



Tokens Acquisition Agreement

PLEASE READ CAREFULLY THIS AGREEMENT ON ACQUIRING OF CM2T or CM2 TOKENS BEFORE ACQUIRING SUCH TOKENS, AS IT AFFECTS YOUR OBLIGATIONS AND LEGAL RIGHTS, INCLUDING, BUT NOT LIMITED TO, WAIVERS OF RIGHTS AND LIMITATION OF LIABILITY. IF YOU DO NOT AGREE TO THIS AGREEMENT ON ACQUIRING OF TOKENS, YOU SHALL NOT EXCHANGE OR ACQUIRE SUCH TOKENS.

CM2T or CM2 TOKENS ARE NOT BEING OFFERED OR DISTRIBUTED TO, AS WELL AS CAN NOT BE RESOLD OR OTHERWISE ALIENATED BY THEIR HOLDERS TO, CITIZENS OF, NATURAL AND LEGAL PERSONS, PARTNERSHIPS, HAVING THEIR HABITUAL RESIDENCE OR DOMICILE, LOCATION OR THEIR SEAT OF INCORPORATION IN THE COUNTRY OR TERRITORY WHERE TRANSACTIONS WITH DIGITAL TOKENS ARE PROHIBITED, IN ANY MANNER RESTRICTED BY APPLICABLE LAWS OR REGULATIONS.

IF SUCH RESTRICTED PERSON ACQUIRES OR EXCHANGES CM2T OR CM2 TOKENS, SUCH RESTRICTED PERSON HAS DONE SO ON AN UNLAWFUL, UNAUTHORIZED AND FRAUDULENT BASIS AND IN THIS REGARD SHALL BEAR NEGATIVE CONSEQUENCES CONTEMPLATED IN THIS AGREEMENT ON ACQUISITION OF CM2T OR CM2 TOKENS.

CM2T TOKENS MAY HAVE NO VALUE. ACQUIROR MAY LOSE ALL AMOUNTS PAID.

This Agreement on acquiring of CM2T and / or CM2 Tokens ("**Agreement**") constitutes the legal relationship and an agreement between you or the entity that you represent ("**Acquiror**") and CM Square Holdings Limited, a company registered in British Virgin Islands with the company number 1980917 and registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands ("**Company**"), and governs (i) acquisition of ERC20-compliant CM2T and / or CM2 tokens distributed on the Ethereum blockchain ("**Tokens**") and (ii) holding and use of the Tokens.

The Company and the Acquiror hereby agree as follows:

1. DEFINITIONS

1.1. In addition to the definitions contained elsewhere in the text of this Agreement, the following terms and expressions shall have the meaning ascribed to them here below:

"**Bonus Tokens**" has the meaning, set out in Clause 4.1 of Appendix 1.

"**Company Parties**" means the Company and its respective past, present and future employees, officers, directors, contractors, consultants, attorneys, accountants, financial advisors, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns. "**Company Party**" means one of the foregoing, as the case may be.

"**Cryptocurrency**" means Bitcoin (BTC), Ether (ETH), Litecoin (LTC), Bitcoin Cash (BCH), Neo (NEO) and other cryptocurrencies, as the case may be.

"**Damages**" means damages, losses, liabilities, costs or expenses of any kind, whether direct or indirect, consequential, compensatory, incidental, actual, exemplary, punitive or special and including, without limitation, any loss of business, revenues, profits, data, use, goodwill or other intangible losses.

"**Disbursement Date**" has the meaning, set out in Clause 2.3 of Appendix 1.

"**Disputes**" has the meaning, set out in Clause 11.2.

"**Ethereum**" means an open-source, public, blockchain-based distributed computing platform featuring smart contract (scripting) functionality.

"**Ethereum ERC20 Wallet**" has the meaning, set out in Clause 5.1.2 of Appendix 1.



"**Intellectual Property**" has the meaning, set out in the Terms of Use.

"**Notices**" has the meaning, set out in Clause 12.7.

"**Platform**" means the community-based system to be developed and deployed by the Company.

"**Privacy Policy**" means the document describing the methods how the Company collects, uses and releases information collected from the Acquiror and available on the Website (as may be amended from time to time).

"**Protocol**" means technology, corporate structure and legal compliance aspects as developed by the Company.

"**Return Receiver**" has the meaning, set out in Clause 10.1 of Appendix 1.

"**Restricted Persons**" has the meaning, set out in Clause 4.7.

"**Retained Tokens**" has the meaning, set out in Clause 7.3.3 of Appendix 1.

"**Acquisition Launch Date**" means the calendar date when the Token Acquisition launches as it is set out in Clause 1.1 of Appendix 1.

"**Acquisition Expiration Date**" means the calendar date when the Token Acquisition expires as it is set out in Clause 1.1.2 of Appendix 1.

"**Services**" means the services which the Company provides to the holders of the Tokens via the Platform and the Protocol.

"**Smart Contracts Launch Date**" means the calendar date when the Smart Contract launches and begins the distribution of Tokens as is set out in Clause 7.1 of Appendix 1.

"**Terms of Use**" means the document describing the terms of use of the Website and available on the Website (as may be amended from time to time).

"**Token Acquisition**" has the meaning, set out in Clause 1.1 of Appendix 1.

"**Token Smart Contracts**" means the Ethereum smart contracts representing the mechanism of creation and distribution of the Tokens.

"**User Account**" has the meaning, set out in Clause 6.2.1 of Appendix 1.

"**Web Application**" means a web application made by the Company to facilitate the procedure of exchange and receipt of the Tokens.

"**Website**" means <https://CM2.io/> and all subdomains and all their respective pages.

"**Whitelist**" means the list compiled by the Company and providing the categories of the Platform and Protocol users and their privileges and restrictions on the exchange of Tokens.

2. ACCEPTANCE OF THIS AGREEMENT

Entrance into Agreement and Terms of Use

- 2.1. This Agreement shall be effective and binding on the parties hereof when the both of the following conditions are satisfied:
 - 2.1.1. the Acquiror clicks the button on the Website to indicate that the Acquiror has read, understands and agrees to the terms of this Agreement; and
 - 2.1.2. the Company receives the consideration for the Tokens from the Acquiror as it is specified in Clause 2.3 of Appendix 1.
- 2.2. The Company has established the Terms of Use, as may be amended from time to time at a Company's sole discretion, which are hereby incorporated by reference. The Acquiror has read, understands and agrees to those terms.

No Partner Relationship between the Acquiror and the Company Parties



- 2.4. The Company and the Acquiror are independent contractors, and neither party hereto, nor any of their respective affiliates, is an agent of the other for any purpose somehow related to this Agreement or has the authority to bind the other.
- 2.5. Acquiring or exchanging of the Tokens from the Company does not create any form of partnership, joint venture or any other similar relationship between the Acquiror and a Company Party.

3. LEGAL STATUS OF TOKENS

Restricted Use of Tokens

- 3.1. The Tokens are intended to be used only:
 - 3.1.1. to enable usage of and interaction with the Platform and the Protocol and to support its development, testing, deployment, and operation;
 - 3.1.2. to obtain the Services by a community of the Platform and the Protocol; and
 - 3.1.3. as a means to power the Platform's and the Protocol's reward system.
- 3.2. Hereby the Acquiror accepts explicitly and agrees that:
 - 3.2.1. it is the responsibility of solely the Acquiror to determine if the Acquiror can legally exchange the Tokens in his jurisdiction and whether the Acquiror can then exchange the Tokens to another exchanger in any given jurisdiction;
 - 3.2.2. he is not acquiring the Tokens for any other uses or purposes, except for as specified in Clause 3.1;
 - 3.2.3. the Tokens are not securities, are not registered with any government entity as the security, shall not be considered as such, are not intended to be a digital currency, commodity or any other kind of financial instrument, do not represent any share, stake or security or equivalent rights including, but not limited to, any right to receive future revenue shares and intellectual property rights, and do not represent any ownership right; and
 - 3.2.4. none of the Company Parties has other obligations, except as expressly stated in this Agreement.
 - 3.2.5. The Acquiror is not entitled to any guaranteed form of dividends, revenue distributions, and voting rights. In the event of any returns generated from such Tokens according to the actual situation, it will only be distributed after deducting 10% management fees and all necessary costs. The management fees is subject to change from time to time according to the Company sole discretion. In the event of the Tokens are related to actual property, such Tokens will be handled according to the terms and conditions, such as maturity date, specified in the Website.

No Rights Created by Tokens

- 3.4. Ownership of the Tokens carries no rights, express or implied, other than the right to use the Tokens as specified in Clause 3.1. In particular, the Tokens:
 - 3.4.1. do not provide the Acquiror with rights of any form with respect to any of the Company Parties or its revenues, including any voting, distribution, redemption, liquidation, proprietary (including all forms of Intellectual Property), or other financial or legal rights;
 - 3.4.2. do not represent a loan to any of the Company Parties; and
 - 3.4.3. do not provide the Acquiror with any ownership or other interest in any of the Company Parties.
- 3.5. Acquisition of Tokens from the Company does not present an exchange of payment (Cryptocurrencies or money) for any form of shares in any of the Company Parties or the Intellectual Property. For the avoidance of doubt, the Acquiror is not entitled to any guaranteed form of dividends, revenue distributions, and voting rights.



- 3.6. For the purpose of this Agreement, the Tokens shall be viewed as software with cryptographic elements that is sold out as a utility appliance for the Platform and the Protocol. The Company may from time to time launch various incentive programs, including the one specified in Clause 3.1, for the holders of the Tokens to encourage and promote their attention to the Platform and the Protocol.

Not for Investment Purposes

- 3.7. Though the Tokens may be exchangeable, they are not an investment, currency, security, commodity, and not a derivative with value based on a currency, security or commodity or any other kind of financial instrument. The Tokens are not intended to be marketed, offered for sale, exchanged, sold, or traded in any jurisdiction where they are prohibited by applicable laws or require further registration with any applicable governmental authorities.
- 3.8. The Tokens may be exchangeable on cryptographic token exchanges. However, none of the Company Parties give warranties or representations that the Tokens will be exchangeable on such exchanges.
- 3.9. This Agreement does not constitute a prospectus of any sort, is not a solicitation for investment and does not pertain in any way to an initial public offering or a share/equity offering and does not pertain in any way to an offering of securities in any jurisdiction.

Considerations Collected through Token Acquisition

- 3.10. Considerations collected through the Token Acquisition will be utilized by the Company at its sole discretion.

4. TOKEN ACQUISITION PROCEDURE

General Provisions on Token Acquisition Procedure

- 4.1. The substantial information about the procedures and material specifications of the Token Acquisition are provided in Appendix 1, including details regarding the timing, valuation of the Token Acquisition, and the number of Tokens to be acquired and distributed. The information about specific procedures on how the Acquiror should exchange the Tokens may also be provided on the Website.
- 4.2. By sending the consideration for the Tokens, the Acquiror acknowledges that he understands and has no objection to these procedures and material specifications. Failure to follow such procedures may result in the Acquiror not receiving any Tokens.
- 4.3. Acquiror's exchange of the Tokens from the Company during the Token Acquisition period is final, and there are no cancellations except as may be required by applicable law or regulation.
- 4.4. By sending the consideration for the Tokens, the Acquiror acknowledges that none of the Company Parties are required to revoke the transaction for any reason and that the Acquiror will not receive consideration or other compensation.
- 4.5. The Company reserves the right to refuse or cancel the Token exchange requests at any time at the Company's sole discretion.
- 4.6. The Acquiror shall provide an accurate digital wallet address to the Company for receipt of any Tokens distributed to the Acquiror pursuant to this Agreement.

Persons Who Are Restricted to exchange Tokens

- 4.7. The Tokens are not being offered or distributed to, as well as can not be exchanged or otherwise alienated by their holders to the citizens of, natural and legal persons, having their habitual residence, location or their seat of incorporation in a country or territory where transactions with digital tokens are prohibited or in any manner restricted by applicable laws or regulations, or will become so prohibited or restricted at any time after this Agreement becomes effective.
- 4.8. The Restricted Persons are strictly prohibited and restricted from exchanging and using the Tokens and the Company Parties are not soliciting exchanges and usage by Restricted Persons in any way.
- 4.9. It is solely Acquiror's obligation to verify at the time of entering into this Agreement:
- 4.9.1. whether or not the Acquiror or a person he represents is a Restricted Person;



- 4.9.2. whether or not the Acquiror is allowed to exchange the Tokens under the applicable laws and regulations; and
- 4.9.3. whether or not the Acquiror is allowed by applicable laws and regulations to use the Tokens in the manner specified on the Website.
- 4.10. If a Restricted Person exchanges the Tokens, such Restricted Person has done so on an unlawful, unauthorized and fraudulent basis. In such a case, any transactions and operations entered into by the Restricted Person in respect of the Tokens shall be null and void, including, but not limited to, the following:
 - 4.10.1. transactions resulting from acceptance of this Agreement;
 - 4.10.2. any transaction resulting from the acquisition of the Tokens; and
 - 4.10.3. any exchange operation.
- 4.11. None of the Company Parties shall be bound by a transaction or an operation specified in Clause 4.10, and respective Company Party may, at its sole discretion:
 - 4.11.1. take all necessary and appropriate actions to apply and enforce the consequences of the void transactions and operations specified above;
 - 4.11.2. notify the relevant authorities on the transaction or the operation in question; and
 - 4.11.3. retain all the consideration exchanged by the Restricted Person and either freeze them until the situation is resolved by the respective authority or apply to cover inflicted losses or discharge liabilities, or return to the acquiror of the considerations in accordance with the applicable legislation.
- 4.12. Any Restricted Person exchanging the Tokens shall be solely liable for Damages caused to the Company Parties and shall indemnify, defend and hold harmless the Company Parties from any Damages and expenses incurred by the Company Parties that arise from or are the result of such Restricted Person's exchange of the Tokens.
- 4.13. The Company does not carry on any regulated activity in all countries and territories where transactions in respect of, or with use of, digital tokens fall under the restrictive regulations or require from the Company to be registered or licensed with any applicable governmental authorities.

5. ACKNOWLEDGMENT AND ASSUMPTION OF RISKS

- 5.1. The Acquiror acknowledges and agrees that there are risks associated with exchanging the Tokens, holding the Tokens, and using the Tokens for receiving the Services, as disclosed and explained in Appendix 2.

By sending the consideration for the Tokens, the Acquiror expressly acknowledges and assumes these risks.

6. SECURITY OF ACQUIROR'S TOKENS

- 6.1. The Acquiror shall implement reasonable measures for securing the wallet address, vault or other storage mechanism utilized to receive and hold the exchanged Tokens, including any requisite private keys or other credentials necessary to access such storage mechanisms.
- 6.2. In the event that the Acquiror is no longer in possession of the Acquiror's private keys or any device associated with the Acquiror's account or is not able to provide the Acquiror's login or identifying credentials, the Acquiror may lose all of Acquiror's Tokens and/or access to Acquiror's account. Company Parties are under no obligation to recover any Tokens and are not liable for such loss of Acquiror's Tokens.

7. ACQUIROR'S PERSONAL INFORMATION

- 7.1. The Company may determine, at its sole discretion, that it is necessary to obtain certain information about the Acquiror in order to comply with applicable laws or regulations including but not limited to anti-money laundering and counter-terrorist financing laws and regulations in connection with acquiring the Tokens to the Acquiror.



- 7.2. The Acquiror agrees to provide the Company or any person appointed by the Company with such information promptly upon request and acknowledges that the Company may refuse to exchange the Tokens to the Acquiror until he provides such requested information and the Company has determined that it is permissible to exchange the Tokens to the Acquiror under applicable laws or regulations.
- 7.3. Providing of personal data to the Company shall be subject to the Privacy Policy and applicable laws on personal data protection.

8. ACQUIROR'S RESPONSIBILITY FOR THE TAXES

- 8.1. The exchange value that the Acquiror exchanges for the Tokens is exclusive of all applicable taxes. The Acquiror is solely responsible for determining what, if any, taxes apply to the exchange of the Tokens.
- 8.2. The Acquiror is responsible for withholding, collecting, reporting and remitting the correct taxes arising from the exchange of the Tokens to the appropriate tax authorities.
- 8.3. None of the Company Parties bear liability or responsibility with respect to any tax consequences to the Acquiror arising from the exchange of the Tokens.

9. REPRESENTATIONS AND WARRANTIES

Acquiror's Representations and Warranties

- 9.1. By sending the consideration for the Tokens, the Acquiror represents and warrants to each of the Company Parties that each of the following representations and warranties is true, accurate and not misleading on the date when such sending has occurred:

(A) Acquiror's Awareness of Transaction, Technology, and Risks

- 9.1.1. The Acquiror has read, understood and accept this Agreement, the Terms of Use and the Privacy Policy.
- 9.1.2. The Acquiror has read, understood and accept the risks related to the Tokens and usage of the Platform and the Protocol specified in Appendix 2.
- 9.1.3. The Acquiror has sufficient understanding of the functionality, usage, storage, transmission mechanisms and other material characteristics of cryptographic tokens, token storage mechanisms (such as token wallets), blockchain technology and blockchain-based software systems to understand this Agreement and to appreciate the risks and implications of exchanging the Tokens.
- 9.1.4. The Acquiror has obtained sufficient information about the Tokens to make an informed decision to exchange the Tokens.
- 9.1.5. The Acquiror understands and accepts that the value of the Tokens over time may experience extreme volatility or depreciate in full.

(B) Authority to Enter into Agreement

- 9.1.6. The Acquiror has all requisite power and authority to execute and deliver this Agreement, to exchange the Tokens, and to carry out and perform his obligations under this Agreement.
- 9.1.7. If an individual, the Acquiror is at least 18 years old and of sufficient legal age and capacity to exchange the Tokens.
- 9.1.8. If a legal entity, the Acquiror is duly organized, validly existing and in good standing under the laws of its domiciliary jurisdiction and each jurisdiction where it conducts business. The person exchanging the Tokens on behalf of the legal entity is duly authorized to accept this Agreement on such entity's behalf and that such entity will be responsible for breach of this Agreement.

(C) Acquiror is not a Restricted Person

- 9.1.9. The Acquiror is not a Restricted Person and does not represent a Restricted Person.
- 9.1.10. None of the Acquiror's owners or beneficiaries are Restricted Persons.



(D) Compliance with Applicable Laws and Regulations

9.1.11. The entering into and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a material default under, with or without the passage of time or the giving of notice:

- (i) any provision of the Acquiror's constituent documents, if applicable;
- (ii) any provision of any judgment, decree or order to which the Acquiror is a party, by which it is bound, or to which any of its material assets are subject;
- (iii) any material agreement, obligation, duty or commitment to which the Acquiror is a party or by which it is bound;
- (iv) any foreign exchange, anti-money laundering, counter-terrorist financing or regulatory restrictions applicable to exchange of the Tokens; or
- (v) any laws, regulations or rules applicable to the Acquiror.

9.1.12. It is the Acquiror's obligation to monitor the amendments to laws applicable to the Acquiror.

9.1.13. The Acquiror will comply with any applicable tax obligations in the Acquiror's jurisdiction arising from the respective Exchange of the Tokens.

9.1.14. The execution and delivery of, and performance under, this Agreement require no approval or other action from any governmental authority or person other than the Acquiror.

(E) Legal Source of the Considerations used for the exchange

9.1.15. The consideration, including any digital or non-digital assets, fiat currency, virtual currency or Cryptocurrency, the Acquiror uses to exchange the Tokens are not derived from or related to any unlawful activities, including but not limited to money laundering or terrorist financing, and the Acquiror will not use the Tokens to finance, engage in, or otherwise support any unlawful activities.

9.2. The Acquiror agrees that if his country of residence or other circumstances change (including, but not limited to, any change in applicable legislation) such that any of the representations and warranties specified in Clause 9.1 hereof are no longer accurate, that the Acquiror will immediately cease using the Platform and the Protocol.

No Company Parties' Representations and Warranties

9.3. The Acquiror hereby acknowledges and agrees that the Tokens are acquired on an "as is", "as available" and "with all faults" basis and Acquiror Exchanges the Tokens exclusively at his own risk without any express or implied representations and/or warranties of any kind by the Company Parties.

9.4. The Company and other Company Parties (if applicable) expressly disclaim all express and implied warranties and representations as to the Tokens and the Platform and the Protocol. None of the Company Parties makes any representations or warranties, express or implied, including:

- 9.4.1. any warranties or representations of title;
- 9.4.2. any warranties or representations of merchantability or fitness for a particular purpose with respect to the Platform and the Protocol, the Tokens or their utility, or the ability of anyone to exchange or use the Tokens;
- 9.4.3. the suitability, reliability, availability, timeliness, and accuracy of the Platform and the Protocol, the Tokens, information, software, products, Services and related graphics contained on the Website for any purpose.

9.5. Without limiting the specified in Clauses 9.3-9.4 herein, none of the Company Parties represent or warrant that the process of exchanging of the Tokens or receiving the Tokens will be uninterrupted, error-free, free or shall remain free of viruses or other harmful components, or that the Tokens are reliable and error-free. As a result, the Acquiror acknowledges and understands that the Acquiror may lose the entire value the Acquiror exchanged to the Company.

10. LIMITATION OF LIABILITY

Limitation of Company Parties' Liability



- 10.1. To the fullest extent permitted by applicable law:
- 10.1.1. in no event will any of the Company Parties be liable for any Damages arising out of or in any way related to the acquisition or use of the Tokens, use of the Platform and the Protocol or otherwise related to this Agreement, regardless of the form of action, whether based in contract, tort (including 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
 - 10.1.2. in no event will the aggregate liability of 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 this Agreement or the use of or inability to use the Tokens or the Platform and the Protocol, exceed the value the Acquiror exchanges to the Company for the Tokens.
- 10.2. To the fullest extent permitted by applicable law, the Acquiror disclaims any right or cause of action against any of the Company Parties of any kind in any jurisdiction that would give rise to any Damages whatsoever, on the part of any Company Party.
- 10.3. The Company will not be liable for any delay or failure to perform any obligation under this Agreement where the delay or failure results from any cause beyond Company's reasonable control.
- 10.4. If applicable law does not allow all or any part of the above limitation of liability, such limitations will be applicable only to the extent permitted by applicable law.
- 10.5. The Acquiror understands and agrees that it is the Acquiror's obligation to ensure compliance with any legislation relevant to his country of domicile concerning exchange and use of the Tokens and that the Company Parties should not accept any liability for any illegal or unauthorized exchange or use of the Tokens.

Indemnification for Losses Incurred by a Company Party

- 10.6. To the fullest extent permitted by applicable law, the Acquiror will indemnify, defend and hold harmless and reimburse Company Parties from and against any and all claims, demands, actions, Damages, costs and expenses (including attorneys' fees) incurred by a Company Party arising from or relating to:
- 10.6.1. the Acquiror's exchange or use of the Tokens or the Platform and the Protocol;
 - 10.6.2. the Acquiror's responsibilities or obligations under this Agreement, the Terms of Use or the Privacy Policy;
 - 10.6.3. the Acquiror's violation of this Agreement, the Terms of Use or the Privacy Policy;
 - 10.6.4. any inaccuracy in any representation or warranty of the Acquiror;
 - 10.6.5. the Acquiror's violation of any rights of any other person or entity; and/or
 - 10.6.6. any act or omission of the Acquiror that is negligent, unlawful or constitutes willful misconduct.
- 10.7. The Company reserves the right to exercise sole control over the defense, at the Acquiror's expense, of any claim subject to indemnification under Clause 10.6 herein. This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between the Acquiror and the Company.

Force Majeure

- 10.8. The Company Parties shall not be liable and disclaims all liability to the Acquiror in connection with any force majeure event, including acts of God, labour disputes or other industrial disturbances, electrical, telecommunications, hardware, software or other utility failures, software or smart contract bugs or weaknesses, earthquakes, storms, or other nature-related events, blockages, embargoes, riots, acts or orders of government, acts of terrorism or war, technological change, changes in interest rates or other monetary conditions, and, for the avoidance of doubt, changes to any blockchain-related protocol.



- 10.9. If an event of force majeure occurs, the party injured hereto by the other's inability to perform may elect to suspend this Agreement, in whole or part, for the duration of the force majeure circumstances. The party hereto experiencing the force majeure circumstances shall cooperate with and assist the injured party in all reasonable ways to minimize the impact of force majeure on the injured party.

Release

- 10.10. To the fullest extent permitted by applicable law, the Acquiror releases the 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 the Acquiror and the Company Parties and the acts or omissions of third parties.
- 10.11. The Acquiror expressly waives any statute or common law principles that would otherwise limit the coverage of this release to include only those claims which the Acquiror may know or suspect to exist in favor of the Acquiror at the time of agreeing to this release.

11. GOVERNING LAW AND DISPUTE RESOLUTION

Applicable Law

- 11.1. This Agreement will be governed by and construed and enforced in accordance with the laws of the British Virgin Islands, without regard to conflict of law rules or principles (whether of the British Virgin Islands or any other jurisdiction) that would cause the application of the laws of any other jurisdiction.

Informal Dispute Resolution

- 11.2. The Acquiror and the Company shall cooperate in good faith to resolve any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity, interpretation, breach or termination, and any non-contractual obligation or other matter arising out of or in connection with it ("**Disputes**"). If the parties hereto are unable to resolve a Dispute within 90 days after a notice of such Dispute being received by all parties hereto, such Dispute shall be finally settled in an arbitration proceeding as stipulated in Clauses 11.4-11.8 herein.

No Class Arbitrations, Class Actions or Representative Actions

- 11.3. Any Dispute is personal to the Acquiror and the 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 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.

Arbitration Proceedings

- 11.4. Any Dispute shall be referred to and finally resolved by arbitration.
- 11.5. Any award of the tribunal shall be final and binding from the day it is made. The language of the arbitration shall be English.
- 11.6. The parties hereto agree to keep confidential all matters relating to the arbitration, including related court proceedings, to the greatest extent practicable.

12. MISCELLANEOUS

Entire Agreement

- 12.1. This Agreement constitutes the entire agreement between the Acquiror and the Company relating to Exchange of the Tokens from the Company. This Agreement supersedes all prior or contemporaneous representations, understandings, agreements, or communications between the Acquiror and any of the Company Parties, whether written or verbal, regarding the subject matter of this Agreement.

Severability

- 12.2. Should any provision of this Agreement, or any provision incorporated into this Agreement in the future, be or become illegal, invalid or unenforceable under the laws of any



jurisdiction, the legality, validity or enforceability in that jurisdiction of the other provisions of this Agreement shall not be affected thereby.

Amendments to Agreement

- 12.3. The Company reserves the right to change, modify, add, or remove portions of this Agreement for any reason at any time during the Token Acquisition and afterward by posting the amended Agreement on the Website. The revised version will be effective at the time the Company posts it unless indicated otherwise. If the Acquiror does not agree to be bound by the amended or modified Agreement, the Acquiror must cease accessing or using the Platform and the Protocol.

Assignment of Rights and Obligations

- 12.4. The Company may assign the Company's rights and obligations under this Agreement.

No Company's Waiver of Rights

- 12.5. The Company's failure to exercise or enforce any right or provision of this Agreement will not operate as a waiver of such right or provision.

Third Party Rights

- 12.6. Except as otherwise provided herein, this Agreement is intended solely for the benefit of the Acquiror and the Company and is not intended to confer third-party beneficiary rights upon any other person or entity.

Notices

- 12.7. All notices, requests, claims, demands and other communications concerning this Agreement ("**Notices**") that the Company Party provides to the Acquiror, including this Agreement, will be provided in electronic form by:

12.7.1. posting a Notice on the Website; or

12.7.2. sending an email to the email address then associated with Acquiror's account.

- 12.8. Notices provided by posting on the Website will be effective upon posting and Notices provided by email will be effective when the Company Party sends the email. It is the Acquiror's responsibility to keep his email address current. The Acquiror will be deemed to have received any email sent to the email address associated with his account when the Company Party sends the email, whether or not Acquiror actually receives or reads the email.

- 12.9. Notices that the Acquiror provides to the Company Party must be in the English language and delivered to the Company Party by email (hello@CM2.io). Such Notices will be effective two business day after they are sent.

Possibility to Negotiate Agreement

- 12.10. Each party hereto has had an unlimited and real opportunity to influence the terms of this Agreement as well as to propose, exclude and add any provisions of this Agreement. All the terms of this Agreement are agreed by parties hereto jointly. The circumstances of the preparation of this Agreement should not affect the interpretation of its terms and the sharing of the burden of proof between the parties hereto. If the Acquiror has any proposals to amend, correct or add this Agreement, he can contact the Company by email (hello@CM2.io).

Interpretation

- 12.11. The Appendix form part of this Agreement and any reference to this Agreement includes the Appendix. In this Agreement, references to "**Clauses**" or "**Appendix**" are references to Clauses of, and Appendix to, this Agreement.

- 12.12. In this Agreement, unless the context indicates otherwise or the contrary is expressly stated:

12.12.1. references to the singular include references to the plural and *vice versa*;

12.12.2. references to the male include references to the female and *vice versa*;

12.12.3. a reference to a person includes a reference to any individual, body corporate (wherever or however incorporated or established), association, partnership, government, state



- agency, public authority, joint venture, works council or other employee representative body in any jurisdiction and whether or not having a separate legal personality;
- 12.12.4. a reference to a person includes a reference to that person's legal personal representatives, successors, permitted assigns and permitted nominees in any jurisdiction and whether or not having separate legal personality;
- 12.12.5. a reference to a company shall be construed so as to include any company, corporation or other body corporate or other legal entity, wherever and however incorporated or established;
- 12.12.6. a reference to a "**business day**" implies a day which starts at 12:00 PM UTC of the respective date and ends at 11:59 PM UTC of the following date; and
- 12.12.7. except as otherwise provided in this Agreement, when referring to time, time in UTC timezone shall apply.
- 12.13. The headings in this Agreement are inserted for convenience and reference purposes only and do not affect its interpretation.
- 12.14. The words "**hereof**", "**herein**", "**hereto**", "**hereunder**" and "**hereby**" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement.
- 12.15. Wherever the word "**include**," "**includes**," or "**including**" is used in this Agreement, it shall be deemed to be followed by the words "without limitation".



APPENDIX 1. TOKEN ACQUISITION PROCEDURES

1. Token Acquisition Periods

1.1. The Company will conduct an acquisition of the Tokens ("Token Acquisition"), which will begin when it becomes available in the Web Application ("**Acquisition Launch Date**").

2. Token Value and Exchange for Tokens

- 2.1. During the Token Acquisition, the value per Token will be 1 CM2T Token = 0.104 USD.
- 2.2. Exchange for the Tokens shall be made, at Acquiror's discretion, in any currency available for exchange available in the Web Application.
- 2.3. Without prejudice to the provisions set out in Clause 3.1 hereof, a transaction on exchange for the Tokens is considered to be made on the time and date when necessary number of confirmations of the exchange by the Company ("**Disbursement Date**").
- 2.4. Not confirmed as it is described in Clause 2.3 hereof within the period of 2 days, the transaction on exchange for the Tokens will be deemed cancelled. In this case, the respective amount of exchange made by the Acquiror will be returned to such Acquiror without distribution to him of any Tokens.
- 2.5. In any case, the Disbursement Date shall occur within the Token Acquisition period if the Acquiror initiates the exchange within the Token Acquisition period, however, for whatever reason, the Disbursement Date occurs on the date after the expiration of the Token Acquisition period, then the Company will have the right, at its sole discretion, to:
- 2.5.1. return the respective amount of exchange to the Acquiror without distribution to him of any Tokens; or
- 2.5.2. accept the respective amount of exchange partially or in full as if it was received on the last day of the Token Acquisition period and to distribute to the Acquiror the respective number of Tokens.

3. Tokens Exchanged

- 3.1. Within one exchange request, the minimum Token exchange shall be in the amount specified in USD in the Web Application at the moment of exchange ("**Minimum Exchange**").
- 3.2. In case the amount of exchange made by the Acquiror is not sufficient to make the Minimum Exchange, the Acquiror is entitled to make additional exchanges during the Token Acquisition. The aggregate amount of the first exchange and all of the additional exchanges shall be enough to make the Minimum Exchange. The Disbursement Date within the Token Acquisition period is deemed to occur when the aggregate amount of all exchanges within one exchange request became sufficient to make the Minimum Exchange.
- The rules of the preceding paragraph shall apply to each of the subsequent exchange requests made within the Token Acquisition.
- 3.3. Should as of the Acquisition Expiration Date the aggregate amount exchanged by the Acquiror for the Tokens within one exchange request be not sufficient to make the Minimum Exchange then the Company will have the right, at its sole discretion, to:
- 3.3.1. return the respective amount of exchange to the Acquiror without distribution to him of any Tokens; or
- 3.3.2. accept the respective amount of exchange partially or in full as if it was received on the last day of the Token Acquisition period and to distribute to the Acquiror the respective number of Tokens.
- 3.4. A Token is divisible, therefore the fractional share of a Token may be exchanged, which, however, can not less than 0.00000001 of a Token.

4. Bonus Programs

- 4.1. Depending on the date when the Disbursement Date occurs, the Acquiror may receive additional Tokens ("**Bonus Tokens**"). The Company may launch different bonus programs enabling different



persons to receive the Bonus Tokens. Different bonus programs may be launched for the benefit of different persons.

- 4.2. In some cases, Bonus Tokens may be accrued when applying referral bonus codes. The same person can not use the referral bonus code which he has received as a result of the Token exchange, even if he uses different User Account. The personality of each Acquiror will be verified through the KYC ("Know Your Customer") procedure.
- 4.3. Bonus programs stated in Clauses 4.1-4.2 hereof may be additive, however, to the extent that applies to the Acquirors, the Bonus Tokens to be due within each such bonus program can be accrued only depending on the number of Tokens that was actually paid by respective Acquiror.
- 4.4. The Company reserves the right to amend the terms and conditions of bonus programs, at its sole discretion, at any time during the Token Acquisition.

5. Acquiror's wallet addresses

- 5.1. To exchange the Tokens, the Acquiror must have certain Cryptocurrency and token wallets addresses established and operational. Specifically, the Acquiror must have:
 - 5.1.1. the wallets addresses of Cryptocurrencies the Acquiror will use to exchange for the Tokens; and
 - 5.1.2. an Ethereum wallet address that supports the ERC20 token standard in order to receive the Tokens ("**Ethereum ERC20 Wallet**").
- 5.2. The Company reserves the right to prescribe additional guidance regarding specific wallet addresses requirements.

6. Procedure for Acquiring and Receiving Tokens

- 6.1. The Acquiror must ensure that the URL of the Acquiror's web browser indicates that it is using a hypertext transport protocol secure connection ("https") and that the domain name is correct.
- 6.2. To exchange the Tokens through the Web Application, the Acquiror shall:
 - 6.2.1. undergo a registration procedure and obtain a personal user account available on the Website ("**User Account**"). The registration procedure, as well as terms and conditions of use of the User Account, are in more detail specified in the Terms of Use;
 - 6.2.2. enter the Web Application using his User Account; and
 - 6.2.3. follow the on-screen instructions.
- 6.3. The Web Application will guide the Acquiror through the procedure of exchange and receipt of the Tokens, in particular:
 - 6.3.1. it will ask the Acquiror to check the boxes in order to confirm his consent on terms and conditions of acquisition of the Tokens and other terms that may be applicable;
 - 6.3.2. it will guide the Acquiror through the whole procedure on exchange for the Tokens;
 - 6.3.3. it will ask the Acquiror to provide the information required for carrying out KYC ("Know Your Customer") procedure.
- 6.4. Unless the KYC procedure is carried out and the Acquisition Expiration Date occurred, the Acquiror is prohibited to make any transactions with Tokens (including, but not limited to, transfer of Acquiror's private key to a third party), except those authorized by the Token Smart Contracts.

7. Creation and Distribution of Tokens

- 7.1. Distribution of the Tokens from the Token Smart Contracts to the Acquiror shall take place:
 - 1.1.1. within 48 hours after Smart Contracts Launch Date in case the Disbursement Date is before Smart Contracts Launch Date;
 - 1.1.2. within 48 hours after Disbursement Date in case the consideration is made after Smart Contracts Launch Date.



- 7.2. Distribution of the Bonus Tokens from the Token Smart Contracts to the Acquirors shall occur simultaneously with the distribution of the exchanged Tokens.
- 7.3. The Tokens will be distributed by the Token Smart Contracts to the address of respective Acquiror's Ethereum ERC20 Wallet, or other reasonable means solely decided by the Company.
- 7.4. The Retained Tokens will be distributed by the Token Smart Contracts to the Company simultaneously with the distribution of Tokens exchanged by the Acquirors.
- 7.6. Though it has no plans to do so, the Company reserves the right to burn the Retained Tokens at any point after the Token Acquisition.
- 7.7. The Company reserves the right to conduct the acquisition of the distributed Token on a mutually agreed consideration.
- 7.8. The Company reserves the right to adjust the Token value based on the actual situation at Company's sole discretion.
- 7.9. All Tokens will be of equal functionality.

8. Passing of Title and Risks

- 8.1. The Token Smart Contracts are deployed by the Company from the British Virgin Islands and is programmed so that all transactions it executes will be executed in the British Virgin Islands. As such, title to, and risk of loss of, the Tokens delivered by the Token Smart Contracts passes from the Company to the Acquiror in the British Virgin Islands.

9. Stop of Distribution Process

- 9.1. The Company reserves a right to an emergency to stop the process of distribution of the Tokens in situations, such as, but not limited to:
 - 9.1.1. serious security issue detected;
 - 9.1.2. serious network performance issue, depriving all users of equal treatment;
 - 9.1.3. any type of material attack on the Tokens, the Platform, the Protocol, the Website or Ethereum network.

10. Return of Exchanges

- 10.1. In the cases specified in the Agreement and/or in this Appendix, as well as in other cases at the Company's sole discretion, the Company can perform a return of exchange (partially or in full) made by a person in favor of the Company in order to acquire the Tokens ("**Return Receiver**").
- 10.2. The Company reserves the right to choose, at its sole discretion, the form of exchange for the Cryptocurrencies. The form of exchange for the return may not be the same as the Return Receiver used when made a respective exchange in favor of the Company.
- 10.3. If initially paid by the Return Receiver in the Cryptocurrency, the Company, at its sole discretion, may:
 - 10.3.1. return to the Return Receiver the same amount in the same Cryptocurrency, subject to deductions set out in Clause 10.6 hereof; or
 - 10.3.2. return to the Return Receiver the amount in any Cryptocurrency adjusted as it is set out in Clause 10.4 hereof, subject to deductions set out in Clause 10.6 hereof; or
 - 10.3.3. return to the Return Receiver the amount translated into US Dollars at respective Cryptocurrency/US Dollar exchange rate when the Company makes the return (at the Company's sole discretion), subject to deductions set out in Clause 10.6 hereof.
- 10.4. In order to mitigate risks of exchange rates fluctuations, the Company reserves the right to make adjustments to the amounts returned to the Return Receivers.



- 10.5. Each Return Receiver shall, at the Company's request, within 7 calendar days from such request, provide the Company with details of his wallet address for the considerations transfer/remittance. Failure of the Return Receiver to provide the Company with the requested information will result in non-receiving or delay in receiving the return. The Company will not be liable for any delay or failure to perform the return where the delay or failure results from failure of the Return Receiver to provide the Company with the requested information.
- 10.6. Any returns made in favor of the Return Receiver will be reduced by an amount of any expenses that the Company has incurred or may incur in future in this regard, including any administrative or intermediaries handling fees incurred for such returns.



APPENDIX 2. LIST OF RISKS

An acquisition of the Tokens involves a some degree of risk. Acquiror should carefully consider the following information about these risks before he decides to acquire the Tokens. If any of the following risks actually occurs, the Company Parties' business, the Platform, the Protocol, the value of the Tokens could be materially adversely affected.

The Company has described the risks and uncertainties that its management believes are material, but these risks and uncertainties may not be the only ones Company Parties face. Additional risks and uncertainties, including those the Company currently is not aware of or deem immaterial, may also materially adversely affect on the Company Parties' business, the Platform, the Protocol, the value of the Tokens.

1. RISKS CONNECTED TO THE VALUE OF TOKENS

- 1.1. **No Rights, Functionality or Features.** The Tokens do not have any rights, uses, purpose, attributes, functionalities or features, express or implied, including, without limitation, any uses, purpose, attributes, functionalities or features on the Platform. The Company Parties do not guarantee and are not representing in any way to Acquiror that the Tokens have any rights, uses, purpose, attributes, functionalities or features.
- 1.2. **Lack of Development of Market for Tokens.** Because there has been no prior public exchange market for the Tokens, the Token acquisition may not result in an active or liquid market for the Tokens, and their value may be highly volatile. Even if the Tokens are exchangeable in a secondary market, in practice, there may not be enough active acquirors and sellers or the bid-ask spreads may be too wide. The Token holders may not be able to exit their token investments easily. In the worst case scenario where no secondary market develops, a Token holder may not be able to liquidate his/her token holdings at all. The exchanges or platforms that facilitate secondary exchange of the Tokens may not be regulated by the applicable laws.
- 1.3. **Tokens are Non-Returnable.** The company is not obliged to provide the Token holders with a return related to the Tokens for any reason, and the Token holders will not receive money or other compensation in lieu of the return of consideration. No promises of future performance or value are or will be made in respect to the Tokens, including no promise of inherent value, no promise of continuing payments, and no guarantee that the Tokens will hold any particular value. Therefore, the recovery of invested assets may be impossible or may be subject to foreign laws or regulations, which may not be the same as the private law of the Token holder.

2. BLOCKCHAIN AND SOFTWARE RISKS

- 2.1. **Blockchain Delay Risk.** On the Bitcoin and Ethereum blockchain, the timing of block production is determined by proof of work so block production can occur at random times. For example, the Cryptocurrency transferred in the final seconds of a distribution period during the Token Acquisition may not get included for that period. Acquiror acknowledges and understands that the Bitcoin or Ethereum blockchain may not include the Acquiror's transaction at the time Acquiror expects and Acquiror may not receive the Tokens in this regard.
- 2.2. **Blockchain Congestion Risk.** The Bitcoin and Ethereum blockchains are prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the respective network in an attempt to gain an advantage in exchanging cryptographic tokens. Acquiror acknowledges and understands that Bitcoin or Ethereum block producers may not include Acquiror's transaction when Acquiror wants or Acquiror's transaction may not be included at all.

3. SECURITY RISKS

- 3.1. **Risk of Loss of Private Keys.** The Tokens Exchanged by Acquiror may be held by Acquiror in Acquiror's digital wallet or vault, which requires a private key, or a combination of private keys, for access. Accordingly, loss of requisite private keys associated with Acquiror's digital wallet or vault storing the Tokens will result in loss of such Tokens, access to Acquiror's Token balance and/or any initial balances in blockchains created by third parties. Moreover, any third party that gains access to such private keys, including by gaining access to login credentials of a hosted wallet or



vault service Acquiror uses, may be able to misappropriate Acquiror's Tokens. The Company Parties are not responsible for any such losses.

- 3.2. **Lack of Token Security.** The Tokens may be subject to expropriation and or/theft. Hackers or other malicious groups or organizations may attempt to interfere with the Token Smart Contracts or the Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because the Ethereum platform rests on open source software, there is the risk that Ethereum smart contracts may contain intentional or unintentional bugs or weaknesses which may negatively affect the Tokens or result in the loss of Acquiror's Tokens, the loss of Acquiror's ability to access or control Acquiror's Tokens. In the event of such a software bug or weakness, there may be no remedy and holders of the Tokens are not guaranteed any remedy, return or compensation.
- 3.3. **Risk of Ethereum Mining Attacks.** The blockchain used for the Token Smart Contracts is susceptible to mining attacks, including double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attacks present a risk to the Token Smart Contracts, expected proper execution and sequencing of the Token transactions, and expected proper execution and sequencing of contract computations.
- 3.4. **Failure to Map a Public Key to Acquiror's Account.** Failure of Acquiror to map a public key to Acquiror's account may result in third parties being unable to recognize Acquiror's Token balance on the Ethereum blockchain when and if they configure the initial balances of a new blockchain based upon the Platform of which the Company makes no representation or guarantee.
- 3.5. **Risk of Incompatible Wallet Service.** The wallet or wallet service provider used for the acquisition and storage of the Tokens has to be technically compatible with the Tokens. The failure to assure this may have the result that Acquiror will not gain access to his Tokens.

4. RISKS RELATING TO PLATFORM DEVELOPMENT

- 4.1. **Risk Related to Reliance on Third Parties.** Even if completed, the Platform will rely, in whole or partly, on third parties to adopt and implement it and to continue to develop, supply, and otherwise support it. There is no assurance or guarantee that those third parties will complete their work, properly carry out their obligations, or otherwise meet anyone's needs, all of might have a material adverse effect on the Platform.
- 4.2. **Dependence of Platform on Various Factors.** The development of the Platform may be abandoned for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects, or departure of key personnel.

5. RISKS ARISING IN COURSE OF COMPANY PARTIES' BUSINESS

- 5.1. **Risks Related to Invalidation of Company Parties Transactions.** The Company Parties have taken a variety of actions relating to its business that, if successfully challenged for not complying with applicable legal requirements, could be invalidated or could result in the imposition of liabilities on respective Company Party. Since applicable legislation may subject to many different interpretations, respective Company Party may not be able to successfully defend any challenge brought against such transactions, and the invalidation of any such transactions or imposition of any such liability may, individually or in the aggregate, have a material adverse effect on the Platform.
- 5.2. **Risk Arising from Emerging Markets.** The Company Parties or some of them may operate on emerging markets. Emerging markets are subject to greater risks than more developed markets, including significant legal, economic and political risks.

Emerging markets are subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks. Emerging economies are subject to rapid change and that the information set out in this Agreement or on the Website may become outdated relatively quickly.

6. GOVERNMENTAL RISKS



- 6.1. **Uncertain Regulatory Framework.** The regulatory status of cryptographic tokens, 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 and/or rules that will affect cryptographic tokens, digital assets, blockchain technology and its applications. Such changes could negatively impact the Tokens in various ways, including, for example, through a determination that the Tokens are regulated instruments that require registration. The company may cease the distribution of the Tokens, the development of the Platform or cease operations in a jurisdiction in the event that governmental actions make it unlawful or commercially undesirable to continue to do so. Such changes may cause the loss of Tokens exchanged by the Acquiror.
- 6.2. **Failure to Obtain, Maintain or Renew Licenses and Permits.** Though there is the risk that some statutory requirements obliging the Company to receive any licenses and permits necessary for carrying out of its activity may be adopted in the future and may relate to any of the Company Parties. In this case, the Company Parties' business will depend on the continuing validity of such licenses and permits and its compliance with their terms. Regulatory authorities will exercise considerable discretion in the timing of license issuance and renewal and the monitoring of licensees' compliance with license terms. Requirements which may be imposed by these authorities and which may require any of the Company Party to comply with numerous standards, recruit qualified personnel, maintain necessary technical equipment and quality control systems, monitor our operations, maintain appropriate filings and, upon request, submit appropriate information to the licensing authorities, may be costly and time-consuming and may result in delays in the commencement or continuation of operation of the Platform. Further, private individuals and the public at large possess rights to comment on and otherwise engage in the licensing process, including through intervention in courts and political pressure. Accordingly, the licenses any the Company Party may need may not be issued or renewed, or if issued or renewed, may not be issued or renewed in a timely fashion, or may involve requirements which restrict any the Company Party's ability to conduct its operations or to do so profitably.
- 6.3. **Risk of Government Action.** The industry in which the Company Parties operate is new and 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 Company Parties and/or pursue enforcement actions against them. All of this may subject Company Parties to judgments, settlements, fines or penalties, or cause Company Parties to restructure their operations and activities or to cease offering certain products or services, all of which could harm Company Parties' reputation or lead to higher operational costs, which may, in turn, have a material adverse effect on the Tokens and/or the development of the Platform.
- 6.4. **Risk of Burdensomeness of Applicable Laws, Regulations, and Standards.** Failure to comply with existing laws and regulations or the findings of government inspections, or increased governmental regulation of Company Parties operations, could result in substantial additional compliance costs or various sanctions, which could materially adversely affect the Company Parties business and the Platform. Company Parties operations and properties are subject to regulation by various government entities and agencies, in connection with ongoing compliance with existing laws, regulations and standards. Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations, and standards. Respective authorities have the right to, and frequently do, conduct periodic inspections of any Company Party's operations and properties throughout the year. Any such future inspections may conclude that any Company Party has violated laws, decrees or regulations, and it may be unable to refute such conclusions or remedy the violations. Any Company Party's failure to comply with existing laws and regulations or the findings of government inspections may result in the imposition of fines or penalties or more severe sanctions or in requirements that respective Company Party cease certain of its business activities, or in criminal and administrative penalties applicable to respective officers. Any such decisions, requirements or sanctions, or any increase in governmental regulation of our operations, could increase Company Parties costs and materially adversely affect Company Parties business and the Platform.



- 6.5. **Unlawful or Arbitrary Government Action.** Governmental authorities may have a high degree of discretion and, at times, act selectively or arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary a law or influenced by political or commercial considerations. Moreover, the government also has the power in certain circumstances, by regulation or government act, to interfere with the performance of, nullify or terminate contracts. Unlawful, selective or arbitrary governmental actions have reportedly included the denial or withdrawal of licenses, sudden and unexpected tax audits, criminal prosecutions and civil actions. Federal and local government entities have also used common defects in matters surrounding the Token acquisition as pretexts for court claims and other demands to invalidate or to void any related transaction, often for political purposes. In this environment, the Company Parties competitors may receive preferential treatment from the government, potentially giving them a competitive advantage over the Company Parties.