

Terms and conditions for Etch Token Offering

18th September 2017

1. Introduction

- 1.1 **Read these terms and conditions (Terms) carefully before using the services described in these Terms.** These Terms are the terms governing and which describe information applicable to the use of the Website, Etch Tokens and Platform which is operated and owned by Etch.
- 1.2 By utilising the Website and/or by transferring Ether to the Etch Token sale smart contract on Ethereum (**Smart Contract**) and/or calling the Etch Token creation function to create Etch Tokens, the User expressly agrees to be bound by all of the Terms and conditions set forth in these Terms. Each User acknowledges that they have read and understood these Terms, and had the opportunity to take such professional advice as that User thinks fit in connection with the Terms, the Platform, the Smart Contract and the Etch Token. Should any User not agree to all of the terms and conditions included in these Terms, such person is not an authorised User of these services and should not use the Website nor transfer Ether to the Smart Contract nor call the Etch Token creation function to create Etch Tokens.
- 1.3 Etch reserves the right to change, modify, add or remove portions of these Terms at any time for any reason without the consent of the Users or any group thereof. Etch recommends that each User reviews these Terms (as published on the Website from time to time) regularly for changes. Any changes shall be effective immediately upon posting on the Website. You acknowledge that by accessing the Website after Etch has posted changes to these Terms, you are irrevocably agreeing to the modified Terms. In particular, Etch is likely to change these Terms after the development of the products (**Platform**) and their public release. These Terms are mostly focused on the Offering, and may be amended, replaced or supplemented in the future.
- 1.4 **This document or any other document, produced and signed by Etch or on its behalf, does not constitute an offer, solicitation or advice to sell or invest in shares or securities in Etch or the Website or the products offered thereto (including the Platform), and accordingly does not constitute a prospectus or to an initial public offering or share/equity offering and does not pertain in any way to an offering of securities in any jurisdiction. None of the information or analyses presented are intended to form, or should be used as, the basis for any investment decision, and no specific recommendations are intended, and Etch's services and the Website are not, do not offer and shall not be construed as investment or financial products, but as software.**
- 1.5 **Accordingly, any acquisition of cryptographic tokens from Etch does not present an exchange of cryptocurrencies for any form of shares in Etch or the Website, and holder of any cryptographic tokens, issued by Etch is not entitled to any guaranteed form of dividend or other revenue right. Holders of Etch cryptographic tokens are only entitled to the use of the Platform and software and certain other rights within the Platform in accordance with these Terms, and acknowledge that the Etch Tokens do not confer any right of voting, distribution, redemption, liquidation or other financial or legal rights.**

- 1.6 **The User understands and accepts that the User makes a contribution into the Smart Contract for the development of Etch and the Platform as further described in the Whitepaper. The information contained in the Whitepaper and on the Website are of a descriptive nature only, are not binding and do not, unless explicitly stated, constitute a part of the Terms.**
- 1.7 **Etch cryptographic tokens are available to Users in exchange Ether and Etch does not currently provide exchange of Etch cryptographic tokens for fiat currency. Etch also does not provide custodial or wallet services for the tokens.**
- 1.8 To the maximum extent permissible under applicable law, Etch shall have no responsibility for and shall not be liable (to the maximum extent permitted by applicable law) for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from:
- 1.8.1 reliance on any information contained in this document;
 - 1.8.2 any error, omission or inaccuracy in any such information;
 - 1.8.3 any action resulting therefrom; or
 - 1.8.4 usage or acquisition of products, available through the Website.
- 1.9 Nothing in these Terms shall be interpreted or construed as limiting or excluding liability for any matter which may not be lawfully limited or excluded under applicable law.

2. Defined Terms & Interpretation

- 2.1 The following terms shall, for the purposes of these Terms, have the following meanings:

Affiliated Person

- a) in respect of a body corporate:
 - i. any undertaking which is, at any time, the parent undertaking of Etch or any Subsidiary of, and every entity owned or controlled by, Etch or any such parent undertaking;
 - ii. any person who is, at any time, a director, officer, employee, consultants, agents or representatives of any entity referred to in i. above;
- b) in respect of an individual, that person's spouse, civil partner, child or step-child (together "**family**"), the trustees of any trust of which the individual or any of his family is a beneficiary or discretionary object or any company or undertaking or partnership (whether a limited partnership or limited liability partnership) over which the individual and/or any such member or members (taken together) of his family has

	control;
	c) any person connected with any of the above; and
	d) in the case of Etch only, any person from whom or to whom Etch has received or granted (as the case may be) a license in respect of the Platform, Etch Tokens or any Etch IP.
Closing Date	has the meaning set out in clause 5.12.
connected	has the meaning ascribed to such term in s1122 Corporation Tax Act 2010.
Digital Asset	tokens, available on a particular public blockchain network, which includes Ether.
Etch Token	Etch Token as set out in clause 3.3, and Etch Tokens shall be construed accordingly.
Etch	means a company limited by guarantee registered in England and Wales with company number 10943739 named Etch Project Limited, and any Subsidiary.
Etch IP	has the meaning set out in clause 13.1.
Etch Token Balance	means the number of Etch Tokens remaining from the Etch Token Issue after deduction of the Offering Token Issue.
Etch Token Issue	has the meaning set out in clause 5.2.
Etch Token Price	1ETH = 1600 Etch Tokens
Ether	the value token on the Ethereum blockchain called Ether.
Ethereum	an open-source, public, blockchain-based distributed computing platform featuring smart contract (scripting) functionality.
European Economic Area or EEA	all EU countries and in addition Iceland, Liechtenstein and Norway, and shall include, for the purposes of these Terms, the United Kingdom, whether or not it remains a member of the European Union and/or the European Economic Area.
LCIA Rules	means the LCIA Arbitration Rules as published from time to time by the London Court of International Arbitration.

Offer Date	means 18 September 2017.
Offering	the offering and distribution of Etch Tokens in accordance with clause 3.
Offering Token Issue	has the meaning set out in clause 5.2.1.
person	means a natural person and a corporate or unincorporated body (whether or not having separate legal personality).
Personal Information	has the meaning set out in clause 11.1
Platform	has the meaning set out in clause 3.1.
Project	has the meaning set out in clause 3.
Restricted Areas	has the meaning set out in clause 7.1.
Service Terms and Policies	has the meaning set out in clause 3.6.
Smart Contract	has the meaning set out in clause 1.2
Subsidiary	has the meaning ascribed to such term in s1159 of the Companies Act 2006.
Terms	shall have the meaning set out in clause 1.1.
Third-party Wallet	a solution, enabling users to store their Digital Assets and Etch Tokens.
User(s)	any person accessing the Website, or directly/indirectly making use of the Project, or the Platform, or Etch Tokens.
VAT	value added tax of relevant jurisdiction(s), if applicable.
Website	https://etch.work/
Whitepaper	means the whitepaper available at the Website.
you	means any User or any entity represented by that User.

- 2.2 References to clauses and the Schedule are to the clauses of and the Schedule to these Terms and references to paragraphs are to paragraphs of the Schedule.
- 2.3 The Schedule forms part of these Terms and shall have effect as if set out in full in the body of these Terms. Any reference to these Terms includes the Schedule.
- 2.4 All references to a statutory provision include references to:
- 2.4.1 any statutory modification, consolidation or re-enactment of it, whether before or after the date of these Terms, for the time being in force;

- 2.4.2 all statutory instruments or orders made pursuant to it; and
- 2.4.3 any statutory provision of which that statutory provision is a re-enactment or modification.
- 2.5 Words denoting the singular include the plural and vice versa; words denoting any gender include all genders; and words denoting persons include corporations, partnerships, other unincorporated bodies and all other legal entities and vice versa.
- 2.6 Any phrase introduced by the terms include, including, in particular, or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 2.7 Any preliminary section and the clause headings are inserted for ease of reference only and do not affect the construction of these Terms.
- 2.8 Any reference to an English legal term for any action, remedy, judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include a reference to what most nearly approximates in that jurisdiction to the English legal term.
- 2.9 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.

3. The Project

- 3.1 The aim of Etch is to develop and deploy a shared financial ledger for the construction industry (or any other industries identified by Etch from time to time) on the Ethereum blockchain through the use of smart contracts (**Platform**). The Whitepaper sets out further details of the Platform and the Etch Token.
- 3.2 Etch's goal is to develop the software Platform on a supranational plane, initially targeting employers and contractors in the construction industry who manage large payroll and/or construction projects with a view to enhancing the efficiency of their back office functions through the use of the blockchain and smart contracts.
- 3.3 An integral element of the Platform shall be the Etch token (**Etch Token**) and its purpose is:
 - 3.3.1 to enable Etch to secure sufficient resources for the development and deployment of the Platform via the Offering in accordance with these Terms;
 - 3.3.2 to be used as utility tokens to access the Platform. Projects shall be required to pay the fee for services to be provided in the platform to Etch in Etch Tokens; experts and advisers shall be requested to deliver some Etch Tokens in order to provide their services through the Platform; and
 - 3.3.3 to be the predominant means of payment for the Platform services.

Etch Tokens do not grant, and shall not be construed as granting, any legal governance rights of Etch, such as voting in the annual general meeting, or any other statutory rights, rights to dividends or profits and similar.
- 3.4 Further details of the Project and the Etch Tokens are set out in the Whitepaper.
- 3.5 Unless otherwise stated in these Terms, these Terms govern only the acquisition of the Etch Tokens pursuant to the Smart Contract.

- 3.6 Any use of Etch Tokens in connection with the providing or receiving of Etch Tokens and the Platform shall be governed primarily by other applicable terms and policies (collectively, the **Service Terms and Policies**), which shall be made available on the Website from time to time. Etch may add new terms or policies to the Service Terms and Policies in its sole discretion, and may update each of the Service Terms and Policies from time to time according to modification procedures set forth therein. To the extent of any conflict with these Terms, the Service Terms and Policies shall prevail.
- 3.7 The Platform shall be developed and run on the Ethereum blockchain.
- 3.8 The Project does not encompass and Etch is not a provider of:
- 3.8.1 exchange services between virtual currencies and fiat currencies; or
 - 3.8.2 wallet or custodial services of credentials necessary to access virtual currencies.
- 3.9 Users understand and accept that the Project is currently in alpha development phase and that it still requires substantial development works. Due to unforeseeable material, conceptual, technical, security, regulatory and commercial changes before the final release, or any time after the release of the Platform, User understands and accepts that an upgrade of Platform and/or Etch Tokens may be required (including a hard-fork of Etch, or Etch Tokens) and that if User decides not to participate in such upgrade, he may no longer be able to use his Etch Tokens and that non-upgraded Etch Tokens may lose their functionality in full.
- 3.10 The development of the Platform may be assigned to a third party contractor (**Contractor**) by releasing an amount of Ether to the Contractor or by the conversion by Etch of Digital Assets to other Digital Assets and/or fiat currencies, and the scope of the development work to be undertaken shall be determined by Etch having regard to the response to this Offering and the proceeds received therefrom. Etch shall have the right to assign the entire Platform and any Etch IP, including the Digital Assets received during this Offering, including, for the avoidance of doubt, and any Etch Tokens held by Etch to a third party. Such Contractor may be a director of Etch, or connected with the directors from time to time of Etch (including, for the avoidance of doubt, a company owned by such director or a person connected with such a director). In addition, the directors of Etch may provide services to third parties (including consultancy and development services) in connection with the Project and/or the Etch Tokens for which they will receive remuneration (in whichever form they may agree) and which will not be payable to Etch.
- 3.11 The User understands and accepts that for the purposes of the development and execution of the Platform, Etch receives the full amount of the Digital Assets transferred to the Smart Contract. This amount covers expenses, charges and other costs that may arise by Etch and/or any Affiliated Person as part of the development and execution of the Platform. Etch has the right to support and/or acquire other companies or assets for the benefit or success of the Platform or Etch. It remains Etch's sole discretion as to how to allocate Digital Assets and funds in order to develop and execute the Platform.
- 3.12 The User understands and accepts that none of the Smart Contract, the payment of Digital Assets or holding of Etch Tokens entitles the User to any influence or control over governance either over Etch or on the Platform.

3.13 Choice of other projects and advisers able to access the Platform is subject to requirements and conditions, to be determined by Etch at its sole own discretion.

4. Etch Token structure and pertaining Users' rights

4.1 The Etch Token shall be an ERC-20 standard Ethereum token.

4.2 The Smart Contract address shall be published in due time on or prior to the Offer Date.

4.3 Etch Tokens carry no rights, express or implied, other than those set out in these Terms.

4.4 Etch Tokens are designed to be exchangeable on cryptographic token exchanges. Etch gives no warranties that Etch Tokens shall be exchangeable on such exchanges, but undertakes on a reasonable endeavours basis to do everything that is reasonably possible and within the powers of Etch to enable exchange of Etch Tokens on a major exchange.

5. Etch Token Offering

5.1 Contributions given to Etch in exchange for Etch Tokens shall be considered as contribution towards the Project and contributors shall be among the first users to have access to the Platform. Contributions shall only be accepted in Ether. Failure to follow the instructions on the Website may limit, delay, or prevent a User from contributing, or from receiving their Etch Tokens. Users understand and accept that when making a contribution, such contribution shall go into the Smart Contract and such Users shall receive Etch Tokens in exchange at a future date.

5.2 Etch shall issue 100,000,000 (one hundred million) Etch Tokens (**Etch Token Issue**) which shall be divided as follows:

5.2.1 up to the number of tokens determined by the Smart Contract, being £5,000,000 pounds sterling, divided by the then current exchange rate with Ether multiplied by the Etch Token Price, are available for Users should they wish to make a contribution in accordance with these Terms (**Offering Token Issue**); and

5.2.2 the Etch Token Balance, which shall be issued to Etch.

5.3 Following the issue of Etch Tokens referred to in clause 5.2, no further Etch Tokens shall be issued.

5.4 Etch reserves the right to use an emergency stop functionality to stop the Offering. Use of this functionality shall remain at the discretion of Etch and shall only be used in limited situations, such as, but not limited to:

5.4.1 detection of a serious security issue;

5.4.2 serious network performance issue, depriving all Users of equal treatment; and

5.4.3 any type of material attack on the Etch Tokens, the Platform, Website or Ethereum network.

5.5 Etch shall have sole discretion as to the progress of the Offering following the exercise of the emergency stop functionality described in clause 5.4 above, including but not limited to:

5.5.1 a resumption of the Offering (and Etch shall have sole discretion as to the term of the resumed offering); or

- 5.5.2 completing the Offering with the amounts received immediately prior to the exercise of the emergency stop.
- 5.6 Users wishing to participate in the Offering shall send their Ether for acquisition of Etch Tokens from an Ethereum address wallet, for which they control the private key, meaning that such address and/or private key cannot belong to a third party, such as a Digital Assets exchange. Etch shall issue Etch Tokens to the same address from where the User sent their Ether.
- 5.7 Etch and/or its Affiliated Persons shall not be responsible for any funds lost due to the Users' negligence, lack of diligence, or failure to follow any instructions issued by Etch, including sending funds through Digital Assets exchange(s).
- 5.8 The Offering of the Etch Tokens shall commence on the Offer Date and end on the Closing Date.
- 5.9 Without prejudice to the other terms and conditions in these Terms, the pricing of the Etch Tokens during the Offering shall be the Etch Token Price.
- 5.10 The Digital Assets raised from the Offering and the Etch Token Balance shall belong to Etch and shall be used for, *inter alia*, the development, marketing, operations, legal, governmental duties and running of the Project, as defined above.
- 5.11 Etch reserves the right to change the dates set out in in these Terms at any given time for any reason, without any duty to provide any reason(s) to the Users or the public. Any such changes shall be published on the Website.
- 5.12 The Offering shall halt, and the Etch Tokens shall be distributed to each participating User's wallet address within 20 Business days thereof, upon the earlier of the following events (**Closing Date**):
- 5.12.1 at 6PM BST October 18 2017; or
- 5.12.2 in the sole discretion of Etch, adequate contributions have been received to progress the Project.
- 5.13 All Etch Token purchases shall be publicly viewable via Ethereum blockchain explorers such as etherscan.io.
- 5.14 The only official and authorised website for the Offering is the Website. User(s) must ensure that the URL of the web browser indicates that it is using a hypertext transport protocol secure connection (**https**) and that the domain name is correct. Etch may partner with a third party service provider to enable easier acquisition of Etch Tokens with digital assets other than Ether.
- 5.15 All contributions to Etch in exchange for Etch Tokens are final and non-refundable, except if the Offering is terminated by Etch in accordance with clauses 5.4 or 21. By participating in the Offering, each User acknowledges that Etch, except in such circumstances, is not required to provide a refund for any reason, and that Users shall not receive money or other compensation in lieu of a refund.
- 5.16 Etch is not a consumer product and its Users accept explicitly and irrevocably agree to it that they are not covered by the consumer protection regulation of any jurisdiction.
- 5.17 Without prejudice to any 'know your customer' exercise that may be separately conducted, Etch shall be entitled to take any action to identify the Users at any time. If Etch conducts 'know your customer' exercises or any other kind of customer due diligence to verify the identities of all or part of the Users, the Users

concerned shall, in a timely manner, provide all such information and meet all such requests as may be sought or instructed.

- 5.18 If, as a result of a 'know your customer' exercise or otherwise, Etch and/or its Affiliated Persons become aware that any User is in breach of these Terms, or any applicable anti-money laundering, counter-terrorism financing or other regulatory requirement, the acquisition by that User of Etch Tokens shall be null and void and such Etch Tokens shall be cancelled with immediate effect. As a result of such cancellation, the person shall no longer be the holder of Etch Tokens and shall have no right to access or use the Platform.

6. Risks

- 6.1 You understand that Digital Assets, Etch, Etch Tokens, blockchain technology, Ethereum, Ether and other associated and related technologies are new and relatively untested and outside of Etch's exclusive control, and that changes in market forces or the technology may adversely impact Etch, the Project and/or the Etch Tokens, and that accordingly Etch and its Affiliated Persons shall not be liable, to the maximum extent permissible under applicable law, for any delayed or unachieved milestones.

- 6.2 In addition to the above, you also acknowledge that you have been warned of and understand the following risks, associated with the Website, the Digital Assets, the Etch Tokens, the Platform and other relevant technologies mentioned in these Terms, and that Etch shall not be liable to any User in respect of any loss, howsoever caused or incurred, as a result of, or in connection with, the risks listed below:

Legal risks regarding securities regulation

- 6.2.1 there is a risk that in some jurisdictions the Etch Tokens or other Digital Assets might be considered to be a security, or that it might be considered to be a security in the future. Etch gives no representations, warranties or guarantees that Etch Tokens are not considered a security in all jurisdictions. As a consequence of any determination by any relevant authority in any relevant jurisdiction, the acquisition, holding or sale of Digital Assets may be restricted or prohibited. Each User of Etch Tokens shall bear its own legal or financial consequences of Etch Tokens being considered a security in their respective jurisdiction. Every User is bound to check if acquisition and disposal of Etch Tokens is legal in its jurisdiction, and by accepting these Terms each User undertakes not to use Etch Tokens should their use not be legal in the relevant jurisdiction. If a User establishes that the use of Etch Tokens under these Terms is not legal in its jurisdiction, it shall neither use the Etch Tokens nor acquire them, and should immediately stop using or possessing them if such case arises.

- 6.2.2 Acquiring cryptographic tokens in possession and exchanging them for other cryptographic tokens will most likely continue to be scrutinised by various regulatory bodies around the world, which have so far given mixed reactions and opinions depending on the jurisdiction. The legal ability of Etch to provide Etch Tokens and the Platform in some jurisdictions may be hindered or eliminated by future regulation or legal actions. In the event it turns out with a high degree of certainty that Etch Tokens are not legal in certain jurisdiction, Etch shall either:

- 6.2.2.1 cease operations in that jurisdiction; or

- 6.2.2.2 adjust Etch Tokens and the Platform in a way to comply with the regulation should that be possible and viable, including but not limited to the adoption of technical measures to prevent use in that jurisdiction;

Risks associated with Ethereum

- 6.2.3 Etch Tokens are issued on the Ethereum blockchain. As such, any malfunction, unintended function or unexpected functioning of the Ethereum protocol may cause the Etch Tokens to malfunction or function in an unexpected or unintended manner. Ether, the native unit of account of the Ethereum, may itself lose value and hence impact the value of Etch Tokens. Other unforeseeable changes in Ethereum, whether intended or not, may likewise impact the value and usability of Etch Tokens. More information about Ethereum is available at <http://www.ethereum.org>;
- 6.2.4 the consensus mechanism securing the Ethereum blockchain may change in the future and the stakeholders who are in control of the Ethereum blockchain may change as a result, including but not limited to a hard fork of the blockchain, and the associated risks arising as a result;

Risk of unfavourable regulatory action in one or more jurisdictions

- 6.2.5 blockchain technologies have been the subject of scrutiny by various regulatory bodies around the world. The functioning of the Ethereum network and associated blockchain networks and Digital Assets and Etch Tokens could be impacted by one or more regulatory inquiries or actions, including but not limited to restrictions on the use or possession of digital tokens like Etch Tokens, which could impede or limit their existence, permissibility of their use and possession, and their value;

Risk of theft and hacking

- 6.2.6 hackers or other groups or organisations may attempt to interfere with your Third-party Wallet, the Website or the availability of Etch Tokens and Digital Assets in any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks, and any such events would have an impact on the Platform, the Etch Token and any services Etch may offer from time to time, and accordingly, the prospects of the Project and/or the Etch Tokens;

Risk of losing access to Etch Tokens due to loss or destruction of private keys

- 6.2.7 A private key, or a combination of private keys, is necessary to control and dispose of Etch Tokens stored in your digital wallet or vault. Accordingly, loss or destruction of requisite private keys associated with your digital wallet or vault storing Etch Tokens will result in the loss of such Etch Tokens. Moreover, any third party who gains access to such private keys, including by gaining access to login credentials of a hosted wallet service you use, may be able to misappropriate your Etch Tokens.

Risk of security weaknesses in the Smart Contract, Website and Etch Token source code or any associated software and/or infrastructure

- 6.2.8 there is a risk that the Smart Contract, Website and Etch Tokens may unintentionally include weaknesses or bugs in the source code interfering with the use of or causing the loss of Etch Tokens;
- 6.2.9 the source code of the Platform is open and could be updated, amended, altered or modified from time to time by not only Etch, but also third parties in accordance with the terms of the Platform. Etch and its Affiliated Persons are unable to foresee or guarantee the precise result of an update, amendment, alteration or modification. As a result, any update, amendment, alteration or modification could lead to an unexpected or unintended outcome that adversely affects Etch and/or the Platform and/or the Etch Tokens;

Risk of weaknesses or exploitable breakthroughs in the field of cryptography

- 6.2.10 advances in technology, cryptography, or technical advances such as the development and wider adoption of quantum computers, could present risks to the security and future of cryptocurrencies, Ethereum, Etch Tokens and the Platform, which could result in the theft or loss of Etch Tokens;

Risk of mining attacks

- 6.2.11 as with other decentralised cryptocurrencies, the Ethereum blockchain, upon which the Platform is or will be located and which is used for the Etch Tokens, is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attack presents a risk to the Platform and the Etch Tokens, expected proper execution and sequencing of the Platform and the Etch Tokens, and expected proper execution and sequencing of Ethereum smart contract computations in general. Despite the best efforts of Etch and Ethereum Foundation, the risk of known or novel mining attacks exists. Mining attacks, as described above, may also target other blockchain networks, with which the Etch Tokens interact with and consequently Ethereum, the Platform, and Etch Tokens may be impacted;

Risk of low or no liquidity

- 6.2.12 even though there are currently online service available which enable exchange of cryptographic tokens with other such tokens or even enable the exchange of cryptographic tokens for fiat money, there are no warranties and/or guarantees that Etch Tokens will be listed or made available for exchange with other cryptographic tokens and/or fiat money, and no guarantees are given whatsoever with the capacity (volume) of such potential exchange. It shall be explicitly cautioned that such exchange, if any, might be subject to poorly-understood regulatory oversight, and Etch does not give any warranties in regard to any exchange services providers. Users might be exposed to fraud and failure affecting those exchanges. In any case, Etch shall not itself enable exchange of Etch Tokens for other cryptographic tokens or for fiat currency, although it shall commit reasonable endeavours to list Etch Tokens on such exchange(s);

- 6.2.13 where there is little or no liquidity of Etch Tokens, there will be a limited market for Etch Tokens and Users may be unable to exchange their Etch Tokens, whether for Digital Assets or otherwise;

Risk of loss of value

- 6.2.14 cryptographic tokens, if traded on public markets or exchanges, may be subject to extreme volatility in demand and price. Fluctuations in price or demand over short periods of time frequently occur, which price may be denominated in Digital Assets or fiat currencies. Such fluctuations could result from market forces (including speculation and speculative trades), regulatory changes, technical innovations, availability and security of exchanges and other objective factors and represent changes in the balance of supply and demand. Etch is not responsible for any secondary market trading of Etch Tokens, or whether or not there would be such market for Etch Tokens, and consequently such matters shall be the sole risk of the holder of the Etch Tokens from time to time;

Risk of uninsured losses

- 6.2.15 Etch Tokens are unlike bank accounts or accounts at some other financial institutions and therefore are entirely uninsured. No central bank or governmental authority, nor Etch or any Affiliated Person, offers any indemnity in case of any such losses in relation to Etch Tokens;

Risk of malfunction in the Ethereum network or any other blockchain

- 6.2.16 it is possible that the Ethereum network or any other network, which the Etch Tokens are interacting with, or on which the proper execution of the Platform or use of the Etch Tokens relies, malfunctions in an unfavourable way, including but not limited to one that results in the loss of Etch Tokens or prevent their use;

Internet transmission risks

- 6.2.17 you acknowledge that there are risks associated with using the Etch Tokens including, but not limited to, the failure of hardware, software, and Internet connections, or other technologies on which the Platform or the use of Etch Tokens relies. You acknowledge that Etch shall not be responsible for, and shall have no liability in respect of, any communication failures, disruptions, errors, distortions or delays you may experience when using the Website, the Platform and/or Etch Tokens, howsoever caused;

Unanticipated risks

- 6.2.18 cryptocurrencies and blockchains, including Ethereum and the Platform, are new and untested technologies. In addition to the risks highlighted in these Terms, there are risks that Etch cannot foresee, and there are risks that no one has foreseen. Unanticipated risks may materialise during the life of the Project and the Platform;
- 6.2.19 Etch is at an early stage of development in relation to the Platform. As a result, its philosophy, consensus mechanism, algorithm, code and other technical specifications and parameters could be updated and changed frequently and repeatedly. While the Whitepaper contains information current as at the date of these Terms, it is not complete and

is subject to adjustments and updates that Etch might make from time to time in its absolute discretion;

- 6.2.20 Etch is not in a position, nor shall these Terms be construed as requiring or obliging Etch, to keep the holders of Etch Tokens up to date with all information on the development of the Platform or the progress Etch is making. Therefore Etch may not be able to provide full and timely access to information relating to the Platform and the activities of Etch;
- 6.2.21 from time to time the directors of Etch and the developers engaged to develop the Platform may change, and such changes may prompt unanticipated risks;

Termination of the Offering

- 6.2.22 the Offering may be terminated in accordance with these Terms, and funds received may, for reasons outside the control of Etch and/or its Affiliated Persons, not be refunded;

Insufficient interest in Etch, the Platform and Etch Tokens

- 6.2.23 the Project, including the development of the Platform, has been designed to meet a perceived need in the market. It is possible that Etch, the Platform or Etch Tokens will not be used by a large enough number of individuals, businesses and other organisations and that there will be limited public interest in the creation and development of its functionalities to make the development or maintenance of the Project or Platform commercially viable. Such lack of interest could impact the funding and development of the Project, the Platform and consequently the usability of the Etch Tokens;

Etch Tokens and the Platform, as developed, may not meet your expectations

- 6.2.24 the Platform is currently under development and may undergo significant changes before release. Your expectations regarding the form and functionality of the Platform and Etch Tokens may not be met upon release of new Website, deployment of the Platform, any additional products and services for any number of reasons, including a change in the design and implementation plans and execution of the implementation of Etch and Etch Tokens. Etch does not offer any guarantee as to the marketability or expected use of the Platform and/or Etch Tokens;

The Platform may never be completed or released

- 6.2.25
 - 6.2.25.1 the Platform may never be released and operational, even though Etch shall make reasonable efforts to complete and deploy it;
 - 6.2.25.2 the Etch Tokens and the Platform are provided “as is”. Etch and its Affiliated Persons make no representations or warranties of any kind, whether express, implied, statutory or otherwise regarding the Etch Tokens, including any warranty that the Etch Tokens shall be uninterrupted, error-free or free of harmful components, secure or not otherwise lost or damaged. Etch and its Affiliated Persons do not make any representations, warranties, or guarantee, nor

shall any such representations, warranties, or guarantees be implied of merchantability, satisfactory quality, fitness for a particular purpose, non-infringement, or quiet enjoyment, and any warranties arising out of any course of dealing or usage of trade, to the maximum extent permissible under applicable law; and

The Etch IP is open source; Competition

- 6.2.26 the Etch IP comprises or is derived from open source software, and shall, in the course of development, itself become open source software. Open source software means that the source code for the software is in the public domain and either (a) nobody claims copyright or any other type of intellectual property right over the source code or (b) the creator of the source code claims copyright or other form of intellectual property right over the source code but grants a licence to any third party wishing to use it in accordance with the terms of that licence. As a result, anyone can legally copy, replicate, reproduce, engineer, modify, upgrade, improve, recode, reprogram, or otherwise utilise the source code and/or underlying protocol of the Platform in an attempt to develop a competing protocol, software, system or platform or machine, which is out of Etch's control and may consequently compete with the Platform and Etch. Besides, there have been and will be various competing blockchain based platforms that serve, facilitate, incubate or boost the creation and deployment of assorted decentralised applications and/or smart contracts. Etch shall in no case be capable of eliminating, preventing, restricting or minimising such competing efforts that aim to contest with or overtake Etch and the Platform.
- 6.2.27 If any of the events described above occur, the financial, commercial and other prospects of Etch and/or the value and saleability of the Etch Tokens could be materially and adversely affected.

7. Eligibility

- 7.1 The Website, the Platform and Etch Tokens are not offered for use to persons having their habitual residence or their seat of incorporation in a jurisdiction where the holding of Etch Tokens or the use of the Website or the Platform is in violation of applicable law or regulation (**Restricted Areas**). In addition to the above, Users severally make the representations and warranties to Etch stipulated in Schedule 1.
- 7.2 Persons with their habitual residence or seat of incorporation in the Restricted Areas shall not use the Website, the Platform and Etch Tokens.
- 7.3 Etch reserves its right to decide in its own discretion to adopt reasonable organisational and technical measures to ensure that the Website and Etch Tokens are not available to, or used by, persons from or located in Restricted Areas. Due to the Etch Tokens being offered on the Internet (meaning both the world-wide web and the Ethereum blockchain) Etch and Users understand that there is a possibility that there might be a certain "flow back" of Etch Tokens to persons with their habitual residence or seat of incorporation located in the Restricted Areas. Etch consequently explicitly prohibits persons from Restricted Areas from using the Etch Tokens. Etch shall not be held liable for any legal or monetary consequence arising of such use. Such persons using Etch Tokens despite the prohibition shall on first request indemnify and hold harmless Etch

from any legal or monetary consequence arising of their breach of the terms as described in this clause 7.3. Any person from a Restricted Area shall immediately stop using Etch Tokens and leave the Website. In the event that, notwithstanding these Terms, Users continue to use the Platform and Etch Tokens in Restricted Areas, Etch, the Platform and/or Etch Tokens may be subject to greater scrutiny or investigation and applicable authorities may take steps, including enforcement action, against Users, Etch, the Platform, Ethereum and/or others in connection with such continued use.

7.4 If you are registering to use the Platform on behalf of a legal entity, you represent and warrant that:

7.4.1 such legal entity is

7.4.1.1 duly organised and validly existing under the applicable laws of the jurisdiction of its organisation;

7.4.1.2 does not have their seat of incorporation in a Restricted Area; and

7.4.2 you are duly authorised by such legal entity to act on its behalf and to enter into these Terms.

7.5 You represent and warrant that all of the following statements are true, complete and not misleading both at the date of your participation in the Offering and also at the Closing Date:

7.5.1 you are of legal age to form a binding contract (at least 18 years old in most jurisdictions);

7.5.2 you have all necessary power and authority to enter into this Agreement and in doing so shall not violate any other agreement to which you are a party;

7.5.3 your participation in the Offering is voluntary and based on your own independent judgment, and you are not participating as a result of:

7.5.3.1 coercion; or

7.5.3.2 any statements made by any other party;

7.5.4 all information provided by you to Etch and/or its Affiliated Persons was true, complete, valid and not misleading;

7.5.5 you are not located in, under the control of, or a national or resident of any Restricted Areas;

7.5.6 you have not been placed on any of the sanctions lists, published and maintained by the United Nations, European Union, any EU country, HM Treasury and US Office of Foreign Assets Control (**OFAC**);

7.5.7 you shall not use the Etch Tokens if any applicable laws in jurisdiction of your habitual residence or incorporation prohibit you from doing so in accordance with these Terms;

7.5.8 you are not obtaining the Etch Tokens for any illegal purposes;

7.5.9 you are acting in the course of your business, trade or profession, and so waive any and all rights that may apply if you were acting as a consumer;

7.5.10 you have a sufficient understanding of the functionality, usage, storage of cryptographic tokens, smart contracts, and blockchain-based

software in order to evaluate the merits of making a contribution to the Project;

- 7.5.11 you have carefully reviewed the content of these Terms and have understood and agreed with these Terms;
- 7.5.12 you shall contribute Ether from a Wallet or Wallet service provider that technically supports the Etch Token;
- 7.5.13 you have obtained and were given sufficient information about the Etch Tokens to make an informed decision to acquire them and have taken such advice (whether commercial, technical, legal or otherwise) as you see fit in connection with your acquisition of the Etch Tokens;
- 7.5.14 you understand and acknowledge that the Etch Tokens confer only the right to use and access the Platform, as set out in clause 3.3, and confer no other rights of any form with respect to the Platform or Etch;
- 7.5.15 you are acquiring Etch Tokens to access the Platform and to support its development, testing, deployment and operation; and that you are not acquiring Etch Tokens for any other use or purpose, including, but not limited to, any investment, speculative or other financial purposes;
- 7.5.16 you understand that the development of the Platform carries significant execution, financial, regulatory and reputational risks;
- 7.5.17 you understand that you shall have no right against Etch or any other party to request or require a refund of the Digital Assets contributed by you or on your behalf to the Smart Contract, other than set out in these Terms;
- 7.5.18 you understand that you shall be solely liable for any costs or expenses, including but not limited to taxation, which arises as a result of you holding Etch Tokens or the acquisition or subsequent sale thereof; and
- 7.5.19 your purchase of Etch Tokens complies with all laws and regulation applicable to you or the jurisdiction of your residence (whether temporary or habitual) or of incorporation, including, but not limited to:
 - 7.5.19.1 legal capacity and any other threshold requirements in your jurisdiction for purchasing the Etch Tokens, using the Etch Tokens in the Platform, and entering into contracts with Etch;
 - 7.5.19.2 any foreign exchange or regulatory restrictions applicable to such purchase; and
 - 7.5.19.3 any governmental or other consents that may need to be obtained.
- 7.6 You irrevocably waive the right to participate in any class action lawsuit or class wide arbitration, or any other analogous process, against Etch or any Affiliated Person or any person involved in the creation of Etch and/or the Etch Tokens.
- 7.7 In the event that any of the matters in this clause are incomplete, misleading or untrue, Etch reserves the right to reject, invalidate or otherwise cancel any participation by any person in the Offering at any time.

8. Financial regulation and cooperation with legal authorities and authorised financial institutions and regulators

- 8.1 The Etch Tokens and the Platform are unregulated. Etch is following changes to legislation in the most relevant jurisdictions in the world and will react in such manner as Etch, in its absolute discretion, sees fit, if regulatory changes significantly impact operations of Etch Tokens and the Platform. Etch is not a financial institution and is currently not under supervision of any financial supervisory authority. Etch does not provide any licensed financial services, such as investment services, capital raising, fund management or investment advice. This Offering is not a public offering of equity or debt.
- 8.2 This document or any other document, produced and/or signed by Etch or on its behalf, as well as the Website, and any of their content does not constitute an offer or solicitation to buy or sell shares or securities in any jurisdiction.
- 8.3 None of the information or analyses presented is, nor is intended to be, the basis for any investment decision, and no specific recommendations are made or intended, and Etch services and the Website are not, do not offer and shall not be construed as investments or financial products of any kind.

9. Liability – IMPORTANT: PLEASE READ THIS CLAUSE CAREFULLY

- 9.1 The following provisions of clause 9 set out the entire financial liability of Etch (including any liability for the acts or omissions of its Affiliated Persons) to you in respect of:
- 9.1.1 any breach of this agreement; and
- 9.1.2 any representation, statement or tortious act or omission including negligence arising under or in connection with this agreement.
- including, without limitation, liability flowing from the use or attempted use of Etch Tokens, the Website or the Platform.
- 9.2 All warranties, conditions and other terms implied by statute or common law (except the conditions implied by section 12 Sale of Goods Act 1979) are, to the fullest extent permitted by law, excluded from this agreement.
- 9.3 Nothing in this agreement excludes or limits the liability of Etch to you for death or personal injury caused by its negligence or fraudulent misrepresentation.
- 9.4 Subject to clauses 9.2 and 9.3:
- 9.4.1 Etch's total liability in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of this agreement is limited to the monetary value in the open market of the Digital Assets contributed by you; and
- 9.4.2 Etch is not liable to you for:
- 9.4.2.1 any of the following (even if such damages or losses are foreseeable or even if Etch has been advised of the possibility of such damages or losses)
- 9.4.2.1.1 increased or additional costs
- 9.4.2.1.2 loss of profits;
- 9.4.2.1.3 loss of revenue or income,
- 9.4.2.1.4 trading losses,

- 9.4.2.1.5 loss of opportunity,
 - 9.4.2.1.6 loss of bargain;
 - 9.4.2.1.7 loss of time;
 - 9.4.2.1.8 loss of data; or
 - 9.4.2.2 any consequential, incidental, special or indirect losses.
- 9.5 Further, neither Etch nor any Affiliated Person shall be responsible for any compensation, reimbursement, or damages arising in connection with:
 - 9.5.1 your inability to use the Website, the Platform or Etch Tokens, including without limitation as a result of any termination or suspension of the Ethereum network or these Terms, or the Service Terms and Conditions, including as a result of power outages, maintenance, defects, system failures or other interruptions;
 - 9.5.2 the cost of procurement of substitute goods or services;
 - 9.5.3 any investments, expenditures, or commitments by you in connection with this Agreement or your use of or access to the Website, the Platform and Etch Tokens; or
 - 9.5.4 any unauthorised access to, alteration of, or the deletion, destruction, damage, loss or failure to store any data, including records, private key or other credentials, associated with to the Website, the Platform and Etch Tokens.
- 9.6 Except in the limited circumstances set out in clauses 5.4 or 21, you waive your right to demand the return of any cryptographic tokens you exchanged with Etch for the purpose of acquiring Etch Tokens, including, without limitation, a demand for specific performance.
- 9.7 You shall defend, indemnify, and hold harmless Etch and its Affiliated Persons from and against any claims, damages, losses, liabilities, costs, and expenses (including reasonable legal fees) arising out of or relating to any claim by a third party concerning your entry into this Agreement or your use of the Website, the Platform and Etch Tokens. If Etch or its Affiliated Persons are obligated to respond to a legal action described above, you shall also reimburse Etch and its Affiliated Persons for reasonable legal fees, spent responding to the legal action.
- 9.8 The information, software, products, and services included in or available through the Website and the Platform may, from time to time, include inaccuracies or typographical errors. Changes are periodically added to the information therein. Etch and/or its Affiliated Persons may make improvements and/or changes to the Website and the Platform at any time. Etch makes no representations about the suitability, reliability, availability, timeliness, and accuracy of the Website, the Platform, Etch Tokens, information, software, products, services and related graphics contained on the Website for any purpose. To the maximum extent permitted by applicable law:
 - 9.8.1 the Website, the Platform and Etch Tokens, all such information, software, products, services and related graphics are provided “as is” without warranty or condition of any kind; and
 - 9.8.2 Etch hereby disclaims all warranties and conditions with regard to the Website, the Platform, Etch Tokens, information, software, products, services and related graphics, including all implied warranties or

conditions of quality, fitness for a particular purpose, title and non-infringement.

- 9.9 You warrant to Etch that you shall not use the Website, the Platform or the Etch Tokens for any purpose that is unlawful or prohibited by these Terms. You may not use the Platform or Etch Tokens in any manner that could damage, disable, overburden, or impair the Platform, Etch Tokens or the Website.

10. Security

- 10.1 You shall implement and maintain reasonable and appropriate measures designed to secure access to:
- 10.1.1 any device associated with the email address associated with your account with the Platform;
 - 10.1.2 private keys (howsoever stored) required to access any relevant Ethereum address; and
 - 10.1.3 your username, password and any other login or identifying credentials of the Platform.
- 10.2 In case you suspect a security breach, you shall inform Etch immediately so Etch can take such actions and measures as may be (in Etch's sole discretion) possible and reasonably necessary to attempt to secure your account, the Website, the Platform, Etch Tokens and systems as whole. Etch and its Affiliated Persons shall have no liability to the extent that, notwithstanding such efforts, any User suffers loss.
- 10.3 In the event that you are no longer in possession of any device associated with your account or are not able to provide your login or identifying credentials to the Platform, Etch may, in its sole discretion, and only if Etch is able to, grant access to your account to any party providing additional credentials to Etch. Etch explicitly reserves the right to determine the additional credentials required, which may include, without limitation, a sworn, notarised statement of identity.

11. Privacy

- 11.1 Throughout these Terms, the term **Personal Information** is used to describe information that can be associated with a specific person and can be used to identify that person. Etch does not consider personal information to include information that has been anonymised so that it does not and cannot be used to, on its own, identify a specific User.
- 11.2 As a principle, Etch may collect only what it needs and will not share your personal information with any third parties other than Etch's identity verification partner, if it applies.
- 11.3 The data controller of your Personal Data will be Etch, and its contact details can be found on the Website.
- 11.4 Etch may refuse you access to the Platform, Etch Tokens and the Website if you do not provide the Personal Information required or should Etch have doubts as to the validity, authenticity or genuineness of any of the documents, provided by you.
- 11.5 Etch collects information from running the Website and uses information, provided to Etch by Users through the Website. When you visit the Website, or use Etch's products, Etch collects information sent to Etch by your computer, mobile phone, or other access device. This information may include your IP address, device information including, but not limited to, identifier, name, and

type, operating system, mobile network information and standard web log information, such as your browser type, and the pages you accessed on Etch's Website. When you use a location-enabled device with the Website and products, Etch may collect geographical location data or use various means to determine the location, such as sensor data from your device that may, for instance, provide data on nearby cell towers and Wi-Fi access spots

- 11.6 When you access the Website, or use Etch's products or services Etch (or Google Analytics or any similar service provider on Etch's behalf) may place small data files called cookies on your computer or other device. Etch uses these technologies to recognise you as a User; customise the Website and advertising; measure promotional effectiveness and collect information about your computer or other access device to mitigate risk, help prevent fraud, and promote trust and safety.
- 11.7 If you create an account on the Website or the Platform, Etch may collect and store the following types of information: your name, address, phone, email and other similar information. Before permitting you to use the Website and acquiring Etch Tokens, Etch may require you to provide additional information (such as a date of birth, passport number, numbers that you may use or have registered with your local tax authority, or other data which can be used for personal identification purposes and that may be required to comply with applicable laws) so that Etch can verify your identity or address. Etch may also obtain information about you from third parties such as identity verification services. You shall provide to Etch, immediately upon Etch's notice of request, information that Etch, in its sole discretion, deems to be required to maintain compliance with any law, regulation or policy. Such documents include, but are not limited to, passports, driver's licences, utility bills, photographs of you, government identification cards, or sworn statements. Etch reserves its right to request documentation, described above, prior to activating your account at any of Etch and the Platform services, and any services, available through the Website.
- 11.8 Etch protects your information using reasonable physical, technical, and administrative security measures to reduce the risks of loss, misuse, unauthorised access, disclosure, and alteration. Some of the safeguards Etch uses are firewalls and data encryption, physical access controls to Etch's data centres, and information access authorisation controls. Etch also authorises access to personal information only for those employees who require it to fulfil their job responsibilities. All of Etch's physical, electronic, and procedural safeguards are designed to comply with applicable laws and regulations. Data may from time to time be stored also in other locations or formats, including in hard copy.
- 11.9 Etch will use your Personal Information to:
- 11.9.1 process your contribution to the Project;
 - 11.9.2 issue you with Etch Tokens;
 - 11.9.3 administer the Project; and
 - 11.9.4 process transactions in Etch Tokens.
- 11.10 The processing of your Personal Information will be carried out on the basis of:
- 11.10.1 your consent, indicated by your acceptance of these Terms;
 - 11.10.2 where the processing is necessary to enter into the Smart Contract or these Terms;

- 11.10.3 compliance with any obligation imposed by law or regulation on Etch and/or its Affiliated Persons; and/or
- 11.10.4 Etch's legitimate interests in running, administering and completing the Project and in promoting the success of the Etch Tokens and associated services.
- 11.11 As set out in these Terms, your Personal Information will in a number of instances be processed on an automated basis.
- 11.12 Etch will not sell or rent your personal information to third parties. Etch may combine your information with information Etch collects from other companies and use it to improve and personalise the Website and Etch's products, as well as Etch's content and advertising. Etch may use your name and email address to provide you with information about products or services that may be of interest to you, but Etch shall not use your personal information without complying with applicable laws and, where appropriate, obtaining your consent.
- 11.13 Etch reserves its right to share your personal information with:
 - 11.13.1 its bankers and financial and other professional advisers;
 - 11.13.2 companies that Etch plans to acquire or be acquired by (should such a combination occur, Etch will require that the new group will follow these Terms with respect to your personal information, and Users would receive prior notice of any change in applicable policy);
 - 11.13.3 third party identification services providers for fraud prevention purposes;
 - 11.13.4 law enforcement, government officials, or other third parties when:
 - 11.13.4.1 Etch is compelled to do so by a legal action; or
 - 11.13.4.2 Etch is compelled to do so under applicable law or regulation; or
 - 11.13.4.3 Etch believes in good faith that the disclosure of personal information is necessary to prevent physical harm or financial loss, to report suspected illegal activity or to investigate violations of these Terms; and
 - 11.13.5 other third parties only with your prior consent or direction to do so.
- 11.14 Etch shall not voluntarily provide your personal information to any other Etch and Platform Users without your consent or direction.
- 11.15 The data that Etch collects from you will be transferred to and stored in the EU and may be transferred and/or stored to other places outside the European Economic Area (**EEA**). It may also be processed by staff operating outside the EEA who work for Etch or for one of its service providers. Staff may be engaged in the fulfilment of Etch's services and/or the processing of your details and the provision of support services. By submitting your personal data, you agree to this transfer, storing, or processing. Etch shall take all steps reasonably necessary to ensure that your data is treated securely and in accordance with these Terms. Third parties may be located in other countries where the laws on processing personal information may be less stringent than in your country. Etch's services may, from time to time, contain links to and from the websites of partner networks, advertisers, and affiliates (including, but not limited to, websites on which the Etch services are advertised). If you follow a link to any of these websites, please note that these websites and any services that may be

accessible through them have their own privacy policies and that Etch does not accept any responsibility or liability for these policies or for any personal information that may be collected through these websites or services, such as contact and location data. Please check these policies before you submit any personal data to these websites or use these services.

- 11.16 Etch will store your Personal Data for as long as is required to complete the Offering and for six years thereafter.
- 11.17 You have the right, in relation to your Personal Information:
 - 11.17.1 to request access to, rectification, erasure or restriction of processing in certain circumstances;
 - 11.17.2 to withdraw consent to processing, where this is the basis on which Etch is conducting processing; and/or
 - 11.17.3 to complain to a supervisory authority (as a company incorporated in England and Wales, Etch is supervised by the Information Commissioner's Office).

12. Taxes

- 12.1 Your actual and potential tax obligations in any jurisdiction and to any tax authority are your sole concern and responsibility. Etch shall be under no obligation to compensate you for any tax obligation arising from, or give you any advice related to tax issues, including but not limited to what kind of filing or reporting you need to do with the competent tax authority, which taxes and to which extent you are obliged to pay, which tax exemptions you are eligible for etc. in relation to the holding of Etch Tokens.
- 12.2 All fees and charges payable by you are exclusive of any relevant taxes, and should any amount of tax be applicable, they shall be added on top of the payable amounts. Upon Etch's request, you shall provide any information Etch reasonably requests to determine whether Etch is obligated to collect VAT from you, including your VAT identification number. If any deduction or withholding is required by law, you shall notify Etch and shall pay Etch any additional amounts necessary to ensure that the net amount that Etch receives, after any deduction and withholding, equals the amount Etch would have received if no deduction or withholding had been required. Additionally, you shall provide Etch with documentation, if requested, showing that the withheld and deducted amounts have been paid to the relevant taxing authority.

13. Intellectual property

- 13.1 Etch retains all right, title and interest in all of its intellectual property, including inventions, discoveries, processes, marks, methods, compositions, formulae, techniques, information, source code, brand names, graphics, user interface design, text, logos, images, information and data pertaining to the Website, the Project, the Platform and Etch Tokens (**Etch IP**), whether or not patentable, copyrightable or protectable in trade mark, and any trademarks, copyrights or patents based thereon. You may not use any of Etch's intellectual property for any reason, except with Etch's express, prior, written consent.
- 13.2 These Terms are not and shall not be understood and interpreted in a way that they would result in any assignment of intellectual property rights from Etch and its Affiliated Persons to any User.
- 13.3 You are being granted a non-exclusive, non-transferable, non-assignable, revocable licence to access and use the Website and the Project strictly in

accordance with these Terms. As a condition of your use of the Website you warrant to Etch that you shall not use the Website, or the Project, for any purpose that is unlawful or prohibited by these Terms. You may not obtain or attempt to obtain any materials or information through any means not intentionally made available or provided for through the Website and Etch Tokens.

- 13.4 Your use of Etch Tokens is subject to the terms of the limited transferable licence granted to the holder of Etch Tokens set out in the Service Terms and Policies, which may be varied or amended by Etch in accordance with their terms, and which you accept. You may not use the Etch Tokens in any manner that could damage, disable, overburden, or impair the Website, the Project, the Platform or the Etch Tokens.
- 13.5 All Etch IP is the property of Etch and is protected by all copyright, trademark and other laws that protect intellectual property and proprietary rights. You agree to observe and abide by all copyright and other proprietary notices, legends or other restrictions contained in any such content and shall not make any changes thereto.
- 13.6 You shall not modify, publish, transmit, reverse engineer, participate in the transfer or sale, create derivative works, or in any way exploit any of the Etch IP, in whole or in part, found on the Website or associated products and services. Etch IP is not for resale. Your use of the Etch IP does not entitle you to make any unauthorised use of any Etch IP, and in particular you shall not delete or alter any proprietary rights or attribution notices in any Etch IP. You shall use Etch IP solely for your own use, and shall make no other use of Etch IP without the express written permission of Etch and the copyright owner. You agree that you do not acquire any ownership rights in any Etch IP. Etch does not grant you any licences, express or implied, to the intellectual property of Etch except as expressly authorised by these Terms or the Service Terms and Policies.

14. Notices

- 14.1 Etch may provide any notice to you under this Agreement by:
 - 14.1.1 posting a notice on the Website; or
 - 14.1.2 sending an email to the email address associated with your account.
- 14.2 Notices provided by posting on the Website shall be effective upon posting and notices provided by email shall be effective when Etch sends the email. It is your responsibility to keep your email address updated. You shall be deemed to have received any email sent to the email address then associated with your account when Etch sends the email, whether or not you actually receive or read the email.
- 14.3 To give Etch notice under this Agreement, you must contact Etch by email to euros@etch.work together with a confirmatory copy sent by first class post or by first class post or recorded delivery at the registered office at Oak House, Groes Lewyd, Abergele LL22 7SU (or as changed from time to time). Etch may update this email address and postal address for notices to it by posting a notice on the Website. Notices to Etch (a) sent by email, shall be effective one business day after they are sent, and (b) sent by post, shall be effective two clear business days after the date of posting.
- 14.4 All communications and notices to be made or given pursuant to this Agreement shall be in the English language.

15. Miscellaneous

- 15.1 Materials, such as the Whitepaper and others, published in the Website or elsewhere, are not binding and do not – unless explicitly referred to in these Terms – form part of these Terms, and are of a descriptive nature only.
- 15.2 Etch does not permit individuals under the age of 18 to register with the Website and use Etch's products. If Etch becomes aware that a child under the age of 18 has provided Etch with personal information, Etch shall delete such information from Etch's files immediately and block his/her/their access to the Website and products.
- 15.3 Etch and its Affiliated Persons reserve the right:
 - 15.3.1 to develop or have developed for itself products, services, concepts, systems, or techniques that are similar to or compete with the products, services, concepts, systems, or techniques developed or contemplated by the other party; and
 - 15.3.2 to assist third party developers or systems integrators who may offer products or services which compete with the other party's products or services.

16. Third parties

- 16.1 Any of Etch's Affiliated Persons may enforce these Terms pursuant to and in accordance with the Contracts (Rights of Third Parties) Act 1999.
- 16.2 Save as provided for in clause 16.1, no term or condition of these Terms is intended for the benefit of any third party, and neither Etch nor any User intends that any term or condition of this Terms should be enforceable by a third party, whether under the Contracts (Rights of Third Parties) Act 1999, or otherwise.

17. Assignment

Etch may assign, subcontract or otherwise transfer all or any part of its rights or benefits under these Terms.

18. Entire agreement

- 18.1 These Terms and the documents referred to in them, constitute the entire agreement between Etch and each User and supersedes all other agreements or arrangements, whether written or oral, express or implied, between Etch and the Users or any of them.
- 18.2 Each of the Users irrevocably agrees that in entering into these Terms it does not rely on and shall have no remedy in respect of any statement, representation, warranty or understanding of any person, whether party to these Terms or not, other than as expressly set out in these Terms.

19. Successors and assigns

These Terms shall be binding upon each party's successors and permitted assigns and personal representatives.

20. Force Majeure

Etch and its Affiliated Persons shall not be liable to any party for failure to perform any obligation under these Terms to the extent that the failure is caused by any factor beyond Etch's reasonable control.

21. Termination

Notwithstanding any other provision of these Terms, Etch shall be entitled to terminate the Offering and/or these Terms (at its sole and absolute discretion) if any of the following events occur:

- 21.1 the Offering is held to be illegal or irregular under the applicable laws of any jurisdiction, or is prohibited, banned or forced to cease by any government in any jurisdiction; or
- 21.2 the development of Etch discontinues prior to the closing of the Offering as a result of any matter described in clause 20 and cannot be resumed in a reasonable period; or
- 21.3 for any reason Etch discontinues the Platform or the Offering prior to the issue of the Etch Tokens; or
- 21.4 Etch is required by applicable law of any jurisdiction to terminate.

22. No waiver

Etch's rights and remedies under these Terms shall not be affected by any delay or failure to exercise or any partial exercise of its rights under these Terms unless Etch has signed an express written waiver or release relating to that right or remedy as it relates to that cause of action.

23. Invalidity

If any provision of these Terms is or becomes illegal, invalid or unenforceable under the law of any jurisdiction, that shall not affect or impair:

- 23.1 the legality, validity or enforceability in that jurisdiction of any other provision of these Terms; or
- 23.2 the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of these Terms.

24. Remedies

The rights powers and remedies provided in these Terms are cumulative and not exclusive of any rights powers and remedies provided by law. The exercise or partial exercise of any right power or remedy provided by law or under these Terms shall not preclude any other or further exercise of it or the exercise of any other right power or remedy.

25. Right of set-off

- 25.1 Etch shall be entitled to set off any liability of it or any of its Affiliated Persons against any liability of any User owed to Etch or any of its Affiliated Persons, in either case whether the liability is present or future, liquidated or unliquidated and irrespective of the currency of its denomination. Etch may convert or exchange any currency for the purpose of exercising its right of set-off under this clause 25. Any exercise by Etch of its rights under this clause 25 shall be without prejudice to any other rights or remedies available to Etch under these Terms or otherwise.
- 25.2 All amounts due to Etch or any of its Affiliated Persons under these Terms shall be paid in full without any deduction or withholding other than as required by law and no User shall be entitled to assert any credit set-off or counterclaim against Etch in order to justify withholding payment of any such amount in whole or in part.

26. Subsequent action

Each User shall, and shall procure that any other necessary third party shall, execute all such documents and do all such acts which Etch may reasonably consider necessary for giving full effect to these Terms and securing to Etch the full benefit of the rights, powers and remedies conferred by these Terms.

27. No partnership or agency

27.1 Nothing in these Terms creates a partnership or establishes a relationship of principal and agent or any other fiduciary relationship between Etch and the Users or any of them.

27.2 No User shall represent itself as agent of Etch and no User shall have any authority or power to bind Etch or to contract in the name of or create a liability against Etch.

28. Governing law

These Terms and any dispute or claim arising out of, or in connection with it (including a non-contractual dispute or claim) is to be governed by and construed in accordance with English law.

29. Arbitration

29.1 Any dispute arising out of or in connection with these Terms, including any question regarding its existence, validity, termination or subject matter, shall be referred to and finally resolved by arbitration by the London Court of International Arbitration under the LCIA Rules, which LCIA Rules are deemed to be incorporated by reference into this clause.

29.2 The number of arbitrators shall be one, and he shall be appointed by agreement between Etch and the relevant User, or failing such agreement within 30 days of a request by either party to appoint an arbitrator, by an arbitrator appointed by the President for the time being, or next senior officer available, of the Law Society of England and Wales. The decision of such arbitrator shall be final and binding on Etch and any User.

29.3 The seat, or legal place, of arbitration shall be London, England.

29.4 The language to be used in the arbitral proceedings shall be English.

29.5 This clause 29 is irrevocable and is for the exclusive benefit of Etch and its Affiliated Persons. Nothing contained in this clause 29 shall limit the right of Etch and/or its Affiliated Persons to take proceedings against any other party in any other court or in the courts of more than one jurisdiction at the same time.

Schedule 1

1. All participants and Users hereby expressly affirm that they are:
 - 1.1 **not** an individual who is a resident of a Restricted Area, its territories or possessions;
 - 1.2 **not** a corporation, partnership or other legal entity formed under the laws of the any Restricted Area;
 - 1.3 **not** an agency, branch or office located in a Restricted Area of a corporation, partnership or other legal entity that was formed under laws of any country other than a Restricted Area;
 - 1.4 **not** a trust of which any trustee is described in paragraphs 1.1, 1.2 or 1.3 above;
 - 1.5 **not** a legal entity:
 - 1.5.1 the shares of which are not publicly traded on a securities exchange; and
 - 1.5.2 more than 25% of the shares of which are owned by or for the benefit of an individual or entity described in paragraphs 1.1, 1.2, 1.3 or 1.4 above;
 - 1.6 **not** an agent or a fiduciary acting on behalf or for the benefit of an individual or entity described in paragraphs 1.1, 1.2, 1.3, 1.4 or 1.5 above.
2. The User(s)' decision to subscribe to Etch Tokens was:
 - 2.1 **not** based, at least in part, on information received or communications exchanged while the User, or the person providing the information or with whom the communication was exchanged, was within a Restricted Area;
 - 2.2 **not** made inside a Restricted Area; and
 - 2.3 **not** communicated to Etch from a source within a Restricted Area.
3. The User(s)' purchase of Etch Tokens was made on his/her own account as principal.

I, as the User, have read and understood the above representations as well as the full terms and conditions of these Terms.