

# Terms And Conditions

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## TERMS OF VERITY PRIVATE TOKEN SALE

PLEASE READ THESE TERMS OF PRIVATE TOKEN SALE CAREFULLY. NOTE THAT SECTION 14 CONTAINS A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER, WHICH, IF APPLICABLE TO YOU, AFFECT YOUR LEGAL RIGHTS. WITH THE PURCHASE OF TOKENS YOU AGREE TO THIS TERMS AND CONDITIONS.

Your purchase of Verity tokens (“VTY”) during the Verity Private token sale period (“Sale Period”) from Verity (“Company,” “we,” or “us”) is subject to these Terms of Sale (“Terms”). Each of you and the Company is a “Party,” and together the “Parties.”

By purchasing VTY from us during the Sale Period and/or using VTY in connection with the Platform (as defined below), you will be bound by these Terms and all terms incorporated by reference. If you have any questions regarding these Terms, please contact us at [team@verity.network](mailto:team@verity.network)

You agree to the following terms and conditions:

### 1. Purpose and Use of VTY in Connection with the Platform

VTY are intended to be used for affiliation and other referral-based transactions and services (the “Services”), as facilitated through a decentralized platform that the Company and its affiliates are developing (the “Platform”). Important additional details regarding the Services and Platform are provided in Exhibit A.

Ownership of VTY carries no rights, express or implied, other than the right to use VTY as a means to obtain Services, and to enable usage of and interaction with the Platform, if successfully completed and deployed. In particular, you understand and accept that VTY do not represent or confer any ownership right or stake, share or 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 Platform, and/or Company and its corporate affiliates, other than rights relating to the receipt of Services and use of the Platform, subject to limitations and conditions in these Terms and applicable Platform Terms and Policies (as defined below). VTY

are not intended to be a digital currency, security, commodity or any other kind of financial instrument.

## 2. Scope of Terms

Unless otherwise stated herein, these Terms govern only your purchase of VTY from us during the Sale Period. The use of VTY in connection with the Services or Platform may be governed by other applicable terms and policies (collectively, the "Platform Terms and Policies"). Any Platform Terms and Policies we promulgate will be available at [www.verity.network](http://www.verity.network). We may add terms or policies to the Platform Terms and Policies in our sole discretion, and may update each of the Platform Terms and Policies from time to time according to modification procedures set forth therein. To the extent of any conflict with these Terms, the Platform Terms and Policies shall control with respect to any issues relating to the use of VTY in connection with the Services or Platform.

## 3. Cancellation; Refusal of Purchase Requests

Your purchase of VTY from us during the Sale Period is final, and there are no refunds or cancellations except (a) if the Activation Threshold is not reached, pursuant to applicable procedures set forth in Exhibit B or (b) as may be required by applicable law or regulation. We reserve the right to refuse or cancel VTY purchase requests at any time in our sole discretion.

## 4. VTY Sale Procedures and Specifications

Important information about the procedures and material specifications of our VTY sale is provided in Exhibit B, including, but not limited to, details regarding the timing and pricing of the VTY sale, the amount of VTY we will sell, and our anticipated use of the VTY sale proceeds. By purchasing VTY, you acknowledge that you understand and have no objection to these procedures and material specifications.

## 5. Acknowledgment and Assumption of Risks

You acknowledge and agree that there are risks associated with purchasing VTY, holding VTY, and using VTY in connection with the Services and Platform, as disclosed and explained in Exhibit C. If you have any questions regarding these risks, please contact us at [team@verity.network](mailto:team@verity.network). BY PURCHASING VTY, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THESE RISKS.

## 6. Security

You are responsible for implementing reasonable measures for securing the wallet, vault or other storage mechanism you use to receive and hold VTY you purchase from us, 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 VTY. We are not responsible for any such losses.

## 7. 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 law or regulation in connection with selling VTY to you. You agree to provide us such information promptly upon request, and you acknowledge that we may refuse to sell VTY to you until you provide such requested information and we have determined that it is permissible to sell you VTY under applicable law or regulation.

## 8. Taxes

The purchase price that you pay for VTY is exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase of VTY, including, for example, sales, use, value added, and similar taxes. It is also your responsibility to withhold, collect, report and remit the correct taxes to the appropriate tax authorities. We are not responsible for withholding, collecting, reporting, or remitting any sales, use, value added, or similar tax arising from your purchase of VTY.

## 9. Representations and Warranties

By transferring Ether or any other form of currency to the smart contract system ("Smart Contract System", as explained in Exhibit B) to purchase VTY from us, you represent and warrant that:

- You have read and understand these Terms (including all Exhibits);
- You have a sufficient understanding of the functionality, usage, storage, transmission mechanisms and other material characteristics of cryptographic tokens like Bitcoin and Ether, token storage mechanisms (such as token wallets), blockchain technology and blockchain-based software systems to understand these Terms and to appreciate the risks and implications of purchasing VTY;
- You have carefully reviewed the code of the Smart Contract System located on the Ethereum blockchain at the addresses set forth in Exhibit B and fully understand and accept the functions implemented therein;
- You have obtained sufficient information about VTY to make an informed decision to purchase VTY;

- You understand the restrictions and risks associated with the creation of VTY by the Smart Contract System as set forth herein, and acknowledge and assume all such risks;
- You understand, acknowledge and assume the risks associated with the purchase, holding and use of VTY in connection with the Services and Platform, as explained and disclosed in Section 5 and Exhibit C;
- You understand that VTY confer only the right to receive Services and to access the Platform, and confer no other rights of any form with respect to the Platform or Company or its corporate affiliates, including, but not limited to, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights;
- You are purchasing VTY solely for the purpose of receiving Services, accessing the Platform, and supporting the development, testing, deployment and operation of the Platform, being aware of the commercial risks associated with the Company and the Platform. You are not purchasing VTY for any other purposes, including, but not limited to, any investment, speculative or other financial purposes;
- Your purchase of VTY complies with applicable law and regulation in your jurisdiction, including, but not limited to, (i) legal capacity and any other applicable legal requirements in your jurisdiction for purchasing VTY, using VTY, and entering into contracts with us, (ii) any foreign exchange or regulatory restrictions applicable to such purchase, and (iii) any governmental or other consents that may need to be obtained;
- You will comply with any applicable tax obligations in your jurisdiction arising from your purchase of VTY;
- If you are purchasing VTY on behalf of any entity, you are authorized to accept these Terms on such entity's behalf and that such entity will be responsible for breach of these Terms by you or any other employee or agent of such entity (references to "you" in these Terms refer to you and such entity, jointly);
- You are not resident or domiciled in the The People's Republic of China and you are not purchasing VTY from a location within the countries mentioned in this item
- If you are a US citizen or permanent resident, prior to receiving and accepting VTY, you must supply the Company evidence and/or verification acceptable to the Company that you are an "accredited investor" as defined in Rule 506 of Regulation D (17 CFR Sections 230.500 et seq.).
- If you are a Canadian citizen or permanent resident, prior to receiving and accepting VTY, you must supply the Company evidence and/or verification acceptable to the Company that you are an "accredited investor" as defined in Section 2.3 of National Instrument 45-106 Prospectus Exemptions (NI 45-106).
- You understand and acknowledge that title to, and risk of loss of, VTY you purchase from the Company and receive from the Smart Contract System passes from the Company to you.

## 10. Indemnification

- To the fullest extent permitted by applicable law, you will indemnify, defend and hold harmless the Company and our respective past, present and future employees, officers, directors, contractors, consultants, 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 or relate to: (i) your purchase or use of VTY, (ii) your responsibilities or obligations under these Terms, (iii) your violation of these Terms, or (iv) your violation of any rights of any other person or entity.
- Company reserves the right to exercise sole control over the defence, at your expense, of any claim subject to indemnification under Section 10(a). This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between you and Company.

## 11. Disclaimers

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS OTHERWISE SPECIFIED IN A WRITING BY US, (A) VTY ARE SOLD ON AN “AS IS” AND “AS AVAILABLE” BASIS WITHOUT WARRANTIES OF ANY KIND, AND WE EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES AS TO VTY, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT; (B) WE DO NOT REPRESENT OR WARRANT THAT VTY ARE RELIABLE, CURRENT OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN VTY WILL BE CORRECTED; AND (C) WE CANNOT AND DO NOT REPRESENT OR WARRANT THAT VTY OR THE DELIVERY MECHANISM FOR VTY ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS.

Some jurisdictions do not allow the exclusion of certain warranties or disclaimer of implied terms in contracts with consumers, so some or all of the exclusions of warranties and disclaimers in this section may not apply to you.

## 12. Limitation of Liability

(A) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW: (I) IN NO EVENT WILL THE COMPANY OR ANY OF THE COMPANY PARTIES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES OF ANY KIND (INCLUDING, BUT NOT LIMITED TO, WHERE RELATED TO LOSS OF REVENUE, INCOME OR PROFITS, LOSS OF USE OR DATA, OR DAMAGES FOR BUSINESS INTERRUPTION) ARISING OUT OF OR IN ANY WAY RELATED TO THE SALE OR USE OF VTY OR OTHERWISE RELATED TO THESE TERMS, REGARDLESS OF THE FORM OF ACTION, WHETHER BASED IN CONTRACT, TORT (INCLUDING,

BUT NOT LIMITED TO, SIMPLE NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR ANY OTHER LEGAL OR EQUITABLE THEORY (EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE); AND (II) IN NO EVENT WILL THE AGGREGATE LIABILITY OF COMPANY AND THE COMPANY PARTIES (JOINTLY), WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR OTHER THEORY, ARISING OUT OF OR RELATING TO THESE TERMS OR THE USE OF OR INABILITY TO USE VTY, EXCEED THE AMOUNT YOU PAY TO US FOR VTY.

(B) THE LIMITATIONS SET FORTH IN SECTION 12(A) WILL NOT LIMIT OR EXCLUDE LIABILITY FOR THE GROSS NEGLIGENCE, FRAUD OR INTENTIONAL, WILLFUL OR RECKLESS MISCONDUCT OF COMPANY.

(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 may not apply to you.

### 13. Release

To the fullest extent permitted by applicable law, you release the Company and the other Company Parties from responsibility, liability, claims, demands and/or damages (actual and consequential) of every kind and nature, known and unknown (including, but not limited to, claims of negligence), arising out of or related to disputes between users and the acts or omissions of third parties. You expressly waive any statute or common law principles that would otherwise limit the coverage of this release to include only those claims which you may know or suspect to exist in your favour at the time of agreeing to this release.

### 14. Dispute Resolution; Arbitration

- 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 the Company (i) waive your and the Company's respective rights to have any and all Disputes arising from or related to these Terms resolved in a court, and (ii) waive your and the Company's respective rights to a jury trial. Instead, you and Company will 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).

- No Class Arbitrations, Class Actions or Representative Actions. Any Dispute arising out of or related to these Terms is personal to you and Company 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 individual or group of individuals. 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.
- 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 Company shall be sent by e-mail to Company at team@verity.network. Notice to you shall be by email to the then-current email address in your Account. 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 Company cannot agree how to resolve the Dispute within thirty (30) days after the date notice is received by the applicable Party, then either you or Company may, as appropriate and in accordance with this Section 14, commence an arbitration proceeding or, to the extent specifically provided for in Section 14(a), file a claim in court.
- All disputes or claims arising out of or in connection with these Terms, including disputes relating to its validity, breach, termination, or nullity, and any disputes or claims arising out of or in connection with the use of the Website and the Platform, shall be finally settled under the Rules of Arbitration of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (Vienna Rules) by three arbitrators appointed in accordance with said Rules. The language to be used in the arbitral proceedings shall be English.
- Severability of Dispute Resolution; Arbitration. If any term, clause or provision of this Section 14 is held invalid or unenforceable, it will be so held to the minimum extent required by law, and all other terms, clauses and provisions of this Section 14 will remain valid and enforceable. Further, the waivers set forth in Section 14(b) are severable from the other provisions of these Terms and will remain valid and enforceable, except as prohibited by applicable law.

## 15. Governing Law and Venue

These Terms will be governed by and construed and enforced in accordance with the laws of Gibraltar, without regard to conflict of law rules that would cause the application of the laws of any other jurisdiction. Any Dispute between the Parties arising out or relating to these Terms or

its subject matter or formation (including non-contractual Disputes of claims) that is not subject to arbitration will be resolved in the courts of Gibraltar.

## 16. 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.

## 17. Miscellaneous

These Terms constitute the entire agreement between you and us relating to your purchase of VTY from us. We may make changes to these Terms from time to time as reasonably required to comply with applicable law or regulation. If we make changes, we will post the amended Terms at [www.verity.network](http://www.verity.network) and update the "Last Updated" date above. We may also attempt to notify you through the Verity website at [www.verity.network](http://www.verity.network). The amended Terms will be effective immediately. We may assign our rights and obligations under these Terms. Our failure to exercise or enforce any right or provision of these Terms will not operate as a waiver of such right or provision. 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. Purchasing VTY from us does not create any form of partnership, joint venture or any other similar relationship between you and us. Except as otherwise provided in herein, 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. You agree and acknowledge that all agreements, notices, disclosures, and other communications that we provide to you, including these Terms, will be provided in electronic form.

## Exhibit A

### Description of Company, Platform, and VTY

#### 1. Overview of Company and Affiliates

The Company is an exempted company with limited liability incorporated in Gibraltar and is not subject to supervision or regulation by any financial authorities. The Company will have primary responsibility for the provision of Services and for administering the development of certain aspects of the Platform.

It is anticipated that the company, and other corporate affiliates will provide certain administrative, technical and development services to Company in connection with the Services and Platform.

## 2. Development of the Platform with VTY Functionality and Services

The Company intends to introduce components into the Platform that will use and rely on VTY (together, "VTY Functionality"). VTY is based on the Ethereum protocol and conforms to the ERC20 standard. As a result of introducing VTY Functionality into the Platform, the Platform will integrate and consist of VTY Functionality. VTY will be the utility token for conducting transactions and obtaining Services on the Platform. Currently, it is anticipated that the primary services ("Services") to be facilitated through VTY and the Platform, as developed and made available by Company, will relate to fee mechanism (fees are paid by developers to the validators in VTY for their work of validating the data in the Platform), staking mechanism (VTY can be locked ("Staked") by all participants in the Platform as a security mechanism), dispute mechanism (VTY can be used as a reward for dispute resolution and review process) and governance (VTY can be used in governance of the Platform). Further details regarding the Platform and VTY are described in the Verity Whitepaper ("Whitepaper"), which is available at: [www.verity.network](http://www.verity.network). The information contained in the Whitepaper and Verity website are of descriptive nature only, and do not, unless explicitly incorporated herein, form part of the Terms. Although the Company intends to develop the Platform in the manner generally described above, it reserves the right to modify features, functionalities or development plans in its sole and absolute discretion, including the utilisation in whole or in part of the Ethereum, Swarm, Whisper or any other blockchain protocol. Verity may issue an additional or convertible token in the event that the ecosystem merits such case; eg. the need for high volume data token, etc.

### Exhibit B

#### Private Token Sale Procedures and Specifications

##### 1. Total Number of VTY to be Created and Sold

Company will create 500 million VTY through the Smart Contract System. 335 million VTY will be allocated to the Company ("Company VTY") for certain uses as described in Section 5 of this Exhibit B and the remaining 165 million VTY will be sold in the Private Sale Period ("Private Sale Period"). Purchasing VTY in the Private Sale Period is done exclusively via a direct contact with the Company, which can be done by sending an e-mail to Company at team@verity.network. Private Sale Period will not be advertised on Verity's website or other public channels.

## 2. Commencement and Duration of Private Token Sale

The Company's sale of VTY in the Private Sale Period will (a) begin on 2nd February 2018 and (b) continue until (i) 12,236 Ether in funding has been received by Company, or the Company stops the Private Sale at its sole discretion.

## 3. VTY Price

In the Sale Period 1 VTY will be purchased for 0.00007416 Ether. In the Private Sale Period 1 VTY will be purchased for 0.00007416 Ether, but additional VTY may be given to the purchaser as a bonus by the Company at its sole discretion.

## 4. Procedures for Buying and Receiving VTY

In order to purchase VTY during the Sale Period, and to receive the VTY you purchase, you must have an Ethereum wallet that supports the ERC20 token standard. The Company reserves the right to prescribe additional wallet requirements.

Approximately twenty-four (24) hours prior to the commencement of the Sale Period, Company will publish an address for the VTY sale via [www.verity.network](http://www.verity.network). To initiate a purchase of VTY during the Sale Period, you must send an amount of Ether to an Ethereum address (the "VTY Token Address") that will be provided to you only after you agree to these Terms by clicking the "I Agree with the Terms" button at the bottom of these Terms. Sending Ether to the VTY Token Address during the Sale Period triggers a smart contract operation, pursuant to which the Smart Contract System will automatically create and promptly deliver the corresponding VTY to the ERC20 wallet address from which the Ether were sent.

Ether must be sent to the VTY Token Address during the Sale Period in order to purchase and receive VTY. Sending Ether to any other address may result in loss of Ether. Attempted transactions to purchase VTY will be rejected if Ether is sent to the VTY Token Address at any time before or after the Sale Period. A number of other requirements related to the VTY purchase and Smart Contract execution (including but not limited to Gas Price, Gas Limit and

Transaction Data) can be requested by Company and must be fulfilled in order for the transaction to be successful and for VTY to be purchased.

## 5. Company VTY and User Growth Fund

75 million VTY will be used for future Company financing related to the development of Verity Platform.

50 million VTY will be used for establishing partnerships of the Verity ecosystem and paying for the expenses related to the integration of partners in to the Platform.

40 million VTY will be used for marketing costs and other costs related to the private token sale as well as compensating advisors and influencers.

10 million VTY will be used for rewards in the bounty and referral system set up by the Company.

100 million VTY of the Company VTY will be allocated to Ecosystem Fund, which will be used to solve “chicken and egg” problem of the Platform. This Ecosystem Fund will be used to incentivize users to join the Platform by financing rewards for data providers and paying for the fees taken by validation nodes.

The remaining 60 million VTY will be used for compensating employees and contractors, and for other internal purposes in connection with the deployment and the development of the Platform.

## 6. Use of Proceeds from VTY Private Token Sale

The Ether that Company receives for VTY sold to purchasers during the Sale Period, will be used to compensate engineers, staff and contractors, cover operating costs and marketing expenses, and to address other administrative and unforeseen costs.

The following is an estimated, illustrative allocation of these budget items, which Company reserves the right to modify in its sole and absolute discretion:

- 50% for core development
- 10% operations
- 10% legal

- 20% marketing and communications
- 10% education, research and other related costs

## Exhibit C

### Certain Risks Relating to Purchase, Sale and Use of VTY

Important Note: As noted elsewhere in these Terms, the VTY are not being structured or sold as securities or any other form of investment product. Accordingly, none of the information presented in this Exhibit C is intended to form the basis for any investment decision, and no specific recommendations are intended. Company expressly disclaims any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from: (i) reliance on any information contained in this Exhibit C, (ii) any error, omission or inaccuracy in any such information or (iii) any action resulting from such information.

By purchasing, holding and using VTY, you expressly acknowledge and assume the following risks:

#### 1. Risk of Losing Access to VTY Due to Loss of Private Key(s), Custodial Error or Purchaser Error

A private key, or a combination of private keys, is necessary to control and dispose of VTY stored in your digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your digital wallet or vault storing VTY will result in loss of such VTY. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a digital wallet or vault service you use, may be able to misappropriate your VTY. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive and store VTY, including your own failure to properly maintain or use such digital wallet or vault, may also result in the loss of your VTY. Additionally, your failure to follow precisely the procedures set forth in Section 4 of Exhibit B for buying and receiving VTY, including, for instance, if you provide the wrong address for receiving VTY, may result in the loss of your VTY.

#### 2. Risks Associated with the Ethereum Protocol

Because VTY and the Platform are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on the Platform or VTY. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to VTY and the Platform, including the utility of VTY for

obtaining Services, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol.

### 3. Risk of Mining Attacks

As with other decentralized cryptographic tokens based on the Ethereum protocol, VTY are susceptible to attacks by miners in the course of validating VTY 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 Platform and VTY, including, but not limited to, accurate execution and recording of transactions involving VTY.

### 4. Risk of Hacking and Security Weaknesses

Hackers or other malicious groups or organizations may attempt to interfere with the Platform or VTY 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 Platform is based on open-source software, there is a risk that a third party or a member of the Company team may intentionally or unintentionally introduce weaknesses into the core infrastructure of the Platform, which could negatively affect the Platform and VTY, including VTY's utility for obtaining Services.

### 5. Risks Associated with Markets for VTY

VTY are intended to be used solely on the Platform, and Company will not support or otherwise facilitate any secondary trading or external valuation of VTY. This restricts the contemplated avenues for using VTY to obtain Services or access the Platform, and could therefore create illiquidity risk with respect to VTY you hold. Even if secondary trading of VTY is facilitated by third party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to market-related risks. Furthermore, to the extent that third-parties do ascribe an external exchange value to VTY (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile and diminish to zero.

### 6. Risk of Uninsured Losses

Unlike bank accounts or accounts at some other financial institutions, VTY 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, or private insurance arranged by us, to offer recourse to you.

### 7. Risks Associated with Uncertain Regulations and Enforcement Actions

The regulatory status of VTY 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. 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 Platform and VTY. Regulatory actions could negatively impact the Platform and VTY in various ways, including, for purposes of illustration only, through a determination that VTY are a regulated financial instrument that require registration or licensing. 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 commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

#### 8. Risks Arising from Taxation

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

#### 9. Risk of Alternative Platforms

It is possible that alternative platforms could be established that utilize the same open source code and protocol underlying the Platform and attempt to facilitate services that are materially similar to the Services. The Platform may compete with these alternative platforms, which could negatively impact the Platform and VTY, including VTY's utility for obtaining Services.

#### 10. Risk of Insufficient Interest in the Platform or Distributed Applications

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

#### 11. Risks Associated with the Development and Maintenance of the Platform

The Platform is still under development and may undergo significant changes over time. Although we intend for VTY and the Platform to follow the specifications set forth in Exhibit A, and will take commercially reasonable steps toward those ends, we may have to make changes to the specifications of VTY or the Platform for any number of legitimate reasons. This could create the risk that VTY or the Platform, as further developed and maintained, may not meet your expectations at the time of purchasing VTY. Furthermore, despite our good faith efforts to

develop and maintain the Platform, it is still possible that the Platform will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Platform and the potential utility of VTY, including its utility for obtaining Services.

#### 12. Risk of an Unfavorable Fluctuation of Ether and Other Currency Value

The Company team intends to use the proceeds from selling VTY to fund the maintenance and development of the Platform, as described further in Section 6 of Exhibit B. The proceeds of the sale of VTY will be denominated in Ether, and may, at our discretion, be converted into other cryptographic and fiat currencies. If the value of Ether or other currencies fluctuates unfavourably during or after the Sale Period, the Company team may not be able to fund development, or may not be able to develop or maintain the Platform in the manner that it intended.

#### 13. Risk of Dissolution of the Company

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

#### 14. Risks Arising from Lack of Governance Rights

Because VTY confer no governance rights of any kind with respect to the Platform or Company, all decisions involving the Platform or Company will be made by Company at its sole discretion, including, but not limited to, decisions to discontinue the Platform, to sell more VTY for use in the Platform, or to sell or liquidate the Company. These decisions could adversely affect the Platform and the utility of VTY that you hold, including VTY's utility for obtaining Services.

#### 15. Risks Associated with Affiliate-Supported Business Models

The Company's growth and adoption of the Platform may depend on our ability to maintain and expand our existing relationships with advertisers and publishers and our ability to develop new relationships with other advertisers and publishers within the Platform. As the affiliate market generates and develops new concepts and technology, we may incur additional costs to implement a more effective Platform and may have to adjust to new tracking and unforeseeable technologies that could diminish the effectiveness of our platform. Continuing to develop and improve the Platform to keep up with these changes may require significant time and additional investment. If we cannot continue to develop and improve the Platform to maintain

competitiveness in light of such changes, the Platform may not remain viable, which could negatively impact the utility of VTY, including VTY's utility for obtaining Services.

#### 16. Risks Associated with New and Evolving Laws Impacting Affiliation and Affiliation Technology

The affiliation and affiliation technology ecosystems, and by extension our own Platform, are subject to a variety of federal, state and international laws and regulations, including those with respect to consumer privacy, data protection, consumer protection, content regulation, network neutrality, cyber security, data protection, intellectual property (including copyright, patent, trademark and trade secret laws), defamation, child protection, and others. These laws and regulations, and the interpretation or application of these laws and regulations, could change.

In addition, new laws or regulations affecting the Company could be enacted. As the Platform evolves, Company may be subject to new laws and the application of existing laws to us might change. These laws and regulations are frequently costly to comply with and may divert a significant portion of Company's attention and resources. If we fail to comply with these applicable laws or regulations, we could receive negative publicity and be subject to significant liabilities which could adversely impact the Company, the Platform and VTY, including VTY's utility for obtaining Services.

Additionally, the advertisers and publishers within the Platform are subject to industry specific laws and regulations or licensing requirements. If any of these parties fails to comply with any of these licensing requirements or other applicable laws or regulations, or if such laws and regulations or licensing requirements become more stringent or are otherwise expanded, it could adversely impact the Platform and VTY, including VTY's utility for obtaining Services.

#### 17. Unanticipated Risks

Cryptographic tokens such as VTY are a new and untested technology. In addition to the risks included in this Exhibit C, there are other risks associated with your purchase, holding and use of VTY, including those that the Company cannot anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this Exhibit C.