

**GRAFT, INC.**  
**TERMS AND CONDITIONS OF INITIAL TOKEN SALE**

The following terms and conditions (these “**Terms**”) govern the initial token sale (the “**Token Sale**”) by Graft Tokens, Inc.. (the “**Issuer**”) for the sale by the Issuer to you, and the purchase by you from the Issuer, of certain cryptographic tokens (as defined below), namely the GRF tokens (the “**Tokens**”), during the Sale Period (as defined in Paragraph 3.1). Each of you and the Issuer shall hereinafter be referred to as a “**Party**”, and collectively, you and the Issuer shall hereinafter be referred to as the “**Parties**”.

**PLEASE READ THE TERMS SET OUT HEREIN CAREFULLY. THE TOKENS ARE NOT INTENDED TO CONSTITUTE SECURITIES OF ANY FORM, UNITS IN A BUSINESS TRUST, UNITS IN A COLLECTIVE INVESTMENT SCHEME OR ANY OTHER FORM OF REGULATED INVESTMENT OR INVESTMENT PRODUCT IN ANY JURISDICTION. THIS DOCUMENT AND THESE TERMS DO NOT CONSTITUTE A PROSPECTUS OR OFFER DOCUMENT OF ANY SORT AND ARE NOT INTENDED TO CONSTITUTE AN OFFER OF SECURITIES OF ANY FORM, UNITS IN A BUSINESS TRUST, UNITS IN A COLLECTIVE INVESTMENT SCHEME OR ANY OTHER FORM OF REGULATED INVESTMENT OR INVESTMENT PRODUCT, OR A SOLICITATION FOR ANY FORM OF REGULATED INVESTMENT OR INVESTMENT PRODUCT IN ANY JURISDICTION. NO REGULATORY AUTHORITY HAS EXAMINED OR APPROVED OF THESE TERMS. NO SUCH ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER TO OBTAIN SUCH APPROVAL UNDER THE LAWS, REGULATORY REQUIREMENTS OR RULES OF ANY JURISDICTION. THE PROVISION OF THESE TERMS TO YOU DOES NOT IMPLY THAT THE APPLICABLE LAWS, REGULATORY REQUIREMENTS OR RULES HAVE BEEN COMPLIED WITH.**

**THE TOKEN SALE IS INTENDED FOR, MADE TO OR DIRECTED AT ONLY QUALIFIED PERSONS (AS DEFINED IN PARAGRAPH 2.2). ACCORDINGLY, YOU ARE NOT ELIGIBLE AND YOU ARE NOT TO PURCHASE ANY TOKENS IN THE TOKEN SALE IF YOU ARE NOT A QUALIFIED PERSON AT THE TIME OF YOUR INTENDED PURCHASE/PURCHASE OF TOKENS IN THE TOKEN SALE.**

**BY ACCEPTING THESE TERMS AND PURCHASING TOKENS, YOU AGREE TO BE LEGALLY BOUND BY THESE TERMS (INCLUDING THE ANNEX HERETO) AND YOU EXPRESSLY ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CAREFULLY REVIEWED THESE TERMS AND FULLY UNDERSTAND THE RISKS, COSTS, AND BENEFITS OF PURCHASING TOKENS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S). IF YOU DO NOT AGREE TO THESE TERMS, PLEASE DO NOT ACCEPT THESE TERMS OR PURCHASE ANY TOKENS.**

The headings in these Terms are included for convenience only and shall not be taken into account in construing these Terms. Unless the context otherwise requires, words (including words defined herein) denoting the singular only shall include the plural and *vice versa*. References to “**Paragraphs**” and “**Annex**” are to be construed as references to the paragraphs of and the annex to these Terms.

You and the Issuer HEREBY AGREE as follows:

**1. INTRODUCTION, SCOPE OF TERMS AND DEFINITIONS**

- 1.1 Unless otherwise stated herein, these Terms including the Annex hereto shall govern your purchase of Tokens from the Issuer in the Token Sale during the Sale Period.
- 1.2 The Issuer is a corporation, established under the laws of the State of Delaware in the United States of America.
- 1.3 The Token Sale is conducted only during the Sale Period.
- 1.4 The proceeds from the Token Sale will be used to support ongoing development and growth of the Graft Universal Payment Blockchain (“**Graft Blockchain**”) as described in the version or draft of the whitepaper (the “**Whitepaper**”) entitled “*Graft Universal Payment Blockchain: Decentralized, Real-time Credit, Debit, and Crypto Payment Processing Blockchain*” dated Jan 14, 2018 and accessible on <https://www.graft.network/wp-content/uploads/2018/01/GRAFTWhitePaper-ICO.pdf> and/or such other purposes as the Issuer may determine in its sole and absolute discretion. The Graft Blockchain requires transaction fees in the form of Tokens, to process transactions on the Graft Blockchain. The transaction fees, are made to owners of computational resources (miners) in exchange for operating nodes and super nodes on the Graft Blockchain.
- 1.5 No information contained in or on, and no part of the following:
- (a) the finalized, published and adopted version or draft of the Whitepaper;
  - (b) the website of the Issuer (the “**Graft Website**”) as accessible at Graft.Network;
  - (c) any website directly or indirectly linked to the Whitepaper or the Graft Website; or
  - (d) any other information or document,

shall constitute part of these Terms, and no representations, warranties or undertakings are or are intended or purported to be given by the Issuer in respect of any information contained in or on, or any part of, the items as stated in Paragraphs 1.5(a) to (d) above.

**2. ELIGIBILITY TO PURCHASE TOKENS**

- 2.1 You shall not participate in the Token Sale if there are applicable legal restrictions in your country of residence or domicile. It is your sole responsibility to ensure that your participation in the Token Sale is not prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected in any way by any applicable law, regulation or rule in your country of residence or domicile.

**3. SALE PERIOD, TARGET AGGREGATE AMOUNT, AND MINIMUM AGGREGATE AMOUNT**

- 3.1 The Token Sale is undertaken during the period (the “**Sale Period**”):

- (a) commencing at [16:00 UTC], on January 18, 2018 (the “**Sale Commencement Time**”); and
- (b) ending on the earlier of:
  - (i) [• 16:00 UTC] on [February 18, 2018]; or
  - (ii) in an event of the Early Target Fulfilment (as defined in Paragraph 3.2), the Early Closure Time (as defined in Paragraph 3.2),  
  
(the “**Sale Expiry Time**”).

**PLEASE NOTE THAT PARAGRAPH 3.4 WILL BE APPLICABLE TO ANY ATTEMPTED PURCHASE OF TOKENS AFTER THE SALE EXPIRY TIME. CLOSURE OF THE SALE PERIOD WILL BE ANNOUNCED BY THE ISSUER AS SOON AS PRACTICABLE THEREAFTER ON THE GRAFT WEBSITE OR SUCH OTHER CHANNELS OF COMMUNICATION AS MAY BE DETERMINED BY THE ISSUER.**

- 3.2 In the event that the aggregate payments for all confirmed purchases of Tokens in the Token Sale (excluding any Tokens purchased by you hereunder) are of a value of no less than US\$twenty-five million dollars (the “**Target Aggregate Amount**”) at any time prior to [16:00 UTC] on [February 18, 2018] (the “**Early Target Fulfilment**”), the Token Sale shall be closed by the Issuer at the time of such Early Target Fulfilment (the “**Early Closure Time**”).
- 3.3 The Issuer may in its sole and absolute discretion determine that the Sale Expiry Time shall be such time other than as set out in Paragraph 3.1(b), that the Target Aggregate Amount shall be such amount other than as set out in Paragraph 3.2, or that the Minimum Aggregate Amount (as defined in Paragraph 3.5) shall be such other amount other than as set out in Paragraph 3.5.
- 3.4 In the event that you attempt to make any purchase after the Sale Expiry Time and you have made any payment for such attempted purchase of Tokens, you acknowledge and agree that:
  - (a) provided that your transfer of payment to the Designated Address (as defined in Paragraph 4.8) as payment for such attempted purchase of Tokens is validated and verified on the relevant blockchain as successful and complete and notwithstanding any provision in these Terms, the Issuer shall provide a refund of such payment in full without interest and net of all administrative and/or third party charges and/or other transaction fees (if any) that may be incurred in connection with such refund, in which case such administrative and/or third party charges and/or other transaction fees (if any) incurred in connection with such refund shall be borne by you;
  - (b) save for the Issuer’s obligation to provide such refund hereunder, the Issuer shall have no obligations in any form or manner whatsoever to you in respect of such purchase; and
  - (c) save for your right to such refund under Paragraph 3.4(a), you hereby waive all rights, claims and/or courses of action (present or future) under law (including any tortious claims) or contract against the Issuer and its subsidiaries, related companies, affiliates,

directors, officers, employees, agents, successors, and permitted assignees (“**Indemnified Persons**”) in connection with or arising from such purchase, and shall further hold harmless, the Issuer and the Indemnified Persons from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by you in connection with or arising from such purchase.

- 3.5 In the event that the aggregate payments for all confirmed purchases of Tokens in the Token Sale (excluding any Tokens purchased by you hereunder) are of a value of less than US\$ ten million dollars (the “**Minimum Aggregate Amount**”) as at the Sale Expiry Time, where you had made any payment for such purchase of Tokens during the Sale Period, you acknowledge and agree that:
- (a) provided that your transfer of payment to the Designated Address for such attempted purchase of Tokens is validated and verified on the relevant blockchain as successful and complete and notwithstanding any provision in these Terms, the Issuer may provide a refund of such payment in full without interest and net of all administrative and/or third party charges and/or other transaction fees (if any) that may be incurred in connection with such refund, in which case such administrative and/or third party charges and/or other transaction fees (if any) incurred in connection with such refund shall be borne by you;
  - (b) save for the Issuer’s option to provide such refund hereunder, the Issuer shall have no obligations in any form or manner whatsoever to you in respect of such purchase; and
  - (c) save for your right to such potential refund under Paragraph 3.5(a), you hereby waive all rights, claims and/or courses of action (present or future) under law (including any tortious claims) or contract against the Issuer in connection with or arising from such purchase, and shall further hold harmless, the Issuer from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by the Issuer in connection with or arising from such purchase.

#### **4. ACCEPTED CRYPTOCURRENCIES, PURCHASE PRICE AND PAYMENT PROCEDURE**

##### Purchases only through Graft Website

- 4.1 You may only make purchases of Tokens in the Token Sale through the Graft Website and no other website or place. In the event that you make any purchase of Tokens through any website or place other than the Graft Website:
- (a) the Issuer shall have no obligation to deliver, and you shall have no right to receive, any Tokens;
  - (b) the Issuer shall have no obligation to provide, and you shall have no right to receive, any refund for any part of the payments made by you through such other website or place; and
  - (c) the Issuer shall have no obligations to you in any manner or form in respect of such purported purchase.

Accepted cryptocurrencies for payment

- 4.2 The Issuer shall accept, as payment for purchases of Tokens, only such forms of payment as may be listed on the Graft Website.

Subject to Paragraph 3.4, your purchase of Tokens under these Terms shall be deemed to be a confirmed purchase only upon validation and verification on the Graft blockchain that your transfer of payment to the Designated Address for your intended purchase of Tokens, is successful and complete.

Purchase Price and Maximum Purchase Amount

- 4.3 Tokens may be purchased at the rate of exchange applicable to the fiat or cryptocurrency offered as payment (the “**Applicable Exchange Rate**”) as will be indicated on the Graft website at the time of purchase as may be determined by the Issuer in its sole and absolute discretion. Any fractional number of Tokens which you are entitled to receive for a confirmed purchase of Tokens (to the extent not rejected by the Issuer in accordance with these Terms), determined based on the amount of payment for such confirmed purchase at the Purchase Price as received at the Designated Address, shall be rounded down to the nearest whole Token.

Notwithstanding the foregoing of this Paragraph 4.3, the Issuer reserves the right to adjust, in its sole and absolute discretion, the Purchase Price at any time during the Sale Period.

- 4.4 The Purchase Price shall be exclusive of all administrative and/or third party charges and/or other transaction fees (if any) that may be incurred in connection with your payment for your intended purchase of Tokens. Any such administrative and/or third party charges and/or other transaction fees (if any) incurred in connection with your payment for your intended purchase of Tokens shall be borne by you.

**IT SHALL BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT THE AMOUNT OF TRANSACTION FEES PAID BY YOU TO MINERS IN CONNECTION WITH YOUR TRANSFER OF ANY MINED CRYPTOCURRENCY, AS PAYMENT FOR YOUR PURCHASE OF TOKENS, IS SUFFICIENT FOR YOUR TRANSFER TO BE VALIDATED AND VERIFIED ON THE RELEVANT BLOCKCHAIN AS A SUCCESSFUL AND COMPLETE TRANSFER PRIOR TO THE SALE EXPIRY TIME.**

- 4.5 The Applicable Exchange Rate indicated on the Graft Website shall be applicable to, and valid for, your intended purchase of Tokens for a period (the “**Invoice Validity Period**”) of [[• minutes] from the time of generation of such exchange rate.

In the event that:

- (a) your payment for your purchase order for Tokens based on the Applicable Exchange Rate as indicated on such website is received at the Designated Address only **after** the expiry of the Invoice Validity Period of such rate quotation; **or**

- (b) the amount of payment received at the Designated Address is **less** than the amount of payment applicable to your purchase order for Tokens based on the Applicable Exchange Rate as indicated on such rate quotation,

you acknowledge and agree that:

- (i) the Issuer may, notwithstanding any provision in these Terms, elect in its sole and absolute discretion to reject your purchase order and provide a refund of such payment in full without interest and net of all administrative and/or third party charges and/or other transaction fees (if any) that may be incurred in connection with such refund, in which case such administrative and/or third party charges and/or other transaction fees (if any) incurred in connection with such refund shall be borne by you;
- (ii) save for the Issuer's option to provide such refund under Paragraph 4.5(i), the Issuer shall have no obligations in any form or manner whatsoever to you in respect of such purchase; and
- (iii) save for your right to such refund under Paragraph 4.5(i), you hereby waive all rights, claims and/or courses of action (present or future) under law (including any tortious claims) or contract against the Issuer or any of the Indemnified Persons in connection with or arising from such purchase, and shall further hold harmless, the Issuer and the Indemnified Persons from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by you in connection with or arising from such purchase.

**PLEASE NOTE THAT IF YOUR PAYMENT FOR YOUR INTENDED PURCHASE OF TOKENS BASED ON THE APPLICABLE EXCHANGE RATE INDICATED ON THE WEBSITE IN RESPECT OF YOUR INTENDED PURCHASE IS NOT RECEIVED AT THE DESIGNATED ADDRESS WITHIN THE INVOICE VALIDITY PERIOD OF SUCH INVOICE, SUCH INVOICE AND SUCH APPLICABLE EXCHANGE RATE WILL BE VOID AND YOU WILL HAVE TO REQUEST A NEW INVOICE WITH A NEW APPLICABLE EXCHANGE RATE IN RESPECT OF YOUR INTENDED PURCHASE TO BE GENERATED IN ORDER TO COMPLETE YOUR INTENDED PURCHASE. THERE IS NO ASSURANCE THAT SUCH NEW APPLICABLE EXCHANGE WILL BE THE SAME AS, OR MORE FAVORABLE TO YOU THAN, THE PREVIOUS APPLICABLE EXCHANGE RATE INDICATED ON THE PREVIOUS RATE QUOTATION.**

**PLEASE NOTE FURTHER THAT NOTWITHSTANDING THE FOREGOING OF THIS PARAGRAPH 4.5, PRIOR TO RECEIPT OF YOUR PAYMENT IN RESPECT OF AN RATE QUOTATION FOR YOUR INTENDED PURCHASE OF TOKENS AT THE DESIGNATED ADDRESS, THE ISSUER RESERVES THE RIGHT DURING THE INVOICE VALIDITY PERIOD OF SUCH INVOICE TO CANCEL, IN ITS SOLE AND ABSOLUTE DISCRETION, SUCH QUOTATION AND ISSUE TO YOU A NEW QUOTATION WITH A NEW APPLICABLE EXCHANGE RATE. THERE IS NO ASSURANCE THAT SUCH NEW APPLICABLE EXCHANGE WILL BE THE SAME AS, OR MORE FAVORABLE TO YOU THAN, THE PREVIOUS APPLICABLE EXCHANGE RATE INDICATED ON THE PREVIOUS QUOTATION.**

- 4.6 The maximum number of Tokens that may be purchased by any individual or entity (the "**Maximum Purchase Amount**") shall be twenty million Tokens. The Maximum Purchase

Amount may be altered by the Issuer in its sole and absolute discretion from time to time after the Sale Commencement Time and during the Sale Period.

- 4.7 In the event that you attempt to make a purchase of Tokens of an amount which is greater than the Maximum Purchase Amount and you have made any payment for such attempted purchase of Tokens, you acknowledge and agree that:
- (a) provided that your transfer of payment to the Designated Address as payment for such attempted purchase of Tokens is validated and verified on the relevant blockchain as successful and complete and notwithstanding any provision in these Terms, the Issuer shall, in its sole and absolute discretion:
    - (i) deliver such number of Tokens to you based on the full amount of such payment and the Purchase Price (including the number of Tokens in excess of the Maximum Purchase Amount, in which case such payment shall be deemed to be payment by you for the aggregate number of delivered Tokens);
    - (ii) provide a refund of such amount of your payment for the part of your purchase which is in excess of the Maximum Purchase Amount (“**Excess Amount**”) without interest and net of all administrative and/or third party charges and/or other transaction fees (if any) that may be incurred in connection with such refund, in which case such administrative and/or third party charges and/or other transaction fees (if any) incurred in connection with such refund shall be borne by you, and deliver such number of Tokens of an amount equivalent to the Maximum Purchase Amount; or
    - (iii) provide a refund of such payment in full without interest and net of all administrative and/or third party charges and/or other transaction fees (if any) that may be incurred in connection with such refund, in which case such administrative and/or third party charges and/or other transaction fees (if any) incurred in connection with such refund shall be borne by you;
  - (b) in the case where Paragraph 4.7(a)(i) is applicable, save for the Issuer’s obligation to deliver such number of Tokens thereunder, the Issuer shall have no obligations in any form or manner whatsoever to you in respect of such purchase;
  - (c) in the case where Paragraph 4.7(a)(ii) is applicable, save for the Issuer’s obligation to provide such refund of the Excess Amount and deliver such number of Tokens of an amount equivalent to the Maximum Purchase Amount thereunder, the Issuer shall have no obligations in any form or manner whatsoever to you in respect of such purchase;
  - (d) in the case where Paragraph 4.7(a)(iii) is applicable, save for the Issuer’s obligation to provide such refund thereunder, the Issuer shall have no obligations in any form or manner whatsoever to you in respect of such purchase; and
  - (e) save for your right (as elected by the Issuer in its sole and absolute discretion) to receive such Tokens under Paragraph 4.7(a)(i) or Paragraph 4.7(ii) or such refunds under Paragraph 4.7(a)(ii) or Paragraph 4.7(a)(iii) (as the case may be), you hereby waive all rights, claims and/or courses of action (present or future) under law (including any tortious claims) or contract against the Issuer and the Indemnified Persons in

connection with or arising from such purchase, and shall further hold harmless, the Issuer and the Indemnified Persons from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by you in connection with or arising from such purchase.

Address for directing payments and holding of accepted cryptocurrencies in escrow until delivery of Tokens

- 4.8 You shall transfer payment for your purchase to such designated address (the “**Designated Address**”) as may be provided to you through the Graft Website within the period (the “**Payment Period**”) of [] minutes] from the time at which such Designated Address is provided, during the Sale Period.
- 4.9 The payment transferred to the Designated Address for your purchase, and validated and verified on the relevant blockchain as successful and complete, shall be released and transferred to such address(es) on the relevant blockchain(s) as may be designated by the Issuer upon the delivery of Tokens in accordance with Paragraph 6.
- 4.10 Any payment for your purchase of Tokens in the Token Sale shall be made only to the Designated Address and no other address. In the event that any payment is made to any address or place other than the Designated Address, or made after the expiry of the Payment Period, you agree and acknowledge that:
- (a) such payments will not be received by the Issuer and shall be regarded by the Issuer as invalid payments, and the Issuer shall not be under any obligation whatsoever to deliver any Tokens to you;
  - (b) the Issuer shall have no obligations in any form or manner whatsoever to you in respect of such purchase; and
  - (c) you hereby waive all rights, claims and/or courses of action (present or future) under law (including any tortious claims) or contract against the Issuer and the Indemnified Persons in connection with or arising from such purchase, and shall further hold harmless, the Issuer and the Indemnified Persons from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by you in connection with or arising from such purchase.

Attempts to double spend and purchases in violation of laws

- 4.11 In the event that the Issuer discovers, at any time after your acceptance of these Terms and prior to the delivery of Tokens in accordance with Paragraph 6, any attempt by you to double spend (as defined below) cryptocurrency in payment for your purchase, or that your purchase of Tokens is determined to be in violation of any applicable laws, regulations or rules and you have made any payment for such attempted purchase or such purchase in violation of any applicable laws, regulations or rules, you acknowledge and agree, regardless of whether such purchases are reflected as validated and verified on the relevant blockchain, that the attempted purchase of Tokens will be regarded as invalid and/or void *ab initio*, and:



- (a) the Issuer shall have no obligation to provide, and you shall have no right to receive, any refund for any payment made by you whether such payment was transferred to the Designated Address and validated and verified on the relevant blockchain as successful and complete or otherwise;
- (b) the Issuer shall not be obliged to deliver any Tokens to you and shall have no obligations in any form or manner whatsoever to you in respect of such purchase; and
- (c) you hereby waive all rights, claims and/or courses of action (present or future) under law (including any tortious claims) or contract against the Issuer and the Indemnified Persons in connection with or arising from such purchase, and shall further hold harmless, the Issuer and the Indemnified Persons from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by you in connection with or arising from such purchase.

For purposes of these Terms, an attempt to “**double spend**” means an attempt to undertake two (2) different transactions on the blockchain of any cryptocurrency network and spend the same account balance on each of the transactions.

**IT IS YOUR SOLE RESPONSIBILITY TO ENSURE THAT THERE IS NO ATTEMPT TO DOUBLE SPEND AND THAT YOUR PURCHASE OF TOKENS IS NOT IN VIOLATION OF ANY APPLICABLE LAWS, REGULATIONS OR RULES IF YOUR INTENTION IS NOT FOR PARAGRAPH 4.12 TO APPLY TO YOUR PURCHASE OF TOKENS.**

**5. RESPONSIBILITY TO ESTABLISH AND MAINTAIN CRYPTOCURRENCY WALLET AND ADDRESS**

- 5.1 In order to receive Tokens, you must download and use a Graft Wallet from the Graft Website. You shall have the sole responsibility to establish and/or maintain, in fully operational, secure and valid status, access to the Graft Wallet and maintain, in your fully secure possession, the credentials for accessing such wallet and the private key of such wallet.
- 5.2 In the event of any loss, hack or theft of cryptocurrencies from any of the cryptocurrency wallets used to purchase or receive Tokens, you acknowledge and confirm that you shall have no right(s), claim(s) or causes of action in any way whatsoever against the Issuer.
- 5.3 Any obligation of the Issuer to deliver any Tokens to you or provide you with any refund (if applicable) under these Terms shall be subject to your compliance with the provisions of Paragraphs 5.1 to 5.3.

**6. DELIVERY OF PURCHASED TOKENS AND RIGHTS OF TOKEN HOLDERS**

- 6.1 The Issuer shall on a best endeavours basis deliver the purchased Tokens within [30 days] from the Sale Expiry Time, to your Graft Wallet as may be provided by you to the Issuer in

accordance with Paragraph 5.1). Tokens shall be deemed to be received by you upon validation and verification of receipt of Tokens in the Graft Blockchain.

6.2 The delivery of Tokens to you in accordance with Paragraph 6.1 shall only be made upon satisfaction of all of the following:

- (a) payment in full for your purchase of Tokens being received at the Designated Address in accordance with Paragraph 4.8;
- (b) the Graft Wallet provided to you by the Issuer in accordance with Paragraph 5.3(a) being maintained in fully operational, secure and valid status; and
- (c) validation and verification of payment for such purchase on the relevant blockchain as successful and complete.

6.3 Tokens shall be delivered to and accepted by you on an “as is” basis without warranties of any kind by the Issuer. The Issuer hereby expressly disclaims all express and implied warranties in relation to Tokens and the delivery thereof.

6.4 Any availability, transferability or tradability of Tokens on any cryptocurrency exchange shall not be construed, interpreted or deemed by you as an indication of the merits of the Whitepaper, the Graft Website, the Graft Blockchain, the Issuer, the Token Sale, Tokens or your purchase of Tokens.

6.5 Save for such right as may be granted by the Issuer, in its sole and absolute discretion, to holders of Tokens to use and access certain functions within the Graft Blockchain as described in the Whitepaper (with the terms and conditions, and to the extent of any such granted right also being determined by the Issuer in its sole and absolute discretion), ownership and holding of Tokens shall carry no other rights, express or implied, in relation to you, the Issuer or any other person.

6.6 To the extent that the Issuer determines, in its sole discretion, that it is necessary to obtain certain information about you in order to comply with applicable laws or regulations in connection with the sale of Tokens to you, you shall provide such information promptly upon such request in such form or manner as the Issuer may require, and you acknowledge and accept that the Issuer may refuse to sell or withhold delivery of Tokens to you until such requested information has been provided to the satisfaction of the Issuer.

## **7. WITHDRAWALS, CANCELLATIONS, REJECTIONS OF PURCHASES AND ABORTION OF TOKEN SALE**

7.1 Upon validation and verification of payment for your purchase of Tokens from the Issuer on the relevant blockchain as successful and complete, save as provided for under these Terms:

- (a) such purchase shall be deemed to be final; and
- (b) unless otherwise required by the applicable laws, regulations or rules, you shall not be entitled to any withdrawals or cancellations of purchases, or any refunds.

- 7.2 The Issuer reserves the right, in its sole and absolute discretion, to reject any purchases of Tokens or abort the Token Sale at any time after your acceptance of these Terms and prior to the delivery of Tokens in accordance with Paragraph 6. The Issuer further reserves the right, in its sole and absolute discretion, to treat the Token Sale and any purchase of Tokens therein as being invalid, notwithstanding any delivery of Tokens which may have been affected in accordance with Paragraph 6, in the case where there is any change in any applicable law, regulation or rule after such delivery which prohibits, restricts, curtails, hinders, impairs or otherwise adversely affects the Token Sale to any extent.

In the event of any such rejection of your purchase, abortion of the Token Sale or the completed Token Sale being treated as invalid, where you have made any payment for such rejected purchase of Tokens or such purchase of Tokens which is the subject of the aborted Token Sale or the completed Token Sale being treated as invalid (as the case may be), you acknowledge and agree that:

- (a) provided that your transfer of payment to the Designated Address for such purchase of Tokens is validated and verified on the relevant blockchain as successful and complete and notwithstanding any provision in these Terms, the Issuer shall provide a refund of such payment in full without interest and net of all administrative and/or third party charges and/or other transaction fees (if any) that may be incurred in connection with such refund, in which case such administrative and/or third party charges and/or other transaction fees (if any) incurred in connection with such refund shall be borne by you;
- (b) save for the Issuer's obligation to provide such refund under Paragraph 7.2(a), the Issuer shall have no obligations in any form or manner whatsoever to you in respect of such purchase; and
- (c) save for your right to receive such refund, you hereby waive all rights, claims and/or courses of action (present or future) under law (including any tortious claims) or contract against the Issuer and the Indemnified Persons in connection with or arising from such purchase, and shall further hold harmless, the Issuer and the Indemnified Persons from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by you in connection with or arising from such purchase.

## **8. REFUND OF PAYMENT**

- 8.1 You acknowledge, agree and confirm that there shall be no refund of any payment made by you in any form or manner unless clearly provided for under these Terms. All risks in relation to any refund of payment made pursuant to these Terms shall be borne absolutely by you and none of the Issuer or any of the Indemnified Persons shall be liable for any such risks.
- 8.2 In each case where the Issuer elects, in accordance with these Terms, to provide a refund of any payment made by you for any purchase, the Issuer shall transfer such amount of payment as may be equivalent to the amount refundable to the address of such cryptocurrency wallet as may be provided by you to the Issuer in accordance with Paragraph 5.3(b).

**9. REPRESENTATIONS AND WARRANTIES**

9.1 By accepting these terms, you represent and warrant to the Issuer as follows:

- (a) you acknowledge and agree that the Tokens are not to be construed, interpreted, classified or treated as:
  - (i) any kind of currency other than cryptocurrency;
  - (ii) debentures, stocks or shares issued by the Issuer;
  - (iii) rights, options or derivatives in respect of such debentures, stocks or shares;
  - (iv) rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss;
  - (v) units in a collective investment scheme;
  - (vi) units in a business trust;
  - (vii) derivatives of units in a business trust; or
  - (viii) any other security, class of securities or form of investment (whether regulated or otherwise);
- (b) you acknowledge and agree that the Tokens are not intended to constitute securities of any form, units in a business trust, units in a collective investment scheme or any other form of regulated investment or investment product in any jurisdiction and these Terms do not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities of any form, units in a business trust, units in a collective investment scheme or any other form of regulated investment or investment product in any jurisdiction or a solicitation for any form of investment in any jurisdiction;
- (c) you acknowledge and agree that the no Token is to be construed, interpreted, classified or treated as enabling, or according any opportunity to, you to participate in or receive profits, income, or returns arising from or in connection with the Graft Blockchain, the Tokens or the proceeds of the Token Sale, or to receive sums paid out of such profits, income, or other payments or returns;
- (d) you acknowledge that no regulatory authority has examined or approved of these Terms, no such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction, the provision of these Terms to you does not imply that the applicable laws, regulatory requirements or rules have been complied with, and a subsequent sale or other transfer of the Tokens by you may be not be permitted or may be restricted by the laws, regulatory requirements or rules of one or more jurisdictions applicable to you;
- (e) you have read and understood all of these Terms including the Annex hereto;

- (f) any address provided by you in accordance with Paragraph 5 is fully operational, secure and valid;
- (g) you are a Qualified Person at the time of your intended purchase or purchase of the Tokens in the Token Sale;
- (h) you have full power and capacity to accept these Terms and perform all your obligations hereunder and in the case where you are accepting these Terms on behalf of a corporation:
  - (i) such corporation is duly incorporated and validly existing under the applicable laws; and
  - (ii) you are duly authorised to accept these Terms and procure the performance of obligations hereunder;
- (i) you have a basic degree of understanding of the operation, functionality, usage, storage, transmission mechanisms and other material characteristics of cryptocurrencies, blockchain assets and tokens including Tokens, blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology;
- (j) you are fully aware of, understand and agree to assume all the risks (including direct, indirect or ancillary risks) associated with the conduct of the Token Sales via the Graft Website, the Issuer, the Token Sale, the Tokens, your purchase of Tokens, any wallet referred to in Paragraph 5, your provision of the address to any wallet referred to in Paragraph 5, and the Graft Blockchain, including but not limited to the risks set out in the Annex hereto;
- (k) these Terms constitute legal, valid and binding obligations on you, enforceable in accordance with its terms and neither the purchase, nor receipt, nor holding of Tokens is in breach or contravention of any applicable law, regulation or rule in your jurisdiction;
- (l) you are not a citizen or resident of any jurisdiction in which either the purchase, receipt, or holding of Tokens is prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any applicable law, regulation or rule;
- (m) no consent, approval, order or authorisation of, or registration, qualification, designation, declaration or filing with, any regulatory authority in any jurisdiction (the “**Approvals**”) is required on your part in connection with your purchase of Tokens, or where any Approvals are required, such Approvals have been obtained and remain valid and in full force and effect;
- (n) the cryptocurrencies to be used for payment for your purchase have not been obtained through any acts in connection with money laundering, terrorism financing or any other acts in breach or contravention of any applicable law, regulation or rule;
- (o) you have sufficient cryptocurrencies to fulfil your obligations under these Terms and the Token Sales in respect of any purchase of Tokens by you;

- (p) Tokens to be delivered to and received by you will not be used for any purpose in connection with money laundering, terrorism financing or any other acts in breach or contravention of any applicable law, regulation or rule;
- (q) you are purchasing Tokens as principal and for your own benefit and you are not acting on the instructions of, or as nominee or agent for or on behalf of, any other person; and
- (r) all of the above representations and warranties are, and will continue to be, true, complete, accurate and non-misleading from the time of your acceptance of these Terms to the time of receipt by you of Tokens.

9.2 The Issuer does not make, and hereby disclaims, any representation or warranty in any form whatsoever, including any representation or warranty in relation to:

- (a) the information set out on the Whitepaper, the Graft Website or any other place;
- (b) the Issuer;
- (c) the Token Sale;
- (d) the Tokens;
- (e) your purchase of Tokens;
- (f) [the Designated Address]; and
- (g) the Graft Blockchain.

## 10. **DISCLAIMERS**

10.1 To the maximum extent permitted by all applicable laws, regulations and rules and except as otherwise provided in these Terms, the Issuer hereby expressly disclaims its liability and shall in no case be liable to you or any person for:

- (a) any sale or transfer of any Tokens purchased by you hereunder to any person at any time;
- (b) the cryptocurrencies used for payment for your purchase being obtained through any acts in connection with money laundering, terrorism financing or any other acts in breach or contravention of any applicable law, regulation or rule;
- (c) use of Tokens for any purpose in connection with money laundering, terrorism financing or any other acts in breach or contravention of any applicable law, regulation or rule;
- (d) rejection of purchase or abortion of the Token Sale pursuant to Paragraph 7.2;
- (e) failure or delay in the delivery by the Issuer, and receipt by you, of Tokens in accordance with Paragraph 6;

- (f) failure, malfunction or breakdown of, or disruption to, the operation of the Issuer, Tokens or any technology (including but not limited to smart contract technology) on which the Issuer, the Graft Blockchain, Tokens, [the Designated Address], the Graft Wallet or the Token Sale relies on, due to occurrences of hacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks and “selfish-mining” attacks), cyber-attacks, distributed denials of service, errors, vulnerabilities, defects, flaws in programming or source code or otherwise, regardless of when such failure, malfunction, breakdown, or disruption occurs;
- (g) failure, malfunction or breakdown of, or disruption to, the operation of any blockchain, any blockchain-based software systems or any blockchain technology in connection with the operations of the Issuer, the Graft Blockchain, Tokens, the Designated Address, the cryptocurrency Wallet or the Token Sale, due to occurrences of hardforking, hacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks and “selfish-mining” attacks), cyber-attacks, distributed denials of service, errors, vulnerabilities, defects, flaws in programming or source code or otherwise, regardless of when such failure, malfunction, breakdown, or disruption occurs;
- (h) any virus, error, bug, flaw, defect or otherwise adversely affecting the operation, functionality, usage, storage, transmission mechanisms, transferability or tradeability (after Tokens have been made available for trading on a cryptocurrency exchange (if applicable)) and other material characteristics of Tokens;
- (i) decreases or volatility in traded prices or trading volume of Tokens (after Tokens have been made available for trading on a cryptocurrency exchange (if applicable));
- (j) failure or unfitness of Tokens for any specific purpose;
- (k) the manner of utilisation of payments received by the Issuer from the Token Sale;
- (l) failure to disclose information relating to the progress of the Token Sale;
- (m) loss of possession of the credentials for accessing, or loss or destruction of the private keys of, any wallet referred to in Paragraph 5 in any manner and to any extent;
- (n) failure or delay in the availability of Tokens for trading on a cryptocurrency exchange (if applicable);
- (o) any rejection of trading of Tokens by a cryptocurrency exchange (if applicable);
- (p) any prohibition, restriction or regulation by any government or regulatory authority in any jurisdiction of the operation, functionality, usage, storage, transmission mechanisms, transferability or tradeability (after Tokens have been made available for trading on a cryptocurrency exchange (if applicable)) or other material characteristics of the Tokens;
- (q) any risks associated with the Whitepaper, the Graft Website, the Issuer, the Token Sale, Tokens, your purchase of Tokens, any wallet referred to in Paragraph 5, your provision of the address to any wallet referred to in Paragraph 5, the Designated

Address and the Graft Blockchain, including but not limited to the risks set out in Annex hereto; and

- (r) all other risks, direct, indirect or ancillary, whether in relation to the Whitepaper, the Issuer, the Token Sale, Tokens, your purchase of Tokens, any wallet referred to in Paragraph 5, your provision of the address of any wallet referred to in Paragraph 5, [the Designated Address] and the Graft Blockchain which are not specifically or explicitly contained in or stated in these Terms or set out in Annex hereto.

10.2 In the event of any loss, hack or theft of cryptocurrencies from the Receiving Addresses (as defined below) or any wallet referred to in Paragraph 5, you acknowledge and confirm that you shall have no right(s), claim(s) or causes of action in any way whatsoever against the Issuer.

## 11. **LIMITATION OF LIABILITY AND INDEMNIFICATION**

11.1 To the maximum extent permitted by the applicable laws, regulations and rules:

- (a) the Issuer and Indemnified Persons shall not be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with the purchase, use, receipt or holding of Tokens by you;
- (b) the aggregate liability of the Issuer, in tort, contract or otherwise, arising out of or in connection with the purchase, use, receipt or holding of Tokens by you shall be limited to the amount paid by you for your purchase hereunder; and
- (c) you hereby agree to waive all rights to assert any claims under the applicable laws, regulations and rules and you may make claims based only on these Terms.

11.2 To the maximum extent permitted by the applicable laws, regulations and rules, you shall indemnify, defend, and hold the Issuer and/or Indemnified Persons harmless from and against any and all claims, damages, losses, suits, actions, demands, proceedings, expenses, and/or liabilities (including but not limited to reasonable legal fees incurred and/or those necessary to successfully establish the right to indemnification) filed/incurred by you or any third party against any of the Issuer or the Indemnified Persons arising out of a breach of any warranty, representation, or obligation hereunder.

## 12. **NO ASSIGNMENT**

Subject to these Terms, only you and no other person shall have the right to any claim against the Issuer in connection with your purchase hereunder. You shall not assign, trade or transfer, or attempt to assign, trade or transfer, your right to any such claim. Any such assignment or transfer shall not impose any obligation or liability of the Issuer to the assignee or transferee.

## 13. **INTELLECTUAL PROPERTY RIGHTS**



These Terms shall not entitle you to any intellectual property rights, including the rights in relation to the use, for any purpose, of any information, image, user interface, logos, trademarks, trade names, Internet domain names or copyright in connection with the Whitepaper, the Graft Website, the Issuer, the Token Sale, Tokens, your purchase of Tokens, and the Graft Blockchain.

**14. SURVIVING TERMS**

Notwithstanding the expiration of the Sale Period, any delivery of Tokens to you or any abortion of the Token Sale pursuant to these Terms, Paragraphs 9 through 16 and 18 through 20, and the Annex hereto shall remain valid and in full force and effect.

**15. NO WAIVER**

Any failure of the Issuer to enforce these Terms or to assert any right(s), claim(s) or causes of action against you under these Terms shall not be construed as a waiver of the right of the Issuer to assert any right(s), claim(s) or causes of action against you.

**16. ENTIRE AGREEMENT**

16.1 These Terms contain the entire agreement and the understanding between the Parties and supersedes all prior agreements, understandings or arrangements (both oral and written) in relation to the Token Sale and your purchase of Tokens.

16.2 In the event that the Issuer discovers that you, in your participation in the Token Sale, have engaged in unfair, excessive or abusive usage or conduct, the Issuer reserves the right to take such actions as may be necessary, to the fullest extent possible under law, to protect the Issuer from losses, damages, harm or degradation of any form and manner.

**17. TAXES**

17.1 The purchase price that you pay for your purchase of Tokens shall be exclusive of all taxes that are applicable to your purchase, receipt and holding of Tokens in any jurisdiction ("**Payable Tax**").

17.2 You shall be responsible for determining any Payable Tax and declaring, withholding, collecting, reporting and remitting the correct amount of Payable Tax to the appropriate tax authorities. You shall be solely liable for all penalties, claims, fines, punishments, or other liabilities arising from the non-fulfilment or non-performance to any extent of any of your obligations in relation to the Payable Tax.

17.3 The Issuer shall not be responsible for determining any Payable Tax and declaring, withholding, collecting, reporting and remitting the correct amount of Payable Tax to the appropriate tax authorities.

**18. ARBITRATION, GOVERNING LAW AND JURISDICTION**

18.1 The Parties and their permitted subsidiaries, affiliates, successors and assigns agree to arbitrate all disputes and claims arising from the issuance of Tokens or this Agreement. This agreement to arbitrate is intended to be broadly interpreted. It includes, but is not limited to: claims arising out of or relating to any aspect of the relationship between us, whether based in contract, tort, statute, fraud, misrepresentation or any other legal theory; claims that arose before this or any prior Agreement (including, but not limited to, claims relating to advertising); claims that are currently the subject of purported class action litigation in which you aren't a member of a certified class; and claims that may arise after the termination of this Agreement.

18.2 **The Parties agree that, by entering into this Agreement, they are each waiving the right to a trial by jury or to participate in a class action.** This Agreement evidences a transaction in interstate commerce, and thus the Federal Arbitration Act governs the interpretation and enforcement of this provision. This arbitration provision shall survive termination of this Agreement.

18.3 The arbitration will be governed by the Commercial Dispute Resolution Procedures and the Supplementary Procedures for Consumer Related Disputes (collectively, "AAA Rules") of the American Arbitration Association ("AAA"), as modified by this Agreement, and will be administered by the AAA. The AAA Rules are available online at [adr.org](http://adr.org), or by calling the AAA at **800.778.7879**. The arbitrator is bound by the terms of this Agreement. All issues are for the arbitrator to decide, except that issues relating to the scope and enforceability of the arbitration provision are for the court to decide.

18.4 All disputes hereunder and any rights, remedies or obligations shall be construed under the law of the State of Delaware in the United States of America, and shall be settled exclusively in arbitration proceedings or in the state and federal courts located in Nashville, Tennessee. Each Party will pay its own AAA filing, administration and arbitrator fees for any arbitration initiated in accordance with the notice requirements above. If, however, the arbitrator finds that either the substance of the claim or the relief sought in the Demand is frivolous or brought for an improper purpose (as measured by the standards set forth in Federal Rule of Civil Procedure 11(b)), then the payment of all such fees will be governed by the AAA Rules.

18.5 **THE PARTIES AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN ITS INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING.** Further, the Issuer agrees otherwise, the arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding. If this specific proviso is found to be unenforceable, then the entirety of this arbitration provision shall be null and void.

**19. SEVERANCE AND PARTIAL INVALIDITY**

19.1 If any of these Terms is rendered void, illegal or unenforceable by any legislation to which it is subject, it shall be rendered void, illegal or unenforceable to that extent and no further and, for the avoidance of doubt, the rest of these Terms shall continue to be valid and in full force and effect. You hereby acknowledge that if any court or arbitrator determines that any covenant or obligation of these Terms is excessive in duration or scope, unreasonable, or unenforceable

under the relevant laws, that the court or arbitrator should modify or amended that covenant or obligation to render it enforceable to the maximum extent permitted under such laws.

- 19.2 The illegality, invalidity or unenforceability of any provision of these Terms under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

## ANNEX

### RISK FACTORS

*You should carefully consider and evaluate each of the following risk factors and all other information contained in the Terms before deciding to participate in the Token Sale. If any of the following considerations, uncertainties or material risks develops into actual events, the business, financial position and/or results of operations of the Issuer and the development, maintenance and level of usage of the Graft Blockchain could be materially and adversely affected. In such cases, the functionality of Tokens could be impaired, or the trading price of Tokens (if they are listed on a cryptocurrency exchange) could decline due to any of these considerations, uncertainties or material risks, and you may lose all or part of your Tokens.*

#### **RISKS RELATING TO PARTICIPATION IN THE TOKEN SALE**

***There is no prior market for Tokens and the Token Sale may not result in an active or liquid market for the Tokens***

Prior to the Token Sale, there has been no public market for the Tokens. Functionality of the Token is reliant on, among other things, the sale of a sufficient number of Tokens, and the ongoing operation of the Graft Blockchain depends on the independent operation of nodes and super nodes, and the participation of third party service brokers, the brokers' compliance with regulatory obligations, and the adoption of tokens by merchants, any of which might not come to fruition or remain in place once initiated.

In the event that the Tokens are traded on a cryptocurrency exchange (and there is no assurance that they will ever be listed on any cryptocurrency exchange), there is no assurance that an active or liquid trading market for the Tokens will develop or if developed, be sustained after the Tokens have been issued. There is also no assurance that the market price of the Tokens will not decline below the Purchase Price. The Purchase Price may not be indicative of the market price of the Tokens after they have been issued.

A Token is not a currency issued by any central bank or national, supra-national or quasi-national organisation, nor is it backed by any hard assets or other credit. The Issuer is not responsible for nor does it pursue the circulation and trading of Tokens on a cryptocurrency exchange or other market. Trading of Tokens merely depends on the consensus of its value between the relevant market participants, and no one is obliged to purchase any Token from any holder of the Token, including the purchasers, nor does anyone guarantee the liquidity or market price of Tokens to any extent at any time. Accordingly, the Issuer cannot ensure that there will ever be any demand or market for Tokens, or that the Purchase Price is indicative of the market price of Tokens after they have been made available for trading on a cryptocurrency exchange.

***Future sales of the Tokens could materially and adversely affect the market price of Tokens***

Any future sale of the Tokens (which were not available for sale in the Token Sale) would increase the supply of Tokens in the market, and this may result in a material downward price pressure on the Token. The sale or distribution of a significant number of Tokens outside of the Token Sale, or the perception that such further sales or issuance may occur, could adversely affect the trading price of the Tokens. Participants in the Token Sale will have no control over potential future sales or distribution of any Tokens not offered as part of the Token Sale.

***Negative publicity may materially and adversely affect the price of the Tokens***

Negative publicity involving the Issuer, the Graft Blockchain, the Tokens or any of the key personnel of the Issuer may materially and adversely affect the market perception or market price of the Tokens, whether or not such negative publicity is justified.

***There is no assurance of any success of the Graft Blockchain***

Any potential utility, value or demand associated with the Tokens hinges heavily on the performance and acceptance of the Graft Blockchain. There is no assurance that the Graft Blockchain will gain traction after its launch and achieve any commercial success.

The Graft Blockchain has not been fully developed, finalised and integrated and is subject to further changes, updates and adjustments after the sale period. Such changes may result in unexpected and unforeseen effects on its projected appeal to users, and hence impact its success including any future demands for the Tokens.

While the Issuer has made every effort to provide a realistic estimate, there is also no assurance that the cryptocurrencies raised in the Token Sale will be sufficient for the further development and integration of the Graft ecosystem. For the foregoing or any other reason, the further development and integration of the Graft Blockchain may not be completed. As such, distributed Tokens may hold little worth or value, and this would impact its trading price, if the token were to trade on a cryptocurrency exchange.

***The trading price of the Tokens may fluctuate following the Token Sale***

The prices of cryptographic tokens in general tend to be relatively volatile and can fluctuate significantly over short periods of time. The demand for, and correspondingly the market price of, the Tokens may fluctuate significantly and rapidly in response to, among others, the following factors, many of which are beyond the control of the Issuer:

- (a) new technical innovations;
- (b) analysts' speculations, recommendations, perceptions or estimates of the Token's market price or the Issuer's financial and business performance;
- (c) changes in market valuations and token prices of entities with operations similar to that of the Issuer that may be made available for sale and purchase on the same cryptocurrency exchanges as the Tokens;
- (d) announcements by the Issuer of significant events, for example partnerships, sponsorships, new product developments;
- (e) fluctuations in market prices and trading volume of cryptocurrencies on cryptocurrency exchanges;
- (f) additions or departures of key personnel of the Issuer; success or failure of the Issuer's management in implementing business and growth strategies;

- (h) changes in conditions affecting the blockchain or financial technology industry, the general economic conditions or market sentiments, or other events or factors; and
- (i) proposed or actual legal or regulatory changes or interpretations by governments or regulatory authorities that could impose additional compliance requirements or that render the continued operation of Graft impractical or unfeasible.

The Issuer will make every reasonable effort to ensure that the funds received from the Token Sale will be securely held at the Designated Address or such other address as directed by the Issuer (“**Receiving Addresses**”). Further, upon receipt of the funds, the Issuer will make every effort to ensure that the funds received will be securely held through the implementation of security measures. Notwithstanding such security measures, there is no assurance that there will be no theft of the cryptocurrencies as a result of hacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks and “selfish-mining” attacks), sophisticated cyber-attacks, distributed denials of service or errors, vulnerabilities or defects on the Receiving Addresses, the Bitcoin blockchain, Ethereum blockchain, or any other blockchain, or otherwise. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. In such event, even if the Token Sale is completed, the Issuer may not be able to receive the cryptocurrencies raised and the Issuer may not be able to utilise such funds for the development of the Graft Blockchain, and the launch of the Graft Blockchain might be temporarily or permanently curtailed. As such, the issued Tokens may hold little worth or value, and this would impact its functionality or its trading price, if any. The Tokens are uninsured, unless you specifically obtain private insurance to insure them. In the event of any loss or loss of value, you likely have no recourse.

#### **RISKS RELATING TO THE ISSUER**

*Even though the Graft Blockchain is designed to be de-centralized and will be operated largely by independent third-parties, events or circumstances which adversely affect the Issuer may have a corresponding adverse effect on the Graft Blockchain if such events or circumstances. This would correspondingly have an impact on the trading price, if any, of the Tokens.*

***The Issuer may be materially and adversely affected if it fails to effectively manage its operations as its business develops and evolves, which could have an impact on the Graft Blockchain and consequently the trading price, if any, of the Tokens.***

The financial technology and cryptocurrency industries and the markets in which the Issuer competes have grown exponentially and continue to grow rapidly and evolve in response to new technological advances, changing business models and other factors. As a result of this constantly changing environment, the Issuer may face operational difficulties in adjusting to the changes, and the sustainability of the Issuer will depend on its ability to manage its operations, adapt to technological advances and market trends and ensure that it hires qualified and competent employees, and provide proper training for its personnel. As its business evolves, the Issuer must also expand and adapt its operational infrastructure. The Blockchain relies on its blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology. To manage technical support infrastructure for the Graft Blockchain effectively, the Issuer or third parties beyond the control of the Issuer will need to continue to upgrade and improve its data systems and other operational systems, procedures and controls. These upgrades and improvements will require a dedication of resources, are likely to be complex and increasingly rely on hosted computer services from third parties that the Issuer does not control. If the Issuer is unable to adapt its systems and organisation in a timely, efficient and cost-effective manner to accommodate

changing circumstances, its business, financial condition and results of operations may be adversely affected. If the third parties whom the Issuer relies on are subject to a security breach or otherwise suffer disruptions that impact the services the Issuer utilises, the integrity and availability of its internal information could be compromised, which may consequently cause the loss of confidential or proprietary information, and economic loss. The loss of financial, labor or other resources, and any other adverse effect on the Issuer's business, financial condition and operations, would have a direct adverse effect on the Issuer's ability to maintain the Graft Blockchain. The decentralized nature of the Blockchain may make it difficult for merchants, brokers and third party participants to agree on additional features or functions that are attractive to users. As the Graft Blockchain is the main ecosystem to which the Tokens relate, this may adversely impact the trading price, if any, of the Tokens.

***The Graft Blockchain or its decentralized participants may experience system failures, unplanned interruptions in its or their services, hardware or software defects, security breaches or other causes that could adversely affect the Issuer's infrastructure , and/or the Graft Blockchain***

The Issuer is unable to anticipate when there would be occurrences of hacks, cyber-attacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks and "selfish-mining" attacks), distributed denials of service or errors, vulnerabilities or defects in the Graft Blockchain, the Tokens, the Receiving Addresses, the Graft Wallet or any technology (including but not limited to smart contract technology) on which the Issuer, the Graft Blockchain, the Tokens, the Receiving Addresses and the Ethereum Wallet relies or on the Bitcoin blockchain, Ethereum blockchain or any other blockchain. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. The Issuer may not be able to detect such hacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks and "selfish-mining" attacks), cyber-attacks, distributed denials of service errors vulnerabilities or defects in a timely manner, and may not have sufficient resources to efficiently cope with multiple service incidents happening simultaneously or in rapid succession.

The Issuer's Blockchain or services, which would include the Graft Blockchain, could be disrupted by numerous events, including natural disasters, equipment breakdown, Blockchain connectivity downtime, power losses, or even intentional disruptions of its services, such as disruptions caused by software viruses or attacks by unauthorised users and failure of third parties to perform, some of which are beyond the Issuer's control. Although the Issuer has taken steps against malicious attacks on its appliances or its infrastructure, which are critical for the maintenance of the Graft Blockchain and its other services, there can be no assurance that cyber-attacks, such as distributed denials of service, will not be attempted in the future, and that any of the Issuer's enhanced security measures will be effective. The Issuer may be prone to attacks on its infrastructure intended to steal information about its technology, financial data or user information or take other actions that would be damaging to the Issuer and users of the Graft Blockchain. Any significant breach of the Issuer's security measures or other disruptions resulting in a compromise of the usability, stability and security of the Issuer's Blockchain or services (including the Graft Blockchain) may adversely affect the trading price of the Tokens.

***The Issuer or the Tokens may be affected by newly implemented regulations***

Cryptocurrency trading is generally unregulated worldwide, but numerous regulatory authorities across jurisdictions have been outspoken about considering the implementation of regulatory regimes which govern cryptocurrency or cryptocurrency markets. The Issuer or the Tokens may be affected by newly

implemented regulations relating to cryptocurrencies or cryptocurrency markets, including having to take measures to comply with such regulations, or having to deal with queries, notices, requests or enforcement actions by regulatory authorities, which may come at a substantial cost and may also require substantial modifications to the Graft Blockchain. This may impact the appeal of the Graft Blockchain for users and result in decreased usage of the Graft Blockchain. Further, should the costs (financial or otherwise) of complying with such newly implemented regulations exceed a certain threshold, maintaining the Graft Blockchain may no longer be commercially viable and the Issuer may opt to discontinue the Graft Blockchain and/or the Tokens. Further, it is difficult to predict how or whether governments or regulatory authorities may implement any changes to laws and regulations affecting distributed ledger technology and its applications, including the Graft Blockchain and the Tokens. The Issuer may also have to cease operations in a jurisdiction that makes it illegal to operate in such jurisdiction, determines that it is illegal to operate or illegal to operate without regulatory approval or that makes it commercially unviable or undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction. In scenarios such as the foregoing, the trading price of Tokens will be adversely affected or Tokens may cease to be traded.

***There may be unanticipated risks arising from the Tokens***

Cryptographic tokens such as the Tokens are a relatively new and dynamic technology. In addition to the risks included in this Annex, there are other risks associated with your purchase, holding and use of the Tokens, including those that the Issuer cannot reasonably anticipate. Such risks may further materialise as unanticipated variations or combinations of the risks discussed in this Annex.

**OTHER RISKS**

***The Tax Treatment of the Tokens is uncertain.***

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

***Investing in an initial coin offering like the Token Sale may limit significantly your recovery in the event of fraud or theft.***