

**TERMS AND CONDITIONS  
OF BLOCKPIT TOKENS AND  
THE PRIVATE SALE**

**as of 28th May 2018**



PLEASE READ THIS LEGAL DOCUMENT CAREFULLY. IT EXCLUSIVELY SETS OUT THE TERMS AND CONDITIONS ("**TERMS**") FOR DISTRIBUTING, SUBSCRIBING FOR, HOLDING, TRANSFERRING, EXCHANGING, BUYING, SELLING, ASSIGNING, GRANTING, CONVEYING AND USING THE BLOCKPIT TOKENS TO BE DISTRIBUTED BY BLOCKPIT GMBH ("**BLOCKPIT**") VIA PRIVATE SALE IN THE COURSE OF A PLANNED TOKEN GENERATING EVENT IN 2018 ("**TGE**").

BY HOLDING, TRANSFERRING, EXCHANGING, BUYING, SELLING, ASSIGNING, GRANTING, CONVEYING AND USING THE BLOCKPIT TOKENS AS WELL AS BY PARTICIPATING IN THE DISTRIBUTION OF BLOCKPIT TOKENS AND BY USING THE BLOCKPIT SOFTWARE AND ITS PLATFORM / ECOSYSTEM AND RELATED SERVICES YOU EXPRESSLY AGREE TO BE BOUND BY THE TERMS SET OUT HEREIN. IF YOU DO NOT ACCEPT TERMS OR IF YOU DO NOT AGREE WITH THEM, YOU ARE PROHIBITED TO RECEIVE AND USE BLOCKPIT TOKENS AND TO USE THE BLOCKPIT SOFTWARE AND ITS PLATFORM / ECOSYSTEM AND ITS ASSOCIATED SERVICES IMMEDIATELY.

THE DISTRIBUTION OF BLOCKPIT TOKENS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO DISTRIBUTE, ISSUE OR SELL SHARES OR SECURITIES OR ANY OTHER FINANCIAL INSTRUMENT IN BLOCKPIT. THE BLOCKPIT TOKENS ARE NOT SECURITIES AS DEFINED UNDER APPLICABLE LAWS OF AUSTRIA AND TO OUR BEST KNOWLEDGE, THE BLOCKPIT TOKENS DO NOT QUALIFY AS SECURITIES UNDER THE LAWS OF ANY OTHER JURISDICTION (OTHER THAN ANY RESTRICTED AREA (AS DEFINED BELOW)). THEREFORE, THE BLOCKPIT TOKENS HAVE NOT BEEN REGISTERED WITH ANY COMPETENT REGULATOR. THE BLOCKPIT TOKENS MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, ENCUMBERED OR OTHERWISE USED EXCEPT AS PERMITTED UNDER APPLICABLE LAWS.

THIS IS FURTHER NOT AN OFFER OR SOLICITATION TO DISTRIBUTE BLOCKPIT TOKENS IN THE RESTRICTED AREAS, I.E. (A) THE UNITED STATES OF AMERICA; (B) PEOPLE'S REPUBLIC OF CHINA; (C) REPUBLIC OF KOREA; (D) ICELAND; (E) BOLIVIA; (F) BANGLADESH; (G) EQUADOR; (H) JAPAN; (I) KYRGIZ REPUBLIC; (J) NORTH KOREA; (K) IRAN; (L) IRAQ; (M) LIBYA; (N) SYRIA; (O) SOUTH SUDAN AND (P) CUBA.

BLOCKPIT DOES NOT PROVIDE ANY INVESTMENT OR FINANCIAL COUNSELLING OR ADVICE OR ANY OTHER KIND OF COUNSELLING. NO INFORMATION OR CONSULTANCY AGREEMENT WITH BLOCKPIT IS CONCLUDED UNDER THE TERMS OR OTHERWISE. BLOCKPIT IS NOT OBLIGED TO PROVIDE INFORMATION ABOUT ONGOING DEVELOPMENTS OF THE BLOCKPIT SOFTWARE AND ITS ECOSYSTEM.

IF THERE IS ANYTHING IN THIS DOCUMENT WHICH YOU DO NOT UNDERSTAND OR WITH WHICH YOU DO NOT AGREE, DO NOT USE OUR SERVICES OR PRODUCTS. IN ACCEPTING THE TERMS, YOU ACKNOWLEDGE THAT YOU HAVE READ THE TERMS, UNDERSTAND IT, AND HAD AN OPPORTUNITY TO SEEK INDEPENDENT ADVICE, INCLUDING LEGAL AND TAX ADVICE, PRIOR TO ACCEPTING THEM.

BLOCKPIT EXPRESSLY DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND WHATSOEVER ARISING DIRECTLY OR INDIRECTLY FROM: (I) RELIANCE ON ANY INFORMATION CONTAINED IN THIS DOCUMENT, (II) ANY ERROR, OMISSION OR INACCURACY IN ANY SUCH INFORMATION OR (III) ANY ACTION RESULTING THEREFROM, (IV) USAGE OR ACQUISITION OF PRODUCTS, AVAILABLE THROUGH THE WEBSITE, THE BLOCKPIT SOFTWARE AND ITS ECOSYSTEM.

IF YOU HAVE ANY QUESTIONS REGARDING THESE TERMS, PLEASE CONTACT US AT [mail@blockpit.io](mailto:mail@blockpit.io).

## 1. RECITALS

- 1.1. BLOCKPIT GmbH is a limited liability company incorporated and existing under the laws of Austria, with its corporate seat in Linz, Austria, and its business address at Softwarepark 21, 4232 Hagenberg, Austria, registered with the Commercial Register (*Firmenbuch*) of the Commercial Court of Linz (*Handelsgericht* Linz) under registration number 477383i (“**BLOCKPIT**”).
- 1.2. BLOCKPIT is going to establish a platform that enables Participants to combine all their different sources of cryptocurrency income into one complete record (the “**BLOCKPIT Platform**”). The BLOCKPIT Platform aims and shall enable Participants to have a complete documentation of all transactions to be able to calculate correct tax liabilities, be it trading on exchanges, mining income, participation in ICOs/tokensales or other sources. The goal of BLOCKPIT is to have a one-time setup for the user to attach income sources. Once set up BLOCKPIT will automatically keep the data updated in real-time (for detailed information please see the Whitepaper).
- 1.3. For purposes of financing the development and the maintenance of the BLOCKPIT Platform, BLOCKPIT intends to generate and distribute tokens (the “**BLOCKPIT tokens**”). BLOCKPIT tokens shall be transferrable and exchangeable on cryptocurrency exchanges like other utility tokens but do not qualify as currencies (*Währungen*), electronic money (*EGeld*), means of payment (*Zahlungsmittel*) and/or commodities (*Waren inklusive Handelswaren*). To facilitate the development of an independent market, BLOCKPIT undertakes reasonable efforts to accept BLOCKPIT tokens in exchange for Services (as defined below), but the BLOCKPIT tokens do not bear or transfer to the holder any rights towards BLOCKPIT, in particular the BLOCKPIT tokens are non-refundable, as further outlined in these Terms.
- 1.4. The BLOCKPIT tokens are subject to these Terms. BLOCKPIT tokens will exclusively be distributed in accordance with these Terms.

## 2. TERMS

In these Terms, the following terms shall have the following meaning:

“**Austrian Civil Code**” - means the Austrian Civil Code (*Allgemeines Bürgerliches Gesetzbuch*)

“**Austrian Trade Act**” - means the Austrian Trade Act (*Gewerbeordnung*)

“**BLOCKPIT Platform**” enables the Participant to combine all of its different sources of cryptocurrency income into one complete record. Be it trading on exchanges, mining income, participation in ICOs/tokensales or other sources.

“**BLOCKPIT tokens**” means the utility tokens as described in the Token Purchase / Exchange Agreement which serve as objects of value in connection with the BLOCKPIT Platform. It is the means of compensation for the use of BLOCKPITs services.

“**Blockchain**” - means a distributed ledger protocol / database that maintains a continuously growing list of ordered records called blocks. By design, blockchains are inherently resistant to the modification of the data — once recorded, the data in a block cannot be altered retroactively.

“**BTC**” or “**Bitcoin**” - means the crypto currency token of the Bitcoin blockchain called “Bitcoin”.

“**BLOCKPIT Exchange Amount**” means the amount of BLOCKPIT tokens a Participant is requesting to barter for Cryptos or purchase for Euro or US Dollar.

“**CET**” means the time zone Central European Time.

**“Consumer Rights Directive”** - means Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council

**“Consumer”** means a person that qualifies as consumer (as defined under applicable laws).

**“Cryptos”** means BTC, ETH and XEM.

**“Delivery”** means the transfer of the BLOCKPIT tokens to the Token Address the Participant has provided in the Private Sale or Exchange Offer & KYC Form (Annex 1).

**“Digital Asset”** - means BLOCKPIT tokens or Cryptos.

**“DLT”** - means Distributed Ledger Technology (e.g. Blockchain) and refers to the technological infrastructure and protocols that allows simultaneous access, validation and record updating in an immutable manner across a network spread across multiple entities or locations.

**“ETH”** or **“Ether”** means the crypto currency token of the Ethereum blockchain called "Ether".

**“Ethereum”** means an open-source, public, blockchain-based distributed computing platform featuring Smart Contract (scripting) functionality.

**“FIAT”** or **“FIAT currency”** means EUR, the legal tender of the European Monetary Union or any other centrally controlled government-issued currency.

**“FN”** means the Austrian company register number (*Firmenbuchnummer*).

**“GmbH”** means Austrian private limited liability company (*Gesellschaft mit beschränkter Haftung*).

**“Participant”** means a person registered via Private Sale Offer Form and participating in the Private Sale to the planned Pre-TGE or TGE.

**“Private Key”** means an alphanumeric value that is required to sign a transaction on a public blockchain or in a cryptocurrency network respectively.

**“Private Sale Offer”** means the legally binding offer from a Participant to purchase or exchange Cryptos for BLOCKPIT tokens by transferring the total amount of EUR or USD or Cryptos stated in the Token Private Sale or Exchange Offer & KYC Form (Annex 1) to the bank account of BLOCKPIT or Collection Address stated in the Token Purchase / Exchange Agreement.

**“Restricted Area”** means that the Website, the BLOCKPIT Platform and its Ecosystem, the TGE and the BLOCKPIT tokens are not offered for use to natural or legal persons, having their residence or their seat of incorporation in a country listed in Section 8.

**“SEC”** means the United States Securities and Exchange Commission.

**“Securities Act”** means the United States Securities Act of 1933.

**“Securities Exchange Act”** means the United States Securities Exchange Act of 1934.

**“Service”** means services offered by BLOCKPIT and its subsidiaries via the BLOCKPIT Platform.

**“Smart Contract”** (**“Smart Contract system”**) means self-executing contractual computer programs (Oracles) on the blockchain, with decentralized control and no central authority, legal system or external enforcement mechanism. They render transactions traceable, transparent, and irreversible.

**“Target Markets”** mean Territories where the TGE is not prohibited by law or regulation.

**“Token Address”** means an identifier of alphanumeric characters that represents a possible

destination for a transfer of BLOCKPIT tokens.

**“Token Generation Date”** means the date when the Total Token Amount of BLOCKPIT tokens will be created by BLOCKPIT; the Token Generation Date is the day after the TGE is completed, at the latest.

**“Token Delivery Date”** means the Date when Delivery of BLOCKPIT tokens to a Participant takes place.

**“Token Exchange Agreement”** means the Agreement concluded between BLOCKPIT and the Participant regarding the exchange of Cryptos for BLOCKPIT tokens to which these Terms are attached to as Annex 2.

**“Token Generation Event”** or **“TGE”** means the planned generation of the “BLOCKPIT tokens” to be exchanged for Cryptos during the Pre-TGE and TGE in 2018. For further details see Section 4 of these Terms.

**“Token Holder”** means any person holding BLOCKPIT tokens, e.g. on an address on the Ethereum blockchain this person has control over.

**“Token Purchase Agreement”** means the Agreement concluded between BLOCKPIT and the Participant regarding the purchase of BLOCKPIT tokens to which these Terms are attached to as Annex 2.

**“Total Token Amount”** means the total amount of BLOCKPIT tokens created by BLOCKPIT in the planned TGE.

**“to use BLOCKPIT tokens”** or **“Use of BLOCKPIT tokens”** means any form of using BLOCKPIT tokens, including issuing, subscribing for, distributing, holding, transferring, exchanging, buying, selling and using BLOCKPIT tokens.

**“USD”** means the currency of the United States of America.

**“Utility tokens”** mean tokens that are supposed to convey some functional utility to token holders other than/in addition to payment for goods or services, in the form of access to a product or service offered or at least intended to be enabled or created (“objects of value”). These tokens come with particular rights, such as: (i) a right of access to a (future) service (once developed); (ii) a right to redeem the token for another token or service; (iii) voting rights which often are designed to shape the functionality of the product.

**“Website”** means <https://www.blockpit.io/>.

**“Whitepaper”** means an information document published by BLOCKPIT highlighting features of the BLOCKPIT Platform and the BLOCKPIT tokens, available at its latest version for download at <https://www.blockpit.io/>.

**“XEM”** means the native currency of the NEM public blockchain (see <https://nem.io/xem/>).

### 3. EXCHANGE RESTRICTIONS

- 3.1. The Token Purchase / Exchange Agreement may only be used, and Private Sale as well as the planned TGE is only made, in such countries and territories where the use of the Token Purchase / Exchange Agreement and the planned TGE as described in the Token Purchase / Exchange Agreement and herein is not prohibited by law or regulation (the "**Target Markets**"). The Token Purchase / Exchange Agreement does not constitute an offer to exchange (or solicitation from anyone to this end) in any country or on any territory where its publication, disclosure, lecture or communication by any means or any reliance on its content would be illegal or subject to the approval and authorization of, or filing with, any authority or entity, or in which such an offer or solicitation is prohibited, or to any person located in a territory where it is illegal to make such an offer or solicitation.
- 3.2. In particular, BLOCKPIT informs you about the following restrictions it has become aware of, however, without making an assessment as to the accuracy and completeness of the information provided. Any person considering participating in the Private Sale and the planned TGE is required to inform themselves about, and to observe, any restrictions imposed upon them by any jurisdiction other than the laws of Austria, e.g.:
- In **Bangladesh**, the Bangladesh Bank established that using virtual currencies would violate anti-money laundering laws and people using virtual currency could face criminal charges.<sup>1</sup>
  - In **Bolivia**, the Central bank has officially banned the use of virtual currencies that are not regulated by the government.<sup>2</sup>
  - **China** has recently prohibited Initial Coin Offerings and Initial Token Offerings.
  - In **Ecuador**, the government has banned virtual currencies due to the establishment of a new electronic money system that is run by the state.<sup>3</sup>
  - **Japan** has enacted a law regulating blockchain based virtual currencies. Exchanges are required to obtain licenses as a payment institution. These provisions also affect service providers outside of Japan.
  - In the **Kyrgyz Republic**, the government has emphasized that virtual currencies violate the law of the state if used as a means of payment.<sup>4</sup>

No Exchange Request, Offer Invitation or Exchange Offer (all as defined herein) may be made in this Private Sale and the planned TGE, and neither the Token Purchase / Exchange Agreement nor any information relating to the Private Sale and the planned TGE may be distributed or published in any jurisdiction, except in circumstances that will result in compliance with any applicable laws and regulations. Any person having access to this Token Purchase / Exchange Agreement must obtain information on these restrictions and, if applicable, comply with such restrictions. By accepting a copy of the Token Purchase / Exchange Agreement or any notice or information relating to the Private Sale and the planned TGE and/or by submitting an Private Sale Offer, each Participant shall be deemed to agree with, and represent that it complies with, such restrictions.

No step has been taken to authorize the Private Sale and the planned TGE in a country or on a territory where formalities are required for this purpose. Neither the Token Purchase / Exchange Agreement nor any other information or publicity may be provided to the public in a country or

---

<sup>1</sup> <http://www.telegraph.co.uk/finance/currency/11097208/Why-Bangladesh-will-jail-Bitcoin-traders.html>.

<sup>2</sup> <http://www.ibtimes.co.uk/cryptocurrency-round-bolivian-bitcoin-ban-ios-apps-dogecoin-mcdonalds-1453453>.

<sup>3</sup> <http://www.ibtimes.co.uk/ecuador-reveals-national-digital-currency-plans-following-bitcoin-ban-1463397>.

<sup>4</sup> <http://www.nbkr.kg/searchout.jsp?item=31&material=50718&lang=ENG>.

on a territory where registration, approval or any other obligation is or will be applicable in connection with this Private Sale or the planned TGE and it may not be distributed in any country or on any territory other than the Target Markets (as defined in the Terms).

Any breach of these restrictions may constitute a breach of laws and regulations applicable in a country or on a territory other than the Target Markets. Neither BLOCKPIT, nor any other person participating in this Private Sale or the planned TGE, shall be liable for any breach of these restrictions.

- 3.3. **NO OFFER IN THE UNITED STATES OF AMERICA:** On 25 July 2017, the United States Securities and Exchange Commission ("SEC") has published a report of investigation (Release No. 81207) pursuant to Section 21(a) of the Securities Exchange Act of 1934 regarding DAO tokens. The SEC has determined that DAO tokens are securities under the Securities Act of 1933 ("Securities Act") and the Securities Exchange Act of 1934 ("Exchange Act").

Under Section 2(a)(1) of the Securities Act and Section 3(a)(10) of the Exchange Act, a security includes investment contracts. An investment contract is an investment of money in a common enterprise with a reasonable expectation of profits to be derived from the entrepreneurial or managerial efforts of others. The touchstone of an investment contract is the presence of an investment in a common venture premised on a reasonable expectation of profits to be derived from the entrepreneurial or managerial efforts of others. According to the SEC, profits include dividends, other periodic payments, or the increased value of the investment. In the DAO case, projects would be proposed by contractors. If token holders would vote to fund a project, token holders stood to share in potential profits from the project, depending on the terms of each particular project.

The BLOCKPIT tokens and the BLOCKPIT Platform materially differ from DAO tokens. BLOCKPIT tokens do not have rights associated with them such as a share of profits derived from investments decisions of BLOCKPIT. However, since (a) an increase or decrease of the market value of the BLOCKPIT tokens does, at least in part, depend on the managerial efforts of BLOCKPIT, and (b) since Participants may have a reasonable expectation of profits to be derived from the managerial efforts of BLOCKPIT, in light of the SEC report cited and the latest developments and announcements of the SEC, BLOCKPIT has decided not to make an offer in the United States of America and not to accept Exchange Requests or Exchange Offers from U.S. persons.

- 3.4. The BLOCKPIT tokens are not securities as defined under applicable laws of Austria and to our best knowledge, the BLOCKPIT tokens do not qualify as securities under the laws of any other jurisdiction (other than the Restricted Areas (as defined by reference below)). Therefore, the BLOCKPIT tokens have not been registered with any competent regulator. The BLOCKPIT tokens may not be offered, sold or otherwise transferred, encumbered or otherwise used except as permitted under applicable laws. BLOCKPIT does not offer, sell or otherwise transfer BLOCKPIT tokens to Participants in any Restricted Area, especially in the United States.

## 4. THE TOKEN GENERATION EVENT

- 4.1. By issuing an Blockchain agnostic utility token, BLOCKPIT intends to fund the further development of the BLOCKPIT Platform and its Ecosystem.
- 4.2. The BLOCKPIT token sale / exchange will consist of a preceding limited Private Sale and potentially two public phases in 2018. The public phases might consist of a Pre-TGE phase with a minimum contribution limit and a 20% token bonus for early participants, which requires timely whitelisting. The following TGE will be open for everyone. Whitelisted Pre-TGE Participants will



have 24 hours to submit their participation upon the start of the TGE. After this period the locked tokens will be released for the main TGE without bonus.

- 4.3. BLOCKPIT aims for a wide distribution, so BLOCKPIT will offer the largest part of BLOCKPIT tokens for exchange to the community, while only keeping a necessary amount to back up the ecosystem.

## 5. TERMS AND CONDITIONS OF THE BLOCKPIT TOKEN

- 5.1. The Participant acknowledges that a BLOCKPIT token is simply 1 unit of value. The “ownership” of a BLOCKPIT token is recorded on a distributed digital ledger (“DLT”, a blockchain). All BLOCKPIT tokens are technically tokens in that they are “utility tokens” and in that transactions can be represented by a string of encrypted data called a “token” represented through a Smart Contract. Smart Contracts are executed computer programs on the blockchain. The Participants “own” (*besitzen*) these “tokens” because they have a Private Key that let them create a new entry on the distributed ledger, re-assigning the “ownership” to someone else. The Participants do not store tokens on their Computer, they store the keys that let them re-assign the quantity. Thus, these “tokens” are kind of a specific amount of digital resources or content which one controls, and one can reassign control to someone else.
- 5.2. It is the clear position of BLOCKPIT that the BLOCKPIT tokens qualify as 'digital content' in the sense of Article 2 para (11) of the Consumer Rights Directive and, as such, shall qualify as immaterial and movable assets (*unkörperliche und bewegliche Sachen*) in the meaning of §§ 285, 292, 293 ABGB; the BLOCKPIT tokens as well as other utility or cryptographic tokens and any part of them are computer programs/software, qualified as collectible items (*Sammlerstücke*) and do not qualify as currencies (*Währungen*), electronic money (*E-Geld*), means of payment (*Zahlungsmittel*) and/or commodities (*Waren inklusive Handelswaren*). BLOCKPIT makes no representations or warranties as to other jurisdictions. Each Participant agrees to this position (*Rechtsansicht*) of BLOCKPIT and confirms – after having duly considered every aspect of these Terms - that it has the same position (*Rechtsansicht*) and accepts the risk that a court or other authority will decide on a different qualification. Furthermore, BLOCKPIT tokens shall qualify as donations-based digital assets, irrespective of the fact that BLOCKPIT accepts them in exchange for services.
- 5.3. The Participant acknowledges that there are no rights whatsoever associated with the BLOCKPIT tokens. In particular, the BLOCKPIT tokens do not originate and do not provide (or purport to provide) any rights as commonly associated with securities (such as rights or participation in the assets, liabilities, profits and/or losses or liquidation proceeds of BLOCKPIT or voting rights, information rights, access rights or any other rights commonly associated with stocks and other securities in respect to BLOCKPIT or rights to interest (*kein Zinsanspruch*) or reimbursement (*keine Rückerstattung*). Furthermore, no form of partnership, joint venture or any similar relationship or any entitlement (*Anwartschaft*) on such status between the Participant, BLOCKPIT and/or other individuals or entities involved in the development of the BLOCKPIT Platform. The BLOCKPIT tokens also do not represent or confer any intellectual property rights or any other form of participation in or relating to BLOCKPIT or its affiliates or the BLOCKPIT Platform.
- 5.4. BLOCKPIT tokens are designed to be exchangeable on cryptographic token exchanges. BLOCKPIT, however, hereby expressly disclaims any warranties and guarantees that BLOCKPIT tokens will be exchangeable on any exchanges.
- 5.5. The BLOCKPIT tokens shall have no maturity. For the avoidance of doubt, BLOCKPIT hereby



disclaims any warranties and guarantees that BLOCKPIT tokens will have any market value or intrinsic value at any time.

- 5.6. The distribution of the BLOCKPIT tokens is solely governed by the Token Purchase / Exchange Agreement. After issuance, only these Terms apply to the BLOCKPIT tokens. This means in particular that BLOCKPIT does not undertake any legal obligations under the Token Purchase / Exchange Agreement towards any person that acquired BLOCKPIT tokens on a secondary market after issuance of the BLOCKPIT tokens.

## **6. KYC AND PRIVACY**

- 6.1. BLOCKPIT generally will always comply with any applicable anti-money laundering and anti-terrorism financing regulations.
- 6.2. BLOCKPIT believes that the distribution of the BLOCKPIT tokens as per these Terms currently (May 2018) does not fall under any specific anti-money laundering regulations applicable to BLOCKPIT. This may change in the future, e.g. in case of an amendment of the Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (4th Anti-Money Laundering Directive). In such case, BLOCKPIT will update its anti-money laundering procedures accordingly.
- 6.3. Participants may be required to provide certain personal data for purposes of acquiring and holding BLOCKPIT tokens. These personal data may include the following data: (i) full name, (ii) address, (iii) date and place of birth (if applicable), (iv) telephone number; (v) email address and (vi) copy of passport. Any data submitted will be solely used for purpose of processing the distribution of BLOCKPIT tokens as well as executing the Token Purchase / Exchange Agreement. Personal information will in no event be communicated or released to third parties, unless required under applicable law. Each User explicitly agrees that the data provided by the user can be used by BLOCKPIT for purposes of the foregoing.
- 6.4. BLOCKPIT has the right to disclose any data to any competent authority if the data is requested to be disclosed by such authority in order to track or investigate any relevant cases under the Austrian Criminal Code (*StGB*). BLOCKPIT reserves the right to cooperate with such authorities to the maximum extent possible.

## **7. RISKS AND RESPECTIVE OBLIGATIONS OF EACH USER**

BY EXCHANGING AND HOLDING BLOCKPIT TOKENS, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THE FOLLOWING RISKS:

- a) BLOCKPIT reserves the right to implement and execute an emergency stop-functionality to stop the distribution process. Use of this functionality shall remain at discretion of BLOCKPIT and shall only be used in specific situations, such as, but not limited to, serious security issues, serious network performance issues, depriving all users of equal treatment or any type of material attack on the BLOCKPIT tokens, BLOCKPIT Platform, Website or the different blockchain networks.
- b) Each Participant understands and accepts that the different Blockchain networks, the underlying software applications and software platforms are still in an early development stage and unproven, why there is no warranty that the process for creating and transferring tokens will be uninterrupted or error-free and why there is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the

complete loss of digital assets or BLOCKPIT tokens.

- c) There is a risk that in some jurisdictions the BLOCKPIT tokens and other Digital Assets might be considered to be a security, or that it might be considered to be a security in the future. BLOCKPIT expressly disclaims any warranties and guarantees that BLOCKPIT tokens do not qualify as security in all jurisdictions. Each Participant shall be solely responsible for the legal or financial consequences of BLOCKPIT tokens being considered a security in their respective jurisdiction and agrees to indemnify and hold harmless BLOCKPIT from any claims, losses, damages and liabilities in that respect.

**EACH PARTICIPANT IS OBLIGED TO VERIFY WHETHER THE USE OF BLOCKPIT TOKENS IS LEGAL IN ITS JURISDICTION, AND BY ACCEPTING THESE TERMS EACH PARTICIPANT UNDERTAKES NOT TO USE BLOCKPIT TOKENS IF ANY SUCH ACTION SHOULD NOT BE LEGAL IN THE RELEVANT JURISDICTION. IF A PARTICIPANT ESTABLISHES THAT THE USE OF BLOCKPIT TOKENS UNDER THESE TERMS IS NOT LEGAL IN ITS JURISDICTION, IT MUST NOT CONTINUE TO USE BLOCKPIT TOKENS.**

Acquiring cryptographic tokens in possession and exchanging them for other cryptographic tokens will most likely continue to be scrutinized by various regulatory bodies around the world, which has so far given mixed reactions and regulatory impact. The legal ability of BLOCKPIT to (i) distribute BLOCKPIT tokens and make available the BLOCKPIT Platform (ii) and accept BLOCKPIT tokens in exchange for Services in some jurisdictions may be eliminated or (materially) limited by future regulation or legal actions. In the event that it turns out with a high degree certainty that BLOCKPIT tokens as currently set out are not or may not be legal in certain jurisdiction, BLOCKPIT will either (i) cease operations in that jurisdiction, or (i) adjust BLOCKPIT tokens and the BLOCKPIT Platform in a way to comply with the regulation should that be possible and viable.

- d) Each Participant understands and accepts that the issuance of BLOCKPIT tokens and the development of the Service may be abandoned for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects (e.g. caused by competing projects). The Participant therefore understands that there is no assurance that the BLOCKPIT Platform will be further developed and operational even though BLOCKPIT will make reasonable commercial efforts to complete and deploy it.
- e) Each Participant is responsible for implementing reasonable measures for securing the wallet, vault or other storage mechanism you use to receive and hold BLOCKPIT tokens he or she receives from BLOCKPIT, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If your private key(s) or other access credentials are lost, you may lose access to your BLOCKPIT tokens. BLOCKPIT is not responsible for any such losses.
- f) Hackers or other groups or organizations may attempt to interfere with your Third-party Wallet, the Website or the availability of BLOCKPIT tokens and Digital Assets in any number of ways. There is also a risk that BLOCKPIT tokens and Website may unintentionally include weaknesses or bugs in the source code. Blockchains are also susceptible to mining attacks so any successful attacks present a risk to the BLOCKPIT tokens also.
- g) Value of BLOCKPIT tokens may fluctuate and their users might suffer loss in value of such tokens. There might be different reasons that would cause unfavourable fluctuations of the value of the BLOCKPIT tokens which are unlike bank accounts or accounts at some other financial institutions entirely uninsured.

## 8. ELIGIBILITY

- 8.1. The Website, the BLOCKPIT Platform and the BLOCKPIT tokens are not offered for use to natural and legal persons, having their residence or their seat of incorporation in the following countries: (A) THE UNITED STATES OF AMERICA; (B) PEOPLE'S REPUBLIC OF CHINA; (C) REPUBLIC OF KOREA; (D) ICELAND; (E) BOLIVIA; (F) BANGLADESH; (G) EQUADOR; (H) JAPAN; (I) KYRGIZ REPUBLIC; (J) NORTH KOREA; (K) IRAN; (L) IRAQ; (M) LIBYA; (N) SYRIA; (O) SOUTH SUDAN AND (P) CUBA ("**Restricted Areas**"). Natural and legal persons with their residence or seat of incorporation from the Restricted Areas shall not use the Website, the BLOCKPIT Platform and the BLOCKPIT tokens.
- 8.2. BLOCKPIT reserves the right to decide in its own discretion to adopt reasonable organisational and technical measures to assure that the Website, the BLOCKPIT Platform and BLOCKPIT tokens are not available to persons from Restricted Areas.
- 8.3. If you are registering to use the BLOCKPIT Platform and BLOCKPIT tokens on behalf of a legal entity, you represent and warrant that (i) such legal entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization, (ii) you are duly authorized by such legal entity to act on its behalf, (iii) neither you nor the entity you are representing are listed on any of the sanctions lists published and maintained by the United Nations, European Union, any EU country, any OECD country, UK Treasury and US Office of Foreign Assets Control (OFAC), (iv) you have a deep understanding of the functionality, usage, storage of cryptographic tokens, Smart Contracts, and blockchain-based software, (v) the legal entity you are representing has its seat of incorporation outside of any Restricted Area and (vi) you have carefully reviewed the content of this document and have understood and agreed with these Terms.
- 8.4. If you are registering to use the BLOCKPIT Platform and BLOCKPIT tokens on your own behalf, you represent and warrant that you (i) are of legal age to form a binding contract, (ii) have full power and authority to accept these Terms, (iii) are not listed on any of the sanctions lists published and maintained by the United Nations, European Union, any EU country, any OECD country, UK Treasury and US Office of Foreign Assets Control (OFAC), (iv) have a deep understanding of the functionality, usage, storage of cryptographic tokens, Smart Contracts, and blockchain-based software, (v) have a deep understanding of the functionality, usage, storage of cryptographic tokens, Smart Contracts, and blockchain-based software, (vi) your residence is outside of any Restricted Area and (vii) you have carefully reviewed the content of this document and have understood and agreed with these Terms.

## 9. SECURITY MEASURES

- 9.1. Each Participant will implement reasonable and appropriate measures designed to secure access to:
- a) any device associated with the email address associated with your account with the BLOCKPIT Platform,
  - b) private keys required to access any relevant cryptocurrency wallets, and
  - c) its username, password and any other login or identifying credentials of the BLOCKPIT Platform.
- 9.2. In case a Participant suspects a security breach in any of the abovementioned, the Participant will inform BLOCKPIT immediately so BLOCKPIT can take all required and possible measures

to secure the Participant's account, the Website, the BLOCKPIT Platform, BLOCKPIT tokens and systems as whole.

- 9.3. In the event that a Participant is no longer in possession of any device associated with its account or is not able to provide its login or identifying credentials to the BLOCKPIT Platform, BLOCKPIT may, in sole discretion, grant access to the Participant's account to any party providing corresponding evidence that such party is actually the Participant or is actually duly representing the Participant. BLOCKPIT explicitly reserves the right to determine which evidence it accepts, which may include, without limitation, a sworn, notarized statement of identity.
- 9.4. BLOCKPIT will employ multiple layers of security in infrastructure. All network traffic must pass through the "industry standard" AWS NAT Gateway, which ensures with it its own firewall. Access to public facing applications is allowed only for HTTP(s) - ports 80 and 443 - and only for those services which are defined in BLOCKPIT's servers reverse proxy configuration. Access to BLOCKPIT's back-end services and API will require the use of VPN, specifically defined and whitelisted BLOCKPIT's server with dedicated IP addresses.

## 10. REGULATORS AND REGULATION

- 10.1. BLOCKPIT is of the reasonable opinion that the BLOCKPIT Platform and the Use of BLOCKPIT tokens is currently not regulated by the Austrian Financial Market Authority (*Finanzmarktaufsicht - FMA*) and is closely following changes to legislation in the most relevant jurisdictions in the EU. It is possible that certain jurisdictions will apply existing regulations, or introduce new regulations addressing on blockchain technology-based applications, which may have negative influence on the BLOCKPIT Platform and which may, inter alia, result in substantial modifications of the BLOCKPIT Platform, including its termination or the loss of BLOCKPIT tokens or any value which BLOCKPIT tokens might have. BLOCKPIT intends to design, modify and/or adapt the BLOCKPIT Platform in such way that financial market rules are not applicable on BLOCKPIT and / or the BLOCKPIT Platform. Respectively within the regulatory risk also changes in the BLOCKPIT Platform with respect to such adaptations, amendments and re-designs may cause termination or the loss of BLOCKPIT tokens or any value which BLOCKPIT tokens might have.
- 10.2. BLOCKPIT is not a financial institution and is currently not under supervision of any financial supervisory authority. BLOCKPIT does not provide any licensed financial services, such as investment services, capital raising, fund management or investment advice. BLOCKPIT is further of the reasonable opinion that there is no obligation to hold a licence as the BLOCKPIT Platform, including the BLOCKPIT tokens and the intended structure of the User Incentive and Affiliate Program constitutes a limited network, which is not regulated by financial markets rules. The BLOCKPIT tokens distribution is not a public offering of equity or debt and consequently does not fall under securities laws or any prospectus regulation.
- 10.3. This document or any other document, produced and signed by BLOCKPIT, as well as the Website, and any of their content does not constitute an offer or solicitation to sell shares or securities.
- 10.4. None of the information or analyses presented are intended to form the basis for any investment decision, and no specific recommendations are intended, and BLOCKPIT Platform, its Ecosystem, services and the Website are not, do not offer and shall not be construed as investment or financial products.
- 10.5. BLOCKPIT undertakes to cooperate with any governmental legal authority or regulator or

supervisory authority of any country (in particular with FMA), and also with all authorized financial institutions.

## 11. LIABILITY

- 11.1. BLOCKPIT and its affiliates and their respective officers, employees or agents, advisors will in regard to BLOCKPIT tokens not be liable to you or anyone else for any damages of any kind, including, but not limited to, direct, consequential, incidental, special or indirect damages (including but not limited to lost profits, trading losses or damages that result from use or loss of use of Website, BLOCKPIT Platform and BLOCKPIT tokens, even if BLOCKPIT has been advised of the possibility of such damages or losses, including, without limitation, from the Use of BLOCKPIT tokens, the Website or the BLOCKPIT Platform.
- 11.2. Further, neither BLOCKPIT nor any of BLOCKPIT's affiliates or licensors will be responsible for any compensation, reimbursement, or damages arising in connection with: (a) your inability to use the Website, the BLOCKPIT Platform or the BLOCKPIT tokens, including without limitation as a result of any termination or suspension of the blockchain networks or this agreement, including as a result of power outages, maintenance, defects, system failures or other interruptions; and (b) the cost of procurement of substitute goods or services.

## 12. TAXES

The Participant bears the sole responsibility to determine if the contribution to and receipt from the Smart Contract system, including but not limited to the exchange of BLOCKPIT tokens, change of the BLOCKPIT tokens value with the course of time and the receive function of the Smart Contract system shall be a taxable event for the Participant. The Participant bears full responsibility for timely and correct calculation and payment of all taxes due in accordance with the legislation applicable to the Participant. The Service is not a tax agent of the Participant, as well as it does not advise the Participant on the order of calculation and/or the payment of taxes.

## 13. INTELLECTUAL PROPERTY

- 13.1. BLOCKPIT 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 development of the BLOCKPIT Software, its Ecosystem, services and goods, the BLOCKPIT Platform (hereinafter: "**BLOCKPIT IP**"), whether or not patentable, copyrightable or protectable in trademark, and any trademarks, copyrights or patents based thereon except as otherwise agreed. The Participant may not use any of BLOCKPIT intellectual property for any reason, except with our express, prior, written consent.
- 13.2. These Terms shall not be understood and interpreted in a way that they would mean assignment of intellectual property rights, unless it is explicitly defined so in these Terms and in the Token Purchase / Exchange Agreement.
- 13.3. The Participant is being granted a non-exclusive, non-transferable, revocable license to access and use the Website and the BLOCKPIT Platform and its Ecosystem strictly in accordance with these Terms and the Token Purchase / Exchange Agreement. As a condition of the use of the Website, the BLOCKPIT Platform and its Ecosystem as well as the BLOCKPIT tokens the Participant warrants to BLOCKPIT that he or she will not use them for any purpose that is

unlawful or prohibited by these Terms. The Participant may not use the BLOCKPIT tokens in any manner that could damage, disable, overburden, or impair the Website and the BLOCKPIT Platform. The Participant may not obtain or attempt to obtain any materials or information through any means not intentionally made available or provided for through the Website, the BLOCKPIT Platform and BLOCKPIT tokens. Limitation to the transferability of licence shall not be understood in a way that the Participants are not allowed to transfer BLOCKPIT tokens to third parties.

- 13.4. All BLOCKPIT IP is the property of BLOCKPIT and is protected by copyright, trademark and other laws that protect intellectual property and proprietary rights. Participants agree to observe and abide by all copyright and other proprietary notices, legends or other restrictions contained in any such content and will not make any changes thereto.
- 13.5. Participants will not modify, publish, transmit, reverse engineer, participate in the transfer or sale, create derivative works, or in any way exploit any of the BLOCKPIT IP, in whole or in part, found on the Website or associated products and services. BLOCKPIT IP is not for resale. Participant's use of the BLOCKPIT IP does not entitle Participants to make any unauthorized use of any BLOCKPIT IP, and in particular will not delete or alter any proprietary rights or attribution notices in any BLOCKPIT IP. Participants will use BLOCKPIT IP solely for their personal use, and will make no other use of BLOCKPIT IP without the express prior written permission of BLOCKPIT and the copyright owner. You agree that you do not acquire any ownership rights in any BLOCKPIT IP except as otherwise agreed. BLOCKPIT does not grant Participants any licenses, express or implied, to the intellectual property of BLOCKPIT except as expressly authorized by these Terms.

## 14. MISCELLANEOUS

- 14.1. Materials, such as the Whitepaper and others, published on the Website or elsewhere, are not binding and do - unless explicitly referred to herein - not form part of these Terms, and are of descriptive nature only.
- 14.2. BLOCKPIT reserves the right to update or modify these Terms at any time by posting a revised version under <https://www.blockpit.io/>. Any revisions to these Terms will take effect on the defined effective date or, if there is no defined effective date, upon the date of publication on the Website. BLOCKPIT assumes no responsibility to keep you updated about changes made to these Terms in accordance with the foregoing.
- 14.3. BLOCKPIT and its affiliates or agents and advisors will not be liable for any delay or failure to perform any obligation under the Token Purchase / Exchange Agreement where the delay or failure results from any cause beyond our reasonable control, including acts of God, labour disputes or other industrial disturbances, electrical, telecommunications, hardware, software or other utility failures, earthquake, storms or other elements of nature, blockages, embargoes, riots, acts or orders of government, acts of terrorism, or war, changes in blockchain technology (broadly construed), changes in the Ethereum or any other blockchain protocols or any other force outside of our control.
- 14.4. BLOCKPIT and Participants are independent contractors, and neither party, nor any of their respective affiliates, is an agent of the other for any purpose or has the authority to bind the other. Both parties reserve the right (i) to develop or have developed for it 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 (ii) to assist third party developers or systems integrators who may offer products or services which compete with the other party's' products or services.



- 14.5. The failure or omission by BLOCKPIT to enforce any provision of these Terms will not constitute a present or future waiver of such provision nor limit the right of BLOCKPIT to enforce such provision at a later time. All waivers of BLOCKPIT must be unequivocal and in writing to be effective.
- 14.6. Except as otherwise set forth herein, if any portion of these Terms is held to be invalid or unenforceable, the remaining portions of these Terms will remain in full force and effect. Any invalid or unenforceable portions will be interpreted to affect the intent of the original portion. If such construction is not possible, the invalid or unenforceable portion will be severed from these Terms, but the rest of the Terms will remain in full force and effect.
- 14.7. For Users that are not Consumers, the following shall apply: All disputes or claims arising out of or in connection with these Terms including disputes relating to its validity, termination or nullity, and any disputes or claims arising out of or in connection with the use of Website, the BLOCKPIT Platform and the BLOCKPIT tokens shall be finally and exclusively settled by the competent court for commercial matters in 1010 Vienna, Austria. Exclusively Austrian law shall apply; the International Sale of Goods convention (CISG, Vienna UN Sales Convention) is excluded.
- 14.8. These Terms together with the Token Purchase / Exchange Agreement and its Annexes represent the entire Agreement between the Participant and BLOCKPIT regarding the subject matter of these Terms, in particular use of the Website, the BLOCKPIT Platform and BLOCKPIT tokens. These Terms supersede all prior or contemporaneous representations, understandings, agreements, or communications between you and us, whether written or verbal, regarding the subject matter of these Terms. We will not be bound by, and specifically object to, any term, condition or other provision which is different from or in addition to the provisions of these Terms (whether or not it would materially alter these Terms) and which is submitted by you in any order, receipt, acceptance, confirmation, correspondence or other document.
- 14.9. In case of contradictions, the specific or particular document replaces the general one (e.g. Token Purchase / Exchange Agreement replaces these Terms) and a more recent document replaces the older one.