of (i) the inability of the Contributor to use the BCT Tokens or the Developer Platform, including as a result of any termination or suspension of the Developer Platform, power outages, maintenance, defects, system failures or other interruptions, (ii) the cost of procurement of substitute goods or services, (iii) any investments, expenditures or commitments made by the Contributor in connection with these T&Cs or the use by the Contributor of the Developer Platform or (iv) any unauthorized access to, or alteration of, or the deletion, destruction, damage, loss or failure to store any data, including records, private key or other credentials, associated with any BCT Tokens. In no circumstances shall an Indemnified Party be liable to the Contributor (whether in contract, tort, breach of statutory duty, restitution or otherwise) for any of the following types of losses:
- (a) any loss of profits, loss of business, loss of revenue or income, loss of contract, loss or depletion of goodwill or business opportunity, loss of anticipated savings or like loss; and
 - (b) incidental, indirect, consequential, special or punitive losses and damages,
- in each case regardless of the cause of action, whether the Indemnified Party was advised of the possibility of such losses arising or whether such losses were foreseeable.
- 15.3 **Damages.** Notwithstanding anything in clause 15.2 to the contrary, (i) the limitations and exclusions of liability set forth in clause 15.2 shall not limit or exclude liability for fraud of any Indemnified Party and (ii) the maximum joint liability of the Indemnified Parties in the aggregate to the Contributor under or in connection with these T&Cs shall not exceed the Contribution Amount.

16. Intellectual Property

- 16.1 In this clause 16, “**Developer’s IP Rights**” means in relation to the Developer, BCT, the Token Distribution, the BC Terminal, the Developer Platform and the Developer’s website, all: (i) patents, inventions, designs, copyright and related rights, database rights, knowhow and confidential information, trademarks and related goodwill, trade names (whether registered or unregistered), and rights to apply for registration, (ii) all other rights of a similar nature or having an equivalent effect anywhere in the world which currently exist or are recognised in the future and (iii) all applications, extensions and renewals in relation to any such rights.
- 16.2 Except as expressly set out in these T&Cs, you are not entitled, for any purpose, to any of the Developer’s IP Rights. We shall at all times retain ownership, including all rights, title and interests in and to the Developer’s IP Rights and you understand and accept that by making a contribution for the purchase of BCT pursuant to these T&Cs you shall not:
- (a) acquire or otherwise be entitled to any Developer’s IP Rights;
 - (b) make a claim in respect of any Developer’s IP Rights or any other equivalent rights; or
 - (c) use, attempt to use, copy, imitate or modify (whether in whole or in part) any Developer’s IP Rights, except with our prior written consent.

17. Disclaimers

- 17.1 To the fullest extent permitted by applicable law and except as otherwise specified in writing by us:
- (a) BCT are sold, and the BC Terminal to the extent provided is provided, on an “as is” and “as available” basis, without any warranties or representations of any kind, and we expressly disclaim all warranties and representations relating to BCT or the BC Terminal (whether express or implied), including, without limitation, any implied warranties of merchantability, fitness for a particular purpose, title and non-infringement;
 - (b) we do not represent or warrant that BCT or the BC Terminal are reliable, current or defect-free, meet your requirements, or that any defects will be corrected; and
 - (c) we cannot and do not represent or warrant that BCT, the BC Terminal or the delivery mechanism for BCT are free of viruses or other harmful components.
- 17.2 These T&Cs do not constitute 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. BCT should not be acquired for speculative or investment purposes with the expectation of making a profit on immediate or future re-sale.
- 17.3 No regulatory authority has examined or approved of any of the information set out in these T&Cs. 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 T&Cs does not imply that applicable laws, regulatory requirements or rules have been complied with.

18. Limitation of Liability

18.1 To the fullest extent permitted by applicable law, in no circumstances shall:

- (a) the Developer or any of the Indemnified Parties be liable for any direct, indirect, special, incidental or consequential loss of any kind (including, but not limited to, loss of revenue, income, business or profits, loss of contract or depletion of goodwill, loss of anticipated savings, loss of use or data, or damages for business interruption or any like loss) arising out of or in any way related to the acquisition, storage, transfer or use of BCT or otherwise related to these T&Cs, regardless of the cause of action, whether based in contract, tort (including negligence), breach of statutory duty, restitution or any other legal or equitable basis (even if the Developer or any of the Indemnified Parties have been advised of the possibility of such losses and regardless of whether such losses were foreseeable); and
- (b) the aggregate liability of the Developer and the Indemnified Parties (jointly), whether in contract, tort (including negligence), breach of statutory duty, restitution or any other legal or equitable basis, arising out of or relating to these T&Cs or the use of or inability to use BCT, exceed the amount of your contribution.

18.2 The limitations and exclusions of liability set out in clause 18.1 shall not limit or exclude liability for fraud of any Indemnified Party, nor shall it limit or exclude any losses for which, as a matter of applicable law, it would be unlawful to limit or exclude liability.

19. Taxation

19.1 You are solely responsible for determining whether your contribution to Developer for the purposes described hereunder, the transfer of ETH, the creation, ownership, use, sale, transfer or liquidation of BCT, the potential appreciation or depreciation in the value of BCT over time (if any), the allocation of BCT or any other action or transaction contemplated by these T&Cs or related to the Developer Platform will give rise to any tax implications on your part.

19.2 You are also solely responsible for withholding, collecting, reporting, paying, settling or remitting any and all taxes to the appropriate tax authorities in such jurisdiction(s) in which you may be liable to pay tax. Developer shall not be responsible for withholding, collecting, reporting, paying, settling or remitting any taxes (including, but not limited to, any income, capital gains, sales, value added or similar tax) that may arise from your contribution and acquisition of BCT under or in connection with these T&Cs.

19.3 You agree not to hold Developer or any of the Developer Indemnified Parties liable for any tax liability associated with or arising from the creation, ownership, use or liquidation of BCT or any other action or transaction related to the Developer Platform.

20. Dispute Resolution by Arbitration

PLEASE READ THE FOLLOWING CLAUSE CAREFULLY BECAUSE IT CONTAINS CERTAIN PROVISIONS, SUCH AS A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER, WHICH AFFECT YOUR LEGAL RIGHTS. THIS CLAUSE REQUIRES YOU TO ARBITRATE CERTAIN DISPUTES AND CLAIMS WITH THE DEVELOPER AND LIMITS THE MANNER IN WHICH YOU CAN SEEK RELIEF FROM US.

20.1 **Binding Arbitration.** Except for any disputes, claims, suits, actions, causes of action, demands or proceedings (collectively, “**Disputes**”) in which either Party seeks injunctive or other equitable relief for the alleged unlawful use of intellectual property, including, without limitation,

copyrights, trademarks, trade names, logos, trade secrets or patents, you and Developer (i) waive your and Developer's respective rights to have any and all Disputes arising from or related to these T&Cs resolved in a court, and (ii) waive your and Developer's respective rights to a jury trial. Instead, you and Developer agree to arbitrate Disputes through binding arbitration (which is the referral of a Dispute to one or more persons charged with reviewing the Dispute and making a final and binding determination to resolve it instead of having the Dispute decided by a judge or jury in court).

- 20.2 **No Class Arbitrations, Class Actions or Representative Actions.** Any Dispute arising out of or related to these T&Cs is personal to you and Developer and will be resolved solely through individual arbitration and will not be brought as a class arbitration, class action or any other type of representative proceeding. There will be no class arbitration or arbitration in which an individual attempts to resolve a Dispute as a representative of another person or group of persons. Further, a Dispute cannot be brought as a class or other type of representative action, whether within or outside of arbitration, or on behalf of any other individual or group of individuals.
- 20.3 **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 Developer shall be sent by e-mail to: legal@bct.io. Notice to you shall be sent to any address you provide to us in writing in a notice. Your notice must include (i) your name, postal address, email address and telephone number, (ii) a description in reasonable detail of the nature or basis of the Dispute, and (iii) the specific relief that you are seeking. If you and Developer cannot agree how to resolve the Dispute within thirty (30) days after the date that the notice is received by the applicable Party, then either you or the Developer may, as appropriate and in accordance with this clause 20 commence an arbitration proceeding or, to the extent specifically provided for in clause 20.1, file a claim in court.
- 20.4 **Process.** Any arbitration will occur in the Cayman Islands. The arbitration will be conducted confidentially by a single arbitrator appointed by the Cayman Islands Chamber of Commerce in accordance with the rules of the International Chamber of Commerce Rules of Arbitration, which are hereby incorporated by reference. The courts located in the Cayman Islands will have exclusive jurisdiction over any appeals and the enforcement of an arbitration decision.
- 20.5 **Authority of Arbitrator.** These T&Cs, the applicable International Chamber of Commerce Rules of Arbitration and the arbitrator will have (i) the exclusive authority and jurisdiction to make all procedural and substantive decisions regarding a Dispute, including the determination of whether a Dispute is arbitrable, and (ii) the authority to grant any remedy that would otherwise be available in court, provided, however, that the arbitrator does not have the authority to conduct a class arbitration or a representative or class action, which is prohibited by these T&Cs. The arbitrator may only conduct an individual arbitration and may not consolidate more than one individual's claims, preside over any type of class or representative proceeding or preside over any proceeding involving more than one individual.
- 20.6 **Severability of Dispute Resolution and Arbitration Provisions.** If any term, clause or provision of this clause 20 is held invalid or unenforceable, it will be so held to the minimum extent applicable and required by law, and all other terms, clauses and provisions of this clause 20 will remain valid and enforceable. Further, the waivers set forth in clause 20.2 above are severable from the other provisions of these T&Cs and will remain valid and enforceable, except as prohibited by applicable law.

21. Miscellaneous

- 21.1 The Contributor understands and accepts that the network of miners will ultimately be in control of the Smart Contract System and that a majority of these miners could agree at any point to make changes to the official Smart Contract System and to run a new version of the Smart Contract System. Such a scenario could lead to BCT losing intrinsic value.
- 21.2 We may amend these T&Cs from time to time, including where there are changes to the intended functionality of BCT or as may be otherwise required by any laws or regulatory requirements to which we are subject. If we make any amendments to these T&Cs, we will publish a notice together with the updated T&Cs on our website and we will change the “Last Updated” date at the top of these T&Cs. Any amended T&Cs shall become effective immediately upon the publication of notice and updated T&Cs on our website. It is your responsibility to regularly check our website for any such notices and updated T&Cs.
- 21.3 If any term, clause or provision of these T&Cs is found to be illegal, void or unenforceable (in whole or in part), then such term, clause or provision shall be severable from these T&Cs without affecting the validity or enforceability of any remaining part of that term, clause or provision, or any other term, clause or provision of these T&Cs, which shall remain in full force and effect.
- 21.4 These T&Cs constitute the entire agreement between the Parties in relation to its subject matter. These T&Cs replace and extinguish any and all prior agreements, draft agreements, arrangements, warranties, statements, assurances, representations and undertakings of any nature made by, or on behalf of the Parties, whether oral or written, public or private, in relation to that subject matter.
- 21.5 You acknowledge that by accepting these T&Cs, you have not relied on any oral or written statements, warranties, assurances, representations or undertakings which were or may have been made by or on behalf of Developer in relation to the subject matter of these T&Cs at any time before your acceptance of them (“**Pre-Contractual Statements**”), other than those set out in these T&Cs. You hereby waive any and all rights and remedies which might otherwise be available in relation to such Pre-Contractual Statements.
- 21.6 Nothing contained in these T&Cs shall be deemed to constitute either Party a partner, joint venture or employee of the other Party for any purpose. Nothing in these T&Cs and no action taken by the Parties pursuant to these T&Cs shall be deemed to constitute either Party the agent of the other Party for any purpose. No Party has, pursuant to these T&Cs, any authority or power to bind or to contract in the name of the other Party. These T&Cs do not create any third party beneficiary rights in any person.
- 21.7 These T&Cs and any dispute or claim arising out of or in connection with them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of the Cayman Islands. The Parties agree that any Disputes shall be arbitrated in accordance with the arbitration provisions contained in clause 20, and that such provisions shall extend to any suit, action or proceedings relating to any dispute arising out of or in connection with this Agreement (“**Proceedings**”). Subject to the provisions of this clause 21.7, the courts of the Cayman Islands shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with these T&Cs or its subject matter or formation (including non-contractual disputes and claims).

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SCHEDULE 1

INTENDED FUNCTIONALITY OF BCT ON THE DEVELOPER PLATFORM

The Developer tokens (“**BCT**”) are utility tokens to be used on the Developer Platform. The Developer does not believe that BCT are securities as such term is defined under the U.S. Securities Act and related regulations. However, no assurance can be made that the United States Securities and Exchange Commission (“**SEC**”) would reach the same conclusion. Accordingly, the BCT are being distributed inside the United States only to U.S. persons who are “accredited investors” in accordance with Regulation D under the Securities Act. BCT are not intended for speculative investment. The Developer makes no promises of future performance or future value of BCT. Holding BCT is in no way the equivalent of holding a share in the Developer: it does not allow the token holder to participate in Developer decision making, profits, revenue share, or otherwise, and BCT or holders of BCT (“**BCT Tokenholders**”) have no rights in the Developer, implied or otherwise.

Importantly, BCT Tokenholders should have no expectation of profiting from their purchase of BCT. BCT are sold as a functional good and all proceeds received by the Developer in connection with the operation of its business, including without limitation developing and deploying the Developer Platform, as well as all proceeds received by the Developer in connection with the sale of BCT may be spent freely by Developer, absent any conditions or restrictions.

BCT are created based on the Ethereum ERC20 token standard. Presently, the Developer intends to migrate the BCT to the Developer Platform during 2018. Such migration will occur by exchanging BCT that were created pursuant to the Ethereum ERC20 smart contract standard and distributed pursuant to these T&Cs for an identical number of Developer tokens created in accordance with the protocols of the Developer Platform. However, no assurance is made that such migration will occur. Whether or not such migration does take place, BCT will have the functionality as described below.

Initially, there will be a finite supply of BCT Tokens that are intended to circulate among users and within the Developer Platform continuously. BCT may be “burned” or cancelled to a verifiable address, and will operate primarily as (i) reusable “in-app currency”; and (ii) as a means for operating the Developer Platform.

The intention is to create an internal economy within the Developer Platform, whereby BCT will be an integral part that drives this Developer Platform.

BCT covered by these T&Cs will have the following key initial functionalities and purposes:

Two BCT tokens may co-exist in the BCT ecosystem (the “**Ecosystem**”). The ERC20-compliant BCT Token created in the public Ethereum network represents subscription and entitlement to the services provided by the BC Terminal. In the future, the Developer may issue an additional, native, BCT token (the “Native Token”) to power the Developer platform and further enable the Ecosystem. This Native Token would be distributed by the Developer under these T&Cs through the Smart Contract System or manual delivery that would credit the BCT holder with a Native Token on a one-to-one basis. Together, the two Tokens secure integrity and provide incentive for the correct functioning of the BCT platform.

The Developer Platform will be centralized, but will involve access to public blockchains. Because holders of the BCT will use BCT and Developer Platform services, the Developer believes that such holders will be pre-disposed to use established investment in processes, software, and hardware in connection with the Developer Platform. This practice should provide personal and institutional cyber security and will ensure the control and preservation of entitlement by BCT holders to Developer Platform services.

POSSIBILITY OF CHANGE TO THE FUNCTIONALITY OF BCT

PLEASE NOTE THAT WE ARE IN THE PROCESS OF UNDERTAKING A LEGAL AND REGULATORY ANALYSIS OF THE FUNCTIONALITY OF BCT. FOLLOWING THE CONCLUSION OF THIS ANALYSIS, WE MAY DECIDE TO AMEND THE INTENDED FUNCTIONALITY OF BCT IN ORDER TO ENSURE COMPLIANCE WITH ANY LEGAL OR REGULATORY REQUIREMENTS TO WHICH WE OR BCT ARE SUBJECT. WE SHALL PUBLISH A NOTICE ON OUR WEBSITE OF ANY CHANGES THAT WE DECIDE TO MAKE TO THE FUNCTIONALITY OF BCT AND IT IS YOUR RESPONSIBILITY TO REGULARLY CHECK OUR WEBSITE FOR ANY SUCH NOTICES.

SCHEDULE 2

Contributor Representations and Warranties

By participating in the Token Distribution and sending a contribution to Developer, you hereby represent and warrant that:

- (a) you have read and understood these T&Cs (including all the Schedules hereto);
- (b) you have the necessary authority and consent to accept these T&Cs, to enter into a binding agreement with Developer and to perform the obligations set out herein;
- (c) the acceptance of these T&Cs and the entry into a binding agreement with the Developer shall not result in any breach of, be in conflict with, or constitute a material default under: (i) any provision of the Contributor's constitutional or organizational documents (in the case of a corporate entity including, without limitation, any company or partnership), (ii) any provision of any judgment, decree or order imposed on the Contributor by any court or governmental or regulatory authority, or (iii) any material agreement, obligation, duty or commitment to which the Contributor is a party or by which the Contributor is bound;
- (d) you have sufficient understanding of the functionality, usage, storage, transmission mechanisms and intricacies associated with digital tokens, token storage facilities (including digital token wallets), blockchain technology and blockchain-based software systems;
- (e) you have obtained sufficient information about the potential future use and functionality of BCT to make an informed decision to participate in the Token Distribution pursuant to these T&Cs;
- (f) you understand that BCT confer only a limited potential future right or expectation to use and interact with the Developer Platform as more particularly described in Schedule 1, and that BCT confer no other rights of any kind with respect to the Developer or the Developer Platform, including, but not limited to, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property rights), or other financial or legal rights;
- (g) if you are an individual, you are at least 18 years of age, you have sufficient legal capacity to accept these T&Cs and to enter into a binding agreement with Developer on the terms set out herein;
- (h) if you are making a contribution for the acquisition of BCT as a corporate entity, such entity is duly incorporated, registered and validly existing under the applicable laws of the jurisdiction in which the entity is established;
- (i) you are a U.S. person and accredited investor as such terms are defined in these T&Cs and in Section 501 of the Securities Act;
- (j) you are making a contribution for the purchase of BCT solely for your own benefit and not for, or for the benefit of, any other person, entity or purpose;

- (k) you are making a contribution for the purchase of BCT to support the development, testing, deployment and operation of the Developer Platform and to potentially use and interact with the Developer Platform at a future point in time. You are not making a contribution under these T&Cs for any other uses or purposes, including, but not limited to, any investment, speculative or other financial purposes;
- (l) any contribution to be made by you for the purchase of BCT is not derived from or related to any unlawful activities, including but not limited to money laundering or terrorist financing activities, and the Contributor shall not use the Tokens to finance, engage in, or otherwise support any unlawful activities;
- (m) you are not using and will not use BCT to finance, engage in, or otherwise support any unlawful activities;
- (n) your contribution shall be transferred to the Developer from (i) an Ethereum wallet that: (i) is registered in your name or in the name of a person who is duly authorised by you to send a contribution to the Developer or is otherwise under your control and (ii) is not located in or that is not registered in the name of a person located in or resident of any country or territory in which the transactions contemplated by this Agreement is or becomes illegal or any country or territory that has been designated by the Financial Action Task Force as a “non-cooperative country or territory” (each a “**Prohibited Jurisdiction**”);
- (o) making a contribution and receiving BCT under these T&Cs 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);
- (p) you are not a citizen of or resident or domiciled in a Prohibited Jurisdiction or making a contribution for the purchase of BCT from a location in a Prohibited Jurisdiction, nor are you an entity (including, but not limited to, any company or partnership) incorporated, established or registered in or under the laws of a Prohibited Jurisdiction, nor are you making a contribution for the purchase of BCT for or on behalf of any such person or entity;
- (q) you are not the subject of any sanctions administered or enforced by any country, government or international authority nor are you resident or established (in the case of a corporate entity) in a country or territory that is the subject of a country-wide or territory-wide sanction imposed by any country or government or international authority;
- (r) you will comply with any applicable tax obligations in your jurisdiction arising from your acquisition, storage, sale or transfer of BCT;
- (s) you understand and accept the risks of purchasing tokens from early stage blockchain start-up businesses and acknowledges that these risks are substantial and, if you are a natural person, you further represent that the any contribution made by you does not represent a meaningful or substantial proportion of your wealth or net worth, and that you are willing and able to accept the risk of loss associated with such contribution or contributions made under the terms of these T&Cs;

- (t) you understand and accept that on receipt of the Contribution Amount, such contribution shall immediately become the sole and exclusive property of the Developer who shall be entitled to apply the contribution towards the development of the Developer Platform and other business operating expenses as shall be determined by the Developer acting in its sole and absolute discretion;
- (u) you understand that (i) BCT have not been registered under the Securities Act, the securities laws of any state or the securities laws of any other jurisdiction, nor is such registration contemplated, (ii) these T&Cs do not constitute a prospectus or offering document and do not and are not intended to constitute an offer to sell, nor the solicitation of any offer to buy, an investment, a security or a commodity, or an option on or any other right to acquire any such investment, security or commodity and (iii) these T&Cs have not been reviewed by, passed on, or submitted to, any federal or state agency or self-regulatory organisation; and
- (v) you acknowledge and agree that once delivered to the Contributor, BCT may not be sold, assigned, transferred or traded, either directly or beneficially, until the expiration of such restricted period following the Token Distribution as may be imposed by the Developer or otherwise required by applicable law. In addition, the Contributor acknowledges and agrees that BCT may be subject to other restrictions with respect sales, trading, transfers and assignments as provided herein and in these T&Cs, which shall be binding on all holders of BCT including, without limitation, the Contributor.

SCHEDULE 3

RISK FACTORS

- (a) **Software Weaknesses:** The Ecosystem, the BCT, the BC Terminal, and the underlying software application are subject to ongoing development and many aspects remain unproven. There is no warranty or assurance that the process for creating and issuing BCT will be uninterrupted or error-free and there is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, *inter alia*, the complete loss of ETH or BTC. Advances in cryptography, or technical advances such as the development of quantum computers, could present risks to cryptographic coins and to the Ecosystem. BCT and the Ecosystem may be based on the Ethereum protocol. As such, any malfunction, unintended function, unexpected functioning of or attack on the Ethereum protocol may cause the Ecosystem or BCT to malfunction or function in an unexpected or unintended manner. ETH, the native unit of account of the Ethereum protocol, may itself lose value in ways similar to BCT, and also other ways.
- (b) **Uncertain Regulatory Framework:** The regulatory status of cryptographic coins, digital assets and blockchain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether governmental authorities will regulate such technologies. It is likewise difficult to predict how or whether any governmental authority may make changes to existing laws, regulations or rules that will affect cryptographic tokens, coins, digital assets, blockchain technology and its applications. Such changes could negatively impact BCT in various ways, including, for example, through a determination that the BCT are regulated financial instruments that require registration. As a result, the Developer could make a determination that is required or in the best interests of the Developer to cease the distribution of BCT or the development of the Ecosystem entirely, or that it is required or in the best interests of the Developer to cease operations in a jurisdiction in the event that governmental actions make it unlawful or commercially undesirable to continue to do so in that jurisdiction. Blockchain activities, including the Ecosystem, could be impacted by a number of regulatory initiatives or developments in multiple jurisdictions including with respect to consumer privacy and protection, data privacy and protection, cyber security, intellectual property rights and protections, and other new categories of laws and regulations. Such regulatory initiatives and developments could significantly impact BCT Functionality.
- (c) **Government Action:** Because of the regulatory uncertainty described above, blockchain activities, including the activities of the Developer and the Ecosystem may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. There can be no assurance that governmental authorities will not examine the operations of the Developer or pursue regulatory or enforcement actions against the Developer. Such governmental activities, if they were to occur, might or might not be the result of targeting the Developer in particular. All of this could subject the Developer to judgments, settlements, fines or penalties or require or cause the Developer to restructure its operations and activities, to cease offering certain products or services in one or more jurisdictions or refrain from delivering BCT or the BC Terminal to certain persons or in certain jurisdictions. If any of the foregoing were to occur, the reputation of the Developer and the ability of the Developer to continue to develop the Ecosystem could be adversely

affected, which in turn, could have a material adverse effect on the BCT and the BC Terminal.

- (d) **Insufficient Interest:** The creation and issue of BCT, the distribution of the BC Terminal and the development of the Ecosystem 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 Developer and its affiliates, including CG Blockchain, Inc., have been using proceeds of the sale of BCT in the furtherance of the development of the BC Terminal and applications that may be used on the BC Terminal, and in the furtherance of a business infrastructure to support such developments. There can be no guarantee that the Developer will sell a sufficient number of BCT to raise enough capital to reasonably support the continued development of the BC Terminal and associated products, and support the delivery thereof, or that even if the the maximum number of BCT available for sale is sold, that the Developer and affiliate management will deploy the proceeds in a sufficient manner to support the continued development of the BC Terminal and associated products. There is no assurance that, even if the Ecosystem is developed as contemplated by the Whitepaper, the Contributor will receive any benefits through the BCT received pursuant to the Agreement. Aspects of the Ecosystem may require third party development support. There is no assurance that those third parties will complete their required work or properly carry out their obligations.
- (e) **Risk Associated With Other Applications:** It is possible that alternative platforms and businesses could be established that utilize the same open source code and protocol underlying the Ecosystem. The Ecosystem may compete with these alternative platforms and businesses, which could negatively impact the adoption of the Ecosystem and BCT. In addition, the Ecosystem may give rise to other, alternative projects, promoted by unaffiliated third parties, under which BCT will have reduced, or potentially no, intrinsic value. There is a risk that the Developer or its representatives, or other third parties may intentionally or unintentionally introduce weaknesses or bugs into the core infrastructural elements of the Ecosystem interfering with the use of, or causing the loss of, BCT.
- (f) **Loss of Private Key:** BCT can only be accessed by using a digital wallet with a combination of the Contributor's account information (address), private key and password. The private key is encrypted with a password. The Contributor understands and accepts that if the private key or password gets lost or stolen, the BCT associated with the Contributor's account (address) or password may be unrecoverable and permanently lost. Additionally, any third party that gains access to the Contributor's private key, including by gaining access to the login credentials relating to the Contributor's digital wallet, may be able to misappropriate the Contributor's BCT.
- (g) **Theft:** The smart contract used to generate BCT, the underlying software application and software Ecosystem (i.e. the BCT blockchain) may be exposed to attacks by hackers or other individuals including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Any such successful attacks could result in theft or loss of contributions or BCT, adversely impacting the ability to use the BC Terminal or to develop the Ecosystem and derive any usage or functionality from BCT or the BC Terminal.
- (h) **BCT/Other Blockchain Mining Attacks:** As with other digital tokens, the blockchain being used for BCT 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 BCT and the Ecosystem, expected proper execution and sequencing of BCT transactions, and expected proper execution and sequencing of contract computations.

- (i) **Incompatible Wallet Service:** The wallet or wallet service provider used for the contribution has to be technically compatible with BCT. The failure to assure this may have the result that the Contributor will not gain access to the delivered BCT.
- (j) **Development Risk:** The anticipated timing for issuing BCT and for completing various steps in the implementation of the Ecosystem are set forth in the Whitepaper. However there is no assurance that the Developer will meet those target dates. The Contributor understands that the date on which the Developer intends to deliver BCT to the Contributor could be delayed. Although the Ecosystem will be deployed through the BC Terminal, its operability may be limited and not all of the anticipated operational features intended for the Ecosystem may be functioning at that time. The Ecosystem will still be subject to ongoing development and could undergo significant changes over time. In addition, because of the open source nature of the Ecosystem, the Developer may have limited control over future BCT Functionality or in assuring the ongoing operation and performance of the Ecosystem.
- (k) **Risk of Unfavorable Fluctuation of ETH and Other Currency Value:** Proceeds received during the Contribution Period and prior sale periods have been or shall be immediately leveraged to fund the development of the Ecosystem, market adoption and other business operating expenses. The proceeds of the Token Distribution during the Contribution Period and prior sale periods may be denominated in ETH, BTC or U.S. dollar, and may be converted into other cryptographic and fiat currencies. If the value of the cryptographic or fiat currencies fluctuate unfavorably during or after the Contribution Period or other sale periods, the Developer may not be able to fund development, or may not be able to develop or maintain the Ecosystem in the manner that it intended.
- (l) **No Liquidity:** BCT are not intended for investment purposes. BCT holders may not be able to sell, transfer or trade its unused BCT to any other party. BCT are intended to be used only in connection with the BC Terminal. There may never be a secondary market for BCT. BCT is subject to significant transfer restrictions.
- (m) **Money Transmission:** The Developer has not determined whether it is a money transmitter (“MT”) or a money services business (“MSB”). If the Developer was deemed to be an MT or MSB, it would be subject to significant additional regulation in the United States and in potentially other jurisdictions as well. This could lead to significant changes with respect to the Ecosystem, how the BCT are structured, how they are purchased and sold, and other issues, and could greatly increase the Developer’s costs in creating and facilitating transactions in BCT. It could also lead to termination of BCT. A regulator could take action against the Developer if it were to view BCT as violating existing laws. Any of these outcomes could force the Developer to cease operations.
- (n) **Risk of Uninsured Losses:** Unlike bank accounts or accounts at some other financial institutions, funds or cryptocurrencies held using the Ecosystem (directly or indirectly) are generally uninsured. In the event of any loss, there is no public insurer, such as the FDIC, or private insurer, to offer recourse to the Contributor.

- (o) **Risk of Dissolution of the Developer:** It is possible that, due to any number of reasons, including an unfavorable fluctuation in the value of ETH, cryptographic and fiat currencies, development issues with the Ecosystem, the failure of business relationships, or competing intellectual property claims, the Ecosystem or Developer may no longer be viable as a business or otherwise and may dissolve or fail to launch.
- (p) **Proposed Future Activities:** Certain of the future services contemplated by the Developer could subject the Developer and related entities to various regulatory requirements in the United States that could require that the Developer or such related entities register as a broker-dealer, investment adviser or an exchange under applicable U.S. securities laws. There is no assurance that the Developer or its affiliates would be able to obtain such required registrations or whether the Developer would choose to do so. If the Developer or such related entities is unable to obtain such registrations that could result in the Developer deciding not to offer those future services.
- (q) **Taxation:** The tax characterization of BCT is uncertain. Contributors must seek their own tax advice in connection with the acquisition, transfer and use of BCT, which may result in adverse tax consequences, including, without limitation, withholding taxes, transfer taxes, value added taxes, income taxes and similar taxes, levies, duties or other charges and tax reporting requirements.
- (r) **Unanticipated Risks:** Blockchain and cryptography are new and untested technologies. In addition to the risks discussed in this Agreement, there are risks that the Developer cannot anticipate. Further risks may materialize as unanticipated combinations or variations of the discussed risks or new risks may emerge.