

ETCH Token Distribution Event

Information Summary

This material is provided for informational purposes only. It is under no circumstances to be used or considered as an offer to sell, or a solicitation of any offer to buy any securities.

I. WHAT IS ETCH?

The Etch Project Limited ("The Etch Foundation") is a private UK Company Limited by Guarantee. Etch has created a blockchain based "smart contract" payroll platform ("the Platform") designed to facilitate real time payments of employee wages. Our initial focus is the construction and building facilities industry, but we envision Etch as a payment solution for any employment situation where on-site presence is a determining factor in wage payment. Etch uses the ETCH token to make these payments possible – it is the fuel of the Etch ecosystem. A summary description of token functionality is included in this document. For more in depth discussion of Etch, please see the [ETCH Whitepaper](#).

The purpose of this summary document is to describe how ETCH tokens will be created and distributed. Complete terms and conditions governing the distribution will be posted on the token distribution web site at [ETCH TandC](#). This is not a contract document, prospectus, or offering statement. Further, in the event of an inconsistency between the published token distribution terms and condition and this document, the posted terms and conditions shall apply.

II. WHAT ARE ETCH TOKENS?

At a high level of generality, ETCH tokens are cryptographically-secured representations of the token holder's rights to use or access the Platform, including paying for services to be provided by the Platform. The tokens are created using the Ethereum based ERC20 standard. In their current form, the ETCH tokens will represent a voucher redeemable in the future for a list of services, including, but not limited to, the following four categories:

- Payroll Management, including managing an employee daily timesheet. In order to facilitate rapid adoption, onboarding new employees is initially free, however, a cost is included for future modeling.
- Project Cost Management - providing visibility into the construction supply chain, by allowing milestone completion and payroll drawdown to be visible and assignable against senior accounts.

- Fiat Currency Management - ETCH whitelabels the issuance of private, transferable liabilities of various employers. Employers deposit fiat (or ringfence it internally) against private ERC-20 tokens that represent that fiat.
- Real-Time International Remittance Transfer - Etch allows employers to create a payroll structure by which employees can designate family members as assigned recipients. This functionality allows workers to easily transfer wages to family members in other countries in real-time too. (AML/KYC compliance obligations will be addressed by the Employer who assures that wages are transferred appropriately).

Additional discussion of token functionality can be found in the ETCH Whitepaper and in Section III, below. The tokens do not (1) provide any ownership or security interest over an issuer's assets or property, or the Platform; (2) provide a right to any revenue from an issuer or the Platform; (3) represent any debt owed by an issuer or the Platform; (4) provide any voting or governance rights in respect of any issuer or the Platform. A word of caution: Etch is new and experimental technology, and it relies upon new and experimental Blockchain technology. While we have high confidence in the strength of our technical team and the value of our vision, there is no guarantee that Etch will succeed. Anyone who contributes money to Etch in exchange for tokens does so at their own risk, and with the understanding that Etch may fail and that the tokens may have no value now or at any time in the future.

III. WHY DOES ETCH USE TOKENS?

Etch functions using two types of tokens. Tokens acquired in the Token Distribution Event provide access to the Etch platform. The second, that requires the main ETCH token to create, gives the holder the ability to create their own "stable-coin".

Token functionality is described in greater detail in Section 4.1 of the Etch Whitepaper. Among other things, the ETCH payment system requires use of a "stable-coin" because cryptocurrency value fluctuates significantly on a day to day basis in relation to fiat currency. As long as employees are paid in fiat currency, a token based payment and remittance system can only work if the token value is pegged to and stable with the value of fiat. Etch platform users will be able to create their own white label tokens that will be pegged to fiat denominated pay rates. As set forth above in the

preceding section, the ETH token gives platform users the ability to generate their stable coins designed to their own specific requirements.

In short, currency fluctuation and payment system integration is a primary driver for the creation and use of the ETCH token.

IV. HOW WILL TOKENS BE DISTRIBUTED?

Contributors will receive ETCH tokens in exchange for contributions of Ether. Contributors will send ether to an Ethereum smart contract that will disburse ETCH tokens to the contributor. We currently intend to issue 40 million ETCH tokens out of a total of 100 million at an aggregate sale price of approximately £5 million. The amount of tokens to be distributed and the contribution amount are subject to change at Etch's discretion. Final contribution per ETCH information shall be made available on the ETCH token sale site

- The distribution is anticipated to last for 30 days, commencing on September 18, 2017 at 6 PM BST, and completing on October 18, 2017 at at 6 PM BST.
- ETCH will accept contributions only in Ether.
- Hard cap of £5m, or 25,000 ETH fixed at £200.
- No min cap.
- Token name is ETCH
- Total amount of ETCH issued is 100m.
- Total amount of ETCH distributed in public sale is 40M.
- 20m ETCH tokens locked by Foundation for 12 months.
- 1 ETH = 1,600 ETCH Tokens.

A. Token Contract

The ETCH Token Contract will be deployed to the Ethereum blockchain at the start of the Token Distribution Event. Contributions can be made by sending Ether to the token contribution contact address listed on the ETCH token distribution site. Ether must be sent from a wallet whose private keys you control – **you cannot send Ether from an exchange account.**

B. New Tokens

The total number of ETCH tokens will not exceed 10 million. In the event that not all tokens are distributed, undistributed tokens will be allocated to an Etch owned and controlled reserve fund, and can be assigned or distributed in whole or part at the company's sole, absolute and unconditional discretion.

V. FUNCTIONALITY ROADMAP

Set forth below is a chart that depicts current plans for expected ETCH functionality. This roadmap is provided for informational purposes only and is not a guarantee that the functionality will ultimately be delivered. Etch is experimental

technology. While we are optimistic about its potential uses for employee remittance, there is no guarantee the technology will find a market. It is possible that these milestones will change, alter or not be attained.

As set forth in the Token Distribution Terms, Etch will have full discretion to use contributions as it sees fit. In the spirit of transparency and communication, we intend to provide public progress reports to ETCH token holders on a quarterly basis, by posting to the Etch website.

TABLE I: ROADMAP

April 2017	Etch Whitepaper Published.
May 2017	Development of Core Functionality Demonstrators.
June 2017	Token Presale.
July 2017	Implementation of Alpha Etch Platform.
Sep 2017	Pilot 4 People.
Sep 2017	Token Sale.
Dec 2017	Pilot with Strategic Partner that has 3,000+ Employees.
Q1 2018	On Boarding of Additional Companies as Scale and Infrastructure Allows.

VI. THE ETCH TEAM

The Etch Team is composed of seasoned industry professionals, lead by CEO Euros Evans and CTO Tomasz Mloduchowski. The full Etch team, including our outside advisors, can be found on the Etch Website, on the [ETCH Team](#) page.

VII. ETCH PROJECT LIMITED

We expect Etch will own all right, title and interest in Etch intellectual property ("ETCH IP") including the Etch platform code. Whilst the final corporate structure will be agreed following completion of the Etch token distribution, it is anticipated that Etch will license the Etch IP to a private for profit corporation owned by the Etch management team. As currently envisioned, we expect the Etch board will be comprised of directors whose primary function is to protect token-holder rights. Assuming this structure, any new token issuance (or withdrawal of tokens from use) would be subject to approval of Etch's board. New tokens issued without board approval would result in termination of the license agreement.

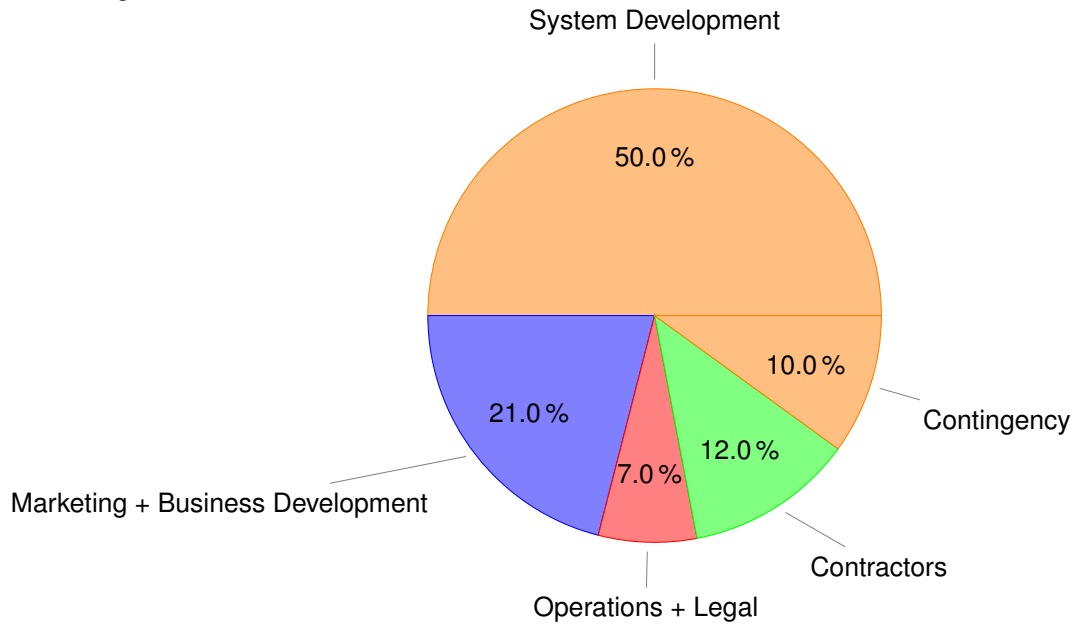
VIII. ADDITIONAL RESOURCES

- Token Contribution terms can be found here: <https://etch.work/tokensale>

- The ETCH White Paper is on our website at [ETCH Whitepaper](#). Euros Evans euros@etch.work
 - ETCH contract code can be found here: <https://github.com/etch-work>. Tomasz Mloduchowski tomasz@etch.work
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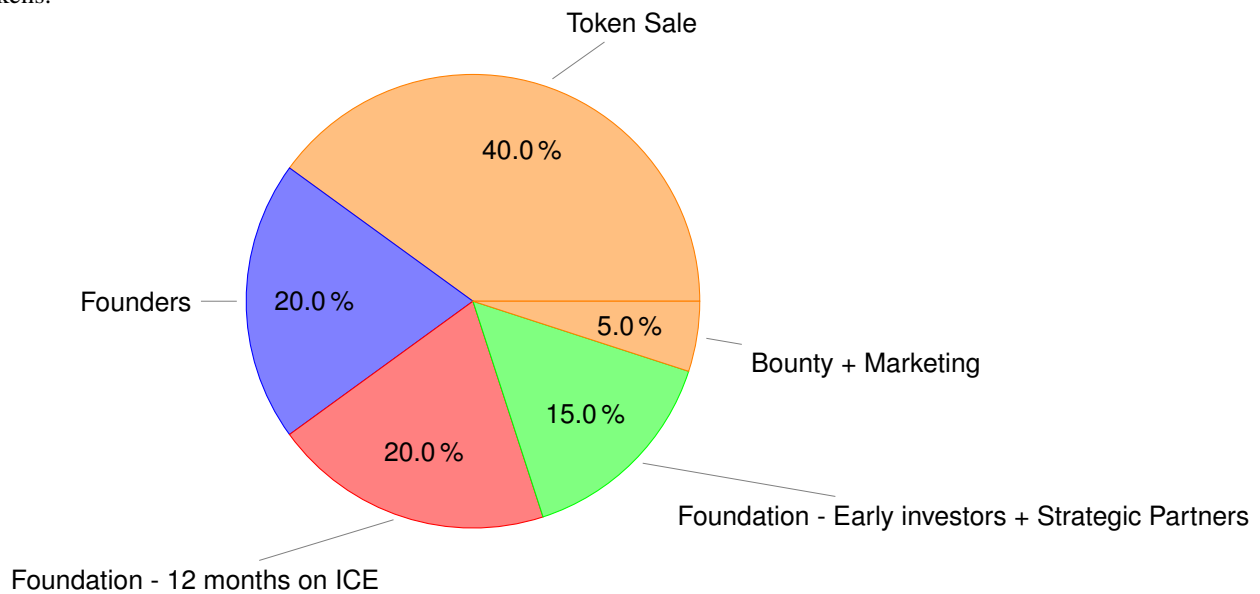
IX. FINANCING BREAKDOWN

The following chart depicts the full breakdown of the finances to be raised in the token sale. The finances will be used to fund approximately 3 years of product development and marketing, from October 2017 to October 2020.



X. TOKEN DISTRIBUTION

The following chart depicts the full breakdown of the tokens.



XI. CONCLUSION

Thank you for your interest in ETCH.