

Ethearnal LTD

TERMS OF TOKEN SALE

Last Updated: December 13, 2017

Your purchase of Ethearnal Reputation Tokens (“**ERT**”) during the Ethearnal token sale (“**Token Sale**”) from Ethearnal LTD (“**Company**,” “**we**,” or “**us**”) is subject to these Terms of Sale (“**Terms**”). Each of you and Company is a “**Party**,” and together the “**Parties**.”

By purchasing ERT from us during the Token Sale or Pre-Sale, 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 support@ethearnal.com.

You and Company agree as follows:

1. Purpose and Use of ERT

- (a) Company is developing and deploying an open source peer-to-peer freelance software designed to facilitate peer-to-peer agreements between parties with the use of ERC20 tokens on the Ethereum blockchain. In connection with its development of the above mentioned software, Company is selling **ERT** in the Token Sale and Pre-Sale.
- (b) ERT tokens designed and intended for three specific uses within the network: (1) enabling participation and voting in decentralized decision-making regarding the use of the collected funds and option to request a refund, (2) staking the ERT tokens in order to work as a freelancer, employ as an employer or earn as a moderator (3) receiving proportional to the token holdings share of the fees collected by the self-sufficient network.
- (c) Purchase, ownership, receipt or possession of ERT carries no rights, express or implied, other than the right to use ERT in connection with software Utility, in each case, to the extent that the Ethearnal software remains in use after its deployment by Company. You understand and accept that ERT do not represent or confer any ownership right or stake, share or security or equivalent rights in the company, or any right to receive intellectual property rights or any other form of participation in or relating to Company and its corporate affiliates, including the governance of Company and its corporate affiliates, subject to limitations and conditions in these Terms. ERT are not intended to be a digital currency, security, commodity or any other kind of financial instrument.

2. Eligibility

In order to be eligible to participate in the Token Sale, you must:

- (a) Comply with all the terms and conditions set forth in these Terms.

- (b) Obtain the ICO 2.0 smart contract ether address that is to be published only on Ethearnal.com
- (c) Fund your Purchaser Wallet where you control the private key with an amount of Ether sufficient to allow you to complete your purchase of ERT pursuant to these Terms.

3. Scope of Terms

Unless otherwise stated herein, these Terms govern only your purchase of ERT from us during the Token Sale or Pre-Sale. Company will have no responsibility for the use of ERT and/or the Ethearnal software after ERT are sold and the Ethearnal software is deployed.

4. Cancellation; Refusal of Purchase Requests

Your purchase of ERT from us during the Token Sale is final, and there are no refunds or cancellations except as may be required by applicable law or regulation OR 65% majority of the token holders request so by utilizing the refund process built-in in the ICO smart contract.. We reserve the right to refuse or cancel ERT purchase requests at any time in our sole discretion.

5. Token Sale Procedures and Specifications

Important information about the procedures and material specifications of the Token Sale is pro-vided in **Exhibit B**. By purchasing ERT, you acknowledge that you have read and understand **Exhibit B**.

6. Acknowledgment and Assumption of Risks

You acknowledge and agree that there are risks associated with purchasing ERT, owning ERT, and using ERT, as disclosed and explained in **Exhibit C**. If you have any questions regarding these risks, please contact us at support@ethearnal.com. BY PURCHASING ERT, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THESE RISKS.

7. Security

You are responsible for implementing reasonable measures for securing your Purchaser Wallet and any other wallet or vault you use to receive and hold ERT you purchased from us, including any requisite private key(s) or other credentials necessary to access such wallet or vault. Notwithstanding any other provision of these Terms, we will not be responsible or liable for any damages, losses, costs, penalties, fines or expenses arising out of or relating to (i) your failure to implement reasonable measures to secure your Purchaser Wallet or any other wallet or vault you use to receive and hold ERT or the relevant access credentials or (ii) the loss of or unauthorized use of any of your access credentials.

8. Registration Information

- (a) While our sale process is algorithm based and automated, we reserve the right to request additional information about you if needed in order to comply with local regulations.
- (b) We may use your Information for determining your eligibility for the Token Sale, determining your compliance with these Terms, providing updates to you regarding the

Token Sale or Pre-Sale, facilitating your purchase of ERT and use of ERT in connection with the Etheernal software, and providing notices to you under these Terms.

- (c) We may determine, in our sole discretion, that it is necessary to obtain certain other information about you or (if relevant) your family members, beneficiaries, shareholders, beneficial owners, partners, directors, officers or any other individuals connected to you in order to complete the Token Sale or in order to comply with applicable laws or regulations or requests of any regulator in any relevant jurisdiction. You agree to provide us such information promptly upon request, and any information you provide in respect of any third party individuals may be collected, used and disclosed by us in order for us or our corporate affiliates to complete the Token Sale or to comply with laws or regulations or requests of any regulator in any relevant jurisdiction. You acknowledge that we may refuse to sell ERT to you until you provide such requested information and we have determined that it is permissible to sell you ERT under applicable laws or regulations.

9. Taxes

Any amounts that you pay for ERT are exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase of ERT, including, for example, sales, use, value added, and similar taxes. It is 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 ERT.

10. Representations and Warranties

You represent and warrant that:

- (a) You have a sufficient technical understanding of cryptographic tokens (including ERT and Ether), Ethereum-based protocols, token storage mechanisms (including your Purchaser Wallet), and blockchain technology in general to understand these Terms and to appreciate the risks and implications of purchasing ERT;
- (b) You have read and understand the terms and conditions of these Terms (including all exhibits which are part of these Terms);
- (c) You have obtained sufficient information about ERT to make an informed decision to purchase ERT;
- (d) You understand the restrictions and risks associated with the sale of ERT as set forth herein, and acknowledge and assume all such risks;
- (e) You understand, acknowledge and assume the risks associated with the purchase, holding and use of ERT in connection with Software Utility, as explained and disclosed in Section 6 and **Exhibit C**;
- (f) You understand that ERT are intended to be used only in connection with Software Utility, and confer no rights of any form with respect to Company or its corporate affiliates, including, but not limited to distribution, proprietary (including all forms of intellectual property), or other financial or legal rights;

- (g) You are purchasing ERT solely for use in connection with Software Utility and are not purchasing ERT for any other purposes, including, but not limited to, any investment, speculative or other financial purposes;
- (g) Your purchase of ERT complies with applicable laws and regulations in your jurisdiction, including, but not limited to, (i) legal capacity and any other applicable legal requirements in your jurisdiction for purchasing ERT, using ERT, 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;
- (h) You will comply with any applicable tax obligations in your jurisdiction arising from your purchase of ERT;
- (i) If you are purchasing ERT on behalf of any entity, (i) you are authorized to accept these Terms and to act on such entity's behalf, (ii) 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), and (iii) such entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization.
- (j) You are not resident or domiciled in New York State or purchasing ERT from a location in New York State;
- (k) You hereby certify that you are not (i) a citizen or resident of a geographic area in which use of ERT in connection with Software Utility is prohibited by applicable law, decree, regulation, treaty, or administrative act, (ii) a citizen or resident of, or located in, a geographic area that is subject to U.S. or other applicable sanctions or embargoes, or (iii) an individual, or an individual employed by or associated with an entity, identified on the U.S. Department of Commerce's Denied Persons or Entity List, the U.S. Department of Treasury's Specially Designated Nationals or Blocked Persons Lists, or the U.S. Department of State's Debarred Parties List. You hereby represent and agree that if your country of residence or other circumstances change such that the above representations are no longer accurate, you will immediately notify Company and cease using ERT.
- (l) You will not use ERT or the Ethernal Software in connection with any activity that violates applicable laws in any relevant jurisdiction, including, but not limited to, use of ERT or the Ethernal Software in connection with transactions that violate U.S. federal or state securities or commodity laws;
- (m) You will at all times maintain control of your Purchaser Wallet, and you will not share or disclose the account credentials associated with your Purchaser Wallet with any other party. If you transfer ERT from your Purchaser Wallet into another wallet or vault, you will likewise at all times maintain control of such other wallet or vault, and you will not share or disclose the account credentials associated with such other wallet or vault with any other party; and

11. Indemnification

- (a) To the fullest extent permitted by applicable law, you will indemnify, defend and hold harmless 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 ERT, (ii) your responsibilities or obligations under these Terms, (iii) your violation of these Terms, or (iv) your violation of any rights of, or laws or regulations applicable to, any other person or entity.
- (b) Company reserves the right to exercise sole control over the defense, at your expense, of any claim subject to indemnification under Section 11(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.

12. Disclaimers

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS OTHERWISE SPECIFIED IN A WRITING BY US, (A) ERT ARE SOLD ON AN “AS IS” AND “AS AVAILABLE” BASIS WITHOUT WARRANTIES OF ANY KIND, AND WE EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES AS TO ERT, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT; (B) WE DO NOT REPRESENT OR WARRANT THAT ERT ARE RELIABLE, CURRENT OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN ERT WILL BE CORRECTED; AND (C) WE CANNOT AND DO NOT REPRESENT OR WARRANT THAT ERT OR THE DELIVERY MECHANISM FOR ERT 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 12 may not apply to you.

13. Limitation of Liability

- (A) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW: (I) IN NO EVENT WILL COMPANY OR ANY OF THE COMPANY PARTIES BE LIABLE FOR LOSS OF PROFITS OR 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 ERT 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 ERT, EXCEED THE AMOUNT YOU PAY TO US FOR ERT.

- (B) THE LIMITATIONS SET FORTH IN SECTION 13(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 13 may not apply to you.

14. Release

To the fullest extent permitted by applicable law, you release 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 rights you may have under California Civil Code § 1542 as well as any other statute or common law principles that would otherwise limit the coverage of this release (including similar laws in other applicable jurisdictions) to include only those claims which you may know or suspect to exist in your favor at the time of agreeing to this release.

15. Dispute Resolution; Arbitration

PLEASE READ THE FOLLOWING SECTION CAREFULLY BECAUSE IT CONTAINS ADDITIONAL PROVISIONS APPLICABLE ONLY TO INDIVIDUALS LOCATED, RESIDENT, OR DOMICILED IN THE UNITED STATES. IF YOU ARE LOCATED, RESIDENT, OR DOMICILED IN THE UNITED STATES, THIS SECTION REQUIRES YOU TO ARBITRATE CERTAIN DISPUTES AND CLAIMS WITH COMPANY AND LIMITS THE MANNER IN WHICH YOU CAN SEEK RELIEF FROM US.

- (a) **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 Company (i) waive your and 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 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).
- (b) **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.
- (c) **Federal Arbitration Act.** These Terms affect interstate commerce and the enforceability of this Section 15 will be both substantively and procedurally governed by and construed and enforced in accordance with the Federal Arbitration Act, 9 U.S.C. § 1 et seq. (the “**FAA**”), to the maximum extent permitted by applicable law.
- (d) **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 support@ethearnal.com. 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 15, commence an arbitration proceeding or, to the extent specifically provided for in Section 15(a), file a claim in court.
- (e) Any arbitration will occur in Hong Kong, where the Company is based according to local laws.. You may also litigate a Dispute in the small claims court located in the county where you reside if the Dispute meets the requirements to be heard in small claims court.
- (f) The arbitrator may only conduct an individual arbitration and may not consolidate more than one individual’s claims, preside over any type of class or representative proceeding or preside over any proceeding involving more than one individual.
- (g) **Severability of Dispute Resolution; Arbitration.** If any term, clause or provision of this Section 15 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 15 will remain

valid and enforceable. Further, the waivers set forth in Section 15(b) are severable from the other provisions of these Terms and will remain valid and enforceable, except as prohibited by applicable law.

16. Governing Law and Venue

These Terms will be governed by and construed and enforced in accordance with the laws of Hong Kong, without regard to conflict of law rules or principles (whether of Hong Kong or any other jurisdiction) 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 Hong Kong.

17. 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.

18. Disruption Event

In the event of a Disruption Event, we have the right to suspend the Token Sale. If we elect to suspend the Token Sale, we will publicly announce the suspension as soon as reasonably practicable and, prior to resuming the Token Sale, we will announce the resumption at least twelve (12)

hours in advance. If we suspend the Token Sale for a period of time (the “**Suspension Period**”) pursuant to this Section 18, we will determine in our sole discretion whether to (i) nevertheless end the Token Sale on the scheduled Token Sale End Date (as defined in **Exhibit B**) or (ii) extend the Token Sale for a period equal to the Suspension Period. We will provide notice of its election in this regard in the public announcements of the resumption of the Token Sale following the Suspension Period. A “Disruption Event” means (i) any event or occurrence that causes a disruption in the functionality of the Ethereum blockchain, and such disruption has a material adverse effect on the processing time for Ethereum blockchain transactions.

20. Modification of Terms

We have the right to modify these Terms if we reasonably believe that such modifications are necessary to comply with applicable laws or regulations or to address technical inaccuracies. If we make changes, we will post the amended Terms at ethearnal.com and update the “Last Updated” date above. The amended Terms will be effective immediately, and your continued use or holding of ERT you purchased shall constitute your acceptance of the modified Terms.

21. Miscellaneous

These Terms constitute the entire agreement between you and us relating to your purchase of ERT from us. 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. We may assign our rights and obligations under these Terms. Purchasing ERT 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, may be provided in electronic form.

Exhibit A

Description of Company, the Ethearnal Software, and ERT

1. *Overview of Company and Affiliates*

Company is an exempted company with limited liability incorporated in Hong Kong and is not subject to supervision or regulation by the Hong Kong Monetary Authority. Company and its corporate affiliates will have primary responsibility for administering certain aspects of the ongoing development of the Ethearnal Software.

2. *Transactions on the Ethearnal Software*

Ethearnal is an open-source software that is designed to facilitate peer-to-peer ERC20 token exchange interoperability among decentralized applications (“**dApps**”) built on the Ethereum blockchain. Transactions using the Ethearnal Software are conducted by smart contracts, that exchange ERC20 tokens directly between the parties on the Ethereum blockchain.

4. *Additional Information Regarding Ethearnal Software and Ongoing Development*

Further details regarding the Ethearnal Software and the use of ERT for Utility are described in the Ethearnal Whitepaper: ethearnal.com/ethearnal-whitepaper.pdf.

Although Company intends for the Ethearnal Software and ERT to function in the manner generally described above, it reserves the right to modify features, functionalities or ongoing development plans in its sole and absolute discretion. Moreover, the information provided in the Whitepaper and Development Roadmap is provided for illustrative and descriptive purposes only, does not form part of these Terms unless expressly incorporated herein, and is subject to modification by Company in its sole and absolute discretion.

Exhibit B

Token Sale Procedures and Specifications

1. Total Number of ERT to be Created and Sold

The smart contract will create 1,000 ERT for every ether sent to it. No additional ERT will be created after the sale. The allocation of these ERT will be as follows:

- 75% will be sold in the Token Sale (“Sale ERT”).
- 5% ERT will be allocated for grants and prizes to persons that are undertaking development projects in connection with the Ethearnal Software or for initiatives within the Ethearnal network.
- 20% will be allocated to Company’s founding team but they will be unable to transfer them away until the software is delivered and smart contract is finished distributing ether staged funding.

2. Commencement and Duration of Token Sale

The Token Sale start will be announced on ethearnal.com well in advance, and to continue until (a) the hard cap is reached (b) 30 days have elapsed, whichever is earlier (either of (a) or (b), the “**Token Sale End Date**”).

3. Purchase Limits

To facilitate the sale of ERT to a broad community of purchasers, consistent with ERT’s express purpose as a utility token, Company will impose a per unique ethereum address purchase limit (“**Purchase Limit**”). During the first hour of the Token Sale, the Purchase Limit will be \$1000 worth of ethereum per unique ethereum sending address. After that it will be increased every hour with \$1000 worth of ethereum per unique sending address until the Token Sale End Date.

4. ERT Price

The price of 1 ERT token is 0.001 ether, during the pre-sale and sale.

5. Registration and Other Procedures for Buying ERT in the Token Sale

You have to visit ethearnal.com, which is the only place where you will receive correct ethereum address to send the funds to.

6. Use of Proceeds from ERT Token Sale

Upon completion of the ICO, 10% of the ether in the ICO ethereum smart contract will be automatically released to the founders. For any further funds release, positive vote of the majority of token holders will be needed. This is explained in great detail in the white paper. The proceeds of the Token Sale are intended to be used for the ongoing development of the Ethearnal Software and associated open-source software tools for users and developers to leverage the Ethearnal Software. As noted above, the Development Roadmap is provided for illustrative and descriptive purposes only, does not form part of these Terms unless expressly incorporated herein, and is subject to modification by Company in its sole and absolute discretion.

Exhibit C

Certain Risks Relating to Purchase, Sale and Use of ERT

Important Note: As noted elsewhere in these Terms, ERT are not being designed 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 ERT, you expressly acknowledge and assume the following risks:

1. Risk of Losing Access to ERT 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 ERT stored in your Purchaser Wallet or other digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your Purchaser Wallet or other digital wallet or vault storing ERT will result in loss of such ERT. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of your Purchaser Wallet or other digital wallet or vault service you use, may be able to misappropriate your ERT. Any errors or malfunctions caused by or otherwise related to your Purchaser Wallet or other digital wallet or vault you choose to receive and store ERT, including your own failure to properly maintain or use such Purchaser Wallet or other digital wallet or vault, may also result in the loss of your ERT. Additionally, your failure to follow precisely the procedures set forth in **Exhibit B** for buying and receiving ERT may result in the loss of your ERT.

2. Risks Associated with the Ethereum Blockchain

Because ERT and the Ethernal Software are based on the Ethereum blockchain, any malfunction, breakdown or abandonment of the Ethereum blockchain may have a material adverse effect on the Ethernal Software or ERT. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to ERT and the Ethernal Software, including the use of ERT for Software Utility, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum blockchain.

3. Risk of Mining Attacks

As with other decentralized cryptographic tokens based on the Ethereum blockchain, ERT are susceptible to attacks by miners in the course of validating ERT 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 Etheernal Software and ERT, including, but not limited to, accurate execution and recording of transactions involving ERT and the use of ERT for technical governance of the Etheernal Software.

4. *Risk of Hacking and Security Weaknesses*

Hackers or other malicious groups or organizations may attempt to interfere with the Etheernal Software or ERT 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 Etheernal Software is an open-source protocol, 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 Etheernal Software, which could negatively affect the Etheernal Software and ERT, including ERT's use for Software Utility.

5. *Risks Associated with Markets for ERT*

ERT are intended to be used solely in connection with the Etheernal Software, and Company does not support or otherwise facilitate any secondary trading or external valuation of ERT. This restricts the contemplated avenues for using ERT, and could therefore create illiquidity risk with respect to ERT you hold. Even if secondary trading of ERT 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 ERT (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, ERT 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 ERT 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 Etheernal Software and ERT. Regulatory actions could negatively impact the Etheernal Software and ERT in various ways, including, for purposes of illustration only, through a determination that the purchase, sale, delivery or use of ERT constitutes unlawful activity, or that registration or licensing is required for ERT or for some or all of the parties involved in the purchase, sale, delivery or use of ERT. 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 ERT is uncertain. You must seek your own tax advice in connection with purchasing ERT, which may result in adverse tax consequences to you, including withholding taxes, income taxes and tax reporting requirements.

9. *Risk of Competing Protocols*

It is possible that alternative platforms could be established that utilize the same open source code and protocol underlying the Ethearnal Software. The Ethearnal Software may compete with these alternative platforms, which could negatively impact the adoption of the Ethearnal Software and ERT, including ERT's use for Protocol Utility.

10. *Risk of Insufficient Interest in the Ethearnal Software or Distributed Applications*

It is possible that the Ethearnal Software 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 protocols and decentralized applications, more generally. Such a lack of use or interest could negatively impact the potential utility of ERT.

11. *Risks Associated with the Development of the Ethearnal Software*

Ethearnal Software is still subject to ongoing development and may undergo significant changes over time. How other participants, including Employers, Freelancers and Moderators, will use the Ethearnal Software is also outside of Company's control. This could create the risk that ERT or the Ethearnal Software, as further developed and used, may not meet your expectations at the time of purchasing ERT. It is also possible that the Ethearnal Software will experience malfunctions or otherwise fail to be adequately developed over time, which may negatively impact the Ethearnal Software and the potential utility of ERT.

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

The Company team intends to use the proceeds from selling ERT to contribute to the ongoing development of the Ethearnal Software, as described further in **Exhibits A** and **B**. The proceeds of the Token Sale will be denominated in Ether.

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 ERT's utility, the failure of commercial relationships, or intellectual property ownership challenges, the Company may dissolve.

14. *Risks Arising from Lack of Governance Rights in Company*

Because ERT confer no governance rights of any kind with respect to Company, all decisions involving the Company will be made by Company at its sole discretion, however the token holders may exercise their voting rights and get refund for the funds locked in the ICO smart contract at any point if they are unhappy with how the company manages either the project or their funds.

15. *Risks Associated with New and Evolving Laws Impacting Decentralized Application Technology*

The distributed protocol and decentralized application ecosystem may be 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, intellectual property (including copyright, patent, trademark and trade secret laws), 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 Etheernal Software could be enacted, which could adversely impact the Company, the Etheernal Software and ERT, including ERT's use for Software Utility.

Additionally, the users and developers of the Etheernal Software, including Employers, Freelancers and Moderators, may be subject to industry specific laws and regulations or licensing requirements. More generally, 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 Etheernal Software and ERT.

16. *Unanticipated Risks*

Cryptographic tokens such as ERT 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 ERT, 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**.