

## **TERMS OF TOKEN SALE**

PLEASE READ THESE TERMS OF TOKEN SALE CAREFULLY AS THESE TERMS, INCLUDING EXHIBIT B, WERE RECENTLY UPDATED.

NOTE THAT SECTION 14 CONTAINS A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER, WHICH, IF APPLICABLE TO YOU, AFFECT YOUR LEGAL RIGHTS. IF YOU DO NOT AGREE TO THESE TERMS OF SALE, DO NOT PURCHASE TOKENS.

Your purchase of a Simple Agreement for Future Tokens (“SAFT”) representing the right to Polybird Tokens (“PBT”, and together with the SAFT, the “Tokens”) during the PBT pre-sale and public sale periods (collectively, the “Sale Period”) from Polybird LLC (“Company,” “we,” or “us”) is subject to these Terms of Sale (“Terms”). Each of you and the Company is referred to as a “Party,” and together the “Parties.”

By purchasing Tokens from us during the Sale Period, you will be bound by these Terms and all terms incorporated herein by reference. If you have any questions regarding these Terms, please contact us at [support@polybird.io](mailto:support@polybird.io). If you previously purchased a SAFT, please see Section 18 for important information about your rights. You and the Company agree as follows:

### **1. Purpose and Use of the SAFT**

The SAFT represents the right to acquire PBT in the future and becomes effective only upon the Company’s receipt from you of an equivalent of the purchase price set forth in the SAFT, which price is expressed in the SAFT in Ether (“ETH”) or U.S. dollars. The SAFT will convert to PBT at the time of the “Token Generation Event,” which is defined in the SAFT as the earlier of (i) October 30, 2018 at 6:00 PM EST or (ii) the purchase of SAFTs with an aggregate value the equivalent of at least 150,000ETH.

The SAFT is a security and offers and sales of the SAFT have not been registered under any country’s securities laws and, therefore, cannot be resold except in compliance with the applicable country’s laws. The SAFT does not and will not entitle investors to vote or receive dividends or be deemed the holder of capital stock of the Company for any purpose, nor will anything be construed to confer on the investors any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise.

## **2. Purpose and Use of PBT in Connection with the Polybird Exchange**

PBT are intended to function as a preliminary ERC20 token on the Ethereum blockchain that may later be converted into “PBT Tokens”, the native cryptocurrency of the production-level blockchain underlying our platform. Ownership of PBT carries no rights, express or implied, other than the right, to convert PBT to PBT Tokens for use on the Polybird. In particular, you understand and accept that PBT do not represent or confer any ownership right or stake, share or security or equivalent rights, or any right to receive future revenue shares, intellectual property rights or any other form of participation in or relating to the Company or its corporate affiliates or the Company’s property, other than rights relating to the conversion to PBT Tokens, subject to limitations and conditions in these Terms and applicable Polybird Terms and Policies (as defined below).

## **3. Scope of Terms**

Unless otherwise stated herein, these Terms govern only your purchase of Tokens from us during the Sale Period. Additional terms of the SAFT are set out in the SAFT itself; to the extent of any conflict between these Terms and the terms of the SAFT, the SAFT terms shall control with respect to any issues relating to the SAFT. The use of PBT in connection with the Polybird may be governed by other applicable terms and policies (collectively, the “Polybird Terms and Policies”). Any Polybird Terms and Policies we promulgate will be available at polybird.io. We may add terms or policies to the Terms and Policies in our sole discretion, and may update each of the Terms and Policies from time to time. To the extent of any conflict with these Terms, the Polybird Terms and Policies shall control with respect to any issues relating to the use of PBT on the Polybird.

## **4. Cancellation; Refusal of Purchase Requests**

Your purchase of the Tokens from us during the Sale Period is final, and there are no refunds or cancellations, except as may be required by applicable law or regulation. We reserve the right to refuse or cancel Token purchase requests at any time in our sole discretion. Under the terms of the SAFT, we may be obligated to return your purchase amount to you if there is a Dissolution Event (as defined in the SAFT) or if the Token Generation Event has not occurred by the Deadline Date specified in the SAFT.

## **5. Token Sale Procedures and Specifications**

Important information about the procedures and material specifications of our Token sale is provided in [Exhibit B](#), including, but not limited to, details regarding the timing and pricing of the Token sale, the amount of PBT we may issue, and our anticipated use of the Token sale proceeds. By purchasing Tokens, you acknowledge that you understand and have no objection to these procedures and material specifications.

## **6. Acknowledgment and Assumption of Risks**

You acknowledge and agree that there are risks associated with purchasing the Tokens, holding PBT, and using PBT on the Polybird, as disclosed and explained in Exhibit C. Our business, financial condition, operating results and cash flows could be materially and adversely affected by any of these risks. If you have any questions regarding these risks, please contact us at [support@polybird.io](mailto:support@polybird.io). BY PURCHASING TOKENS, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THESE RISKS.

## **7. Security**

You are responsible for implementing reasonable measures for securing the wallet, vault or other storage mechanism you use to receive and hold PBT you purchase from us, 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 or stolen, you may lose access to your PBT. We are not responsible for any such losses.

## **8. Personal Information**

We may determine, in our sole discretion, that it is necessary to obtain certain information about you in order to comply with applicable laws or regulations in connection with selling Tokens to you. You agree to provide us such information promptly upon request, and you acknowledge that we may refuse to sell Tokens to you until you provide such requested information and we have determined that it is permissible to sell you Tokens under applicable laws or regulations.

## **9. Taxes**

The purchase price that you pay for Tokens is exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase of Tokens, including, for example, sales, use, value added, and similar taxes. It is also your responsibility to withhold, collect, report and remit the correct taxes to the appropriate tax authorities. We are not responsible for withholding, collecting, reporting, or remitting any sales, use, value added, or similar tax arising from your purchase of Tokens.

## **10. Representations and Warranties**

By transferring U.S. dollars to our bank account or ETH to the smart contract system (“Smart Contract System”, as explained in Exhibit B) to purchase Tokens from us, you represent and warrant that:

- You have read and understand the SAFT and these Terms (including all Exhibits);

- You (or, if you are an entity, all individuals representing you) are at least 18 years of age;
- You:
  - (i) (a) if in the United States, or a U.S. Person (as defined in Regulation S under U.S. Securities Act of 1933, as amended (the “Securities Act”)), are an accredited investor, as defined in Regulation D under the Securities Act or
  - (ii) (b) if outside of the United States, must be a non-U.S. Person who is not purchasing for the account or benefit of a U.S. Person as defined under Regulation S under the Securities Act;
- You understand that the SAFT is a security and that neither the SAFT nor the PBT has been registered under the Securities Act or any United States state securities laws or the laws of any foreign jurisdiction. You understand that the Company will not be registered as an investment company under the United States Investment Company Act of 1940, as amended and that consequently, investors will not be afforded the protections of the such Act;
- You understand that the SAFT is subject to restrictions on transferability and resale and may not be transferred or resold. You are aware that you will be required to bear the financial risks of this investment for an indefinite period of time;
- You have made your own investigation and evaluation of the SAFT and the PBT, including the merits and risks involved in an investment therein. You have been provided with the opportunity to ask questions of and receive answers and additional information from the Company concerning the terms and conditions of this offering and other relevant matters;
- You have a sufficient understanding of the functionality, usage, storage, transmission mechanisms and other material characteristics of cryptographic tokens like Bitcoin and ETH, token storage mechanisms (such as token wallets), blockchain technology and blockchain-based software systems to understand these Terms and to appreciate the risks and implications of purchasing Tokens;
- You have obtained sufficient information about the SAFT, PBT and Polybird to make an informed decision regarding purchasing the Tokens;
- You understand the restrictions and risks associated with the creation of PBT and conversion of PBT, and acknowledge and assume all such risks;
- You understand, acknowledge and assume the risks associated with the purchase of the SAFT and PBT, and with the holding and use of PBT in connection with the Polybird platform, as explained and disclosed in Section 5 and Exhibit C;
- You understand that the SAFT confers the right to convert the SAFT into PBT Tokens for use on Polybird, and does not confer the rights to vote or receive dividends or be deemed the holder of capital stock of the Company for any purpose, nor any rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise;

- You understand that PBT confer only the right to convert PBT into PBT Tokens for use on Polybird, and confer no other rights of any form with respect to the Company or its corporate affiliates or property, including, but not limited to, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights;
- You understand that a significant portion of the proceeds of the Token sale will be used by the Company to support the development, testing, deployment and operation of the Polybird, being aware of the commercial risks associated with the Company and the Polybird;
- Your purchase of Tokens complies with applicable law and regulation in your jurisdiction, including, but not limited to,
  - (i) (i) legal capacity and any other applicable legal requirements in your jurisdiction for purchasing the SAFT and the PBT, using FIC, and entering into contracts with us,
  - (ii) (ii) any foreign exchange or regulatory restrictions applicable to such purchase, and
  - (iii) (iii) any governmental or other consents that may need to be obtained;
- You will comply with any applicable tax obligations in your jurisdiction arising from your purchase of the Tokens;
- If you are purchasing the Tokens on behalf of any entity, you are authorized to accept these Terms on such entity's behalf and that such entity will be responsible for breach of these Terms by you or any other employee or agent of such entity (references to "you" in these Terms refer to you and such entity, jointly);
- You are not resident or domiciled in New York State or purchasing Tokens from a location in New York State; and
- You are not, nor are you an agent of,
  - (i) a citizen or resident of a country or territory in which access to or use of the SAFT, PBT or the Polybird is prohibited by applicable law, decree, regulation, treaty, or administrative act,
  - (ii) a citizen or resident of, or located in, a country or territory that is subject to sanctions or embargoes imposed by the United States or any other country, or
  - (iii) an individual or entity, nor an individual or entity employed by, acting on behalf of, or affiliated with an entity, identified on the U.S. Department of Commerce's Denied Persons or Entity List, the U.S. Department of Treasury's Specially Designated Nationals and Blocked Persons Lists, or the U.S. Department of State's Debarred Parties List (collectively, "Restricted Party Lists"). You further agree that you will not use the PBT or Polybird in connection with transactions
    - a) in any country or territory that is subject to U.S. or other sanctions or embargoes,

- b) with any individual or entity that is identified on the Restricted Party Lists, nor
- c) otherwise prohibited by U.S. sanctions and export control laws and regulations including the sanctions regulations administered by the U.S. Department of the Treasury Office of Foreign Assets Control, 31 C.F.R. §§ 500-599, and the Export Administration Regulations, 15 C.F.R. §§ 730-774.
- d) You agree that if your country of residence or any other circumstances change such that the above representations are no longer accurate, then you will immediately cease using the Polybird and notify the Company. If you are registering to use the Polybird on behalf of a legal entity, you further represent and warrant that (i) such legal entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization, and you are duly authorized by such legal entity to act on its behalf.

## **10. Indemnification**

To the fullest extent permitted by applicable law, you will indemnify, defend and hold harmless the Company and our respective past, present and future employees, officers, directors, contractors, consultants, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns (collectively, the “Company Parties”) from and against all claims, demands, actions, damages, losses, costs and expenses (including attorneys’ fees) that arise from or relate to:

- (i) your purchase or use of the Tokens,
- (ii) your responsibilities or obligations under these Terms,
- (iii) your violation of these Terms, or
- (iv) your violation of any rights of any other person or entity.

The Company reserves the right to exercise sole control over the defense, at your expense, of any claim subject to indemnification under this Section 10. This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between you and the Company.

## **11. Disclaimers**

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS OTHERWISE SPECIFIED IN A WRITING BY US, (A) TOKENS ARE SOLD ON AN “AS IS” AND “AS AVAILABLE” BASIS WITHOUT WARRANTIES OF ANY KIND, AND WE EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES AS TO TOKENS, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND

NON-INFRINGEMENT; (B) WE DO NOT REPRESENT OR WARRANT THAT TOKENS ARE RELIABLE, CURRENT OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN TOKENS WILL BE CORRECTED; AND (C) WE CANNOT AND DO NOT REPRESENT OR WARRANT THAT TOKENS OR THE DELIVERY MECHANISM FOR TOKENS ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS.

Some jurisdictions do not allow the exclusion of certain warranties or disclaimer of implied terms in contracts with consumers, so some or all of the exclusions of warranties and disclaimers in this section may not apply to you.

## **12. Limitation of Liability**

(A) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW: (I) IN NO EVENT WILL THE COMPANY OR ANY OF THE COMPANY PARTIES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES OF ANY KIND (INCLUDING, BUT NOT LIMITED TO, WHERE RELATED TO LOSS OF REVENUE, INCOME OR PROFITS, LOSS OF USE OR DATA, OR DAMAGES FOR BUSINESS INTERRUPTION) ARISING OUT OF OR IN ANY WAY RELATED TO THE SALE OR USE OF TOKENS OR OTHERWISE RELATED TO THESE TERMS, REGARDLESS OF THE FORM OF ACTION, WHETHER BASED IN CONTRACT, TORT (INCLUDING, BUT NOT LIMITED TO, SIMPLE NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR ANY OTHER LEGAL OR EQUITABLE THEORY (EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE); AND (II) IN NO EVENT WILL THE AGGREGATE LIABILITY OF THE COMPANY AND THE COMPANY PARTIES (JOINTLY), WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR OTHER THEORY, ARISING OUT OF OR RELATING TO THESE TERMS OR THE USE OF OR INABILITY TO USE TOKENS, EXCEED THE AMOUNT YOU PAY TO US FOR TOKENS.

(B) THE LIMITATIONS SET FORTH IN SECTION 12(A) WILL NOT LIMIT OR EXCLUDE LIABILITY FOR THE GROSS NEGLIGENCE, FRAUD OR INTENTIONAL, WILLFUL OR RECKLESS MISCONDUCT OF THE COMPANY.

(C) Some jurisdictions do not allow the limitation or exclusion of liability for incidental or consequential damages. Accordingly, some of the limitations of this section may not apply to you.

### **13. Release**

To the fullest extent permitted by applicable law, you release the Company and the other Company Parties from responsibility, liability, claims, demands and/or damages (actual and consequential) of every kind and nature, known and unknown (including, but not limited to, claims of negligence), arising out of or related to disputes between users and the acts or omissions of third parties. You expressly waive any rights you may have under California Civil Code §1542 as well as any other statute or common law principles that would otherwise limit the coverage of this release to include only those claims which you may know or suspect to exist in your favor at the time of agreeing to this release. California Civil Code §1542 provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

### **14. Dispute Resolution; Arbitration**

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

Binding Arbitration. Except for any disputes, claims, suits, actions, causes of action, demands or proceedings (collectively, “Disputes”) in which either Party seeks injunctive or other equitable relief for the alleged unlawful use of intellectual property, including, without limitation, copyrights, trademarks, trade names, logos, trade secrets or patents, you and the Company (i) waive your and the Company’s respective rights to have any and all Disputes arising from or related to these Terms resolved in a court, and (ii) waive your and the Company’s respective rights to a jury trial. Instead, you and the Company will arbitrate Disputes through binding arbitration (which is the referral of a Dispute to one or more persons charged with reviewing the Dispute and making a final and binding determination to resolve it instead of having the Dispute decided by a judge or jury in court).

No Class Arbitrations, Class Actions or Representative Actions. Any Dispute arising out of or related to these Terms is personal to you and the Company and will be resolved solely through individual arbitration and will not be brought as a class arbitration, class action or any other type of representative proceeding. There will be no class arbitration or arbitration

in which an individual attempt to resolve a Dispute as a representative of another individual or group of individuals. Further, a Dispute cannot be brought as a class or other type of representative action, whether within or outside of arbitration, or on behalf of any other individual or group of individuals.

Federal Arbitration Act. The enforceability of this Section 14 will be both substantively and procedurally governed by and construed and enforced in accordance with the Federal Arbitration Act, 9 U.S.C. § 1 et seq. (the “FAA”), to the maximum extent permitted by applicable law.

Notice; Informal Dispute Resolution. Each Party will notify the other Party in writing of any Dispute within thirty (30) days of the date it arises, so that the Parties can attempt in good faith to resolve the Dispute informally. Notice to the Company shall be sent by e-mail to the Company at [support@polybird.io](mailto:support@polybird.io). Notice to you shall be by email to the then-current email address in your account. Your notice must include (i) your name, postal address, email address and telephone number, (ii) a description in reasonable detail of the nature or basis of the Dispute, and (iii) the specific relief that you are seeking. If you and the Company cannot agree how to resolve the Dispute within thirty (30) days after the date notice is received by the applicable Party, then either you or the Company may, as appropriate and in accordance with this Section 14, commence an arbitration proceeding or, to the extent specifically provided for in this Section 14, file a claim in court.

Any arbitration will occur in New York County, New York. Arbitration will be conducted confidentially by a single arbitrator in accordance with the rules of the Judicial Arbitration and Mediation Services (“JAMS”), which are hereby incorporated by reference. The state and federal courts located in New York County, New York will have exclusive jurisdiction over any appeals and the enforcement of an arbitration award. You may also litigate a Dispute in the small claims court located in the county where you reside if the Dispute meets the requirements to be heard in small claims court.

Authority of Arbitrator. As limited by the FAA, these Terms and the applicable JAMS rules, the arbitrator will have (i) the exclusive authority and jurisdiction to make all procedural and substantive decisions regarding a Dispute, including the determination of whether a Dispute is arbitrable, and (ii) the authority to grant any remedy that would otherwise be available in court; provided, however, that the arbitrator does not have the authority to conduct a class arbitration or a representative action, which is prohibited by these Terms. The arbitrator may only conduct an individual arbitration and may not consolidate more than one individual’s claims, preside over any type of class or representative proceeding or preside over any proceeding involving more than one individual.

Severability of Dispute Resolution; Arbitration. If any term, clause or provision of this Section 14 is held invalid or unenforceable, it will be so held to the minimum extent

required by law, and all other terms, clauses and provisions of this Section 14 will remain valid and enforceable. Further, the waivers set forth in Section this 14 are severable from the other provisions of these Terms and will remain valid and enforceable, except as prohibited by applicable law.

## **15. Governing Law and Venue**

These Terms will be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to conflict of law rules that would cause the application of the laws of any other jurisdiction.

## **16. Severability**

If any term, clause or provision of these Terms is held unlawful, void or unenforceable, then that term, clause or provision will be severable from these Terms and will not affect the validity or enforceability of any remaining part of that term, clause or provision, or any other term, clause or provision of these Terms.

## **17. Miscellaneous**

WE MAY MAKE CHANGES TO THESE TERMS FROM TIME TO TIME AS REASONABLY REQUIRED TO COMPLY WITH APPLICABLE LAW OR REGULATION OR OTHERWISE. IF WE MAKE CHANGES, WE WILL POST THE AMENDED TERMS AT [WWW.POLYBIRD.IO](http://WWW.POLYBIRD.IO) AND UPDATE THE “LAST UPDATED” DATE ABOVE. THE AMENDED TERMS WILL BE EFFECTIVE IMMEDIATELY. We may assign our rights and obligations under these Terms. Our failure to exercise or enforce any right or provision of these Terms will not operate as a waiver of such right or provision. We will not be liable for any delay or failure to perform any obligation under these Terms where the delay or failure results from any cause beyond our reasonable control. Purchasing Tokens from us does not create any form of partnership, joint venture or any other similar relationship between you and us. Except as otherwise provided in herein, these Terms are intended solely for the benefit of you and us and are not intended to confer third-party beneficiary rights upon any other person or entity. You agree and acknowledge that all agreements, notices, disclosures, and other communications that we provide to you, including these Terms, will be provided in electronic form.

## **18. Rescission**

If you purchased a SAFT prior to August 12, 2018 (the “Prior Terms Date”), you may elect to (i) proceed with your purchase on the original terms, (ii) elect to proceed with your purchase on these updated Terms, as in effect on Prior Terms Date, or (iii) elect to request the return of your Purchase Amount (a “Right of Rescission”) by emailing [support@polybird.io](mailto:support@polybird.io). TO EXERCISE A RIGHT OF RESCISSION, THE COMPANY

MUST RECEIVE YOUR ELECTION TO DO SO NO LATER THAN 6:00 PM EST ON August 30, 2018. If you purchased a SAFT prior to the Prior Terms Date and do not make an election pursuant to this Section 18 prior to 6:00 PM EST on August 30, 2018, your existing SAFT will continue to be subject to its original Terms. If you elect to exercise your Right of Rescission, the Company will return your original Purchase Amount in the original cryptocurrency you provided to the Company in exchange for the surrender and cancellation of your SAFT. In the event that you exercise your Right of Rescission, you will have no claims, rights, or interests of any nature whatsoever in the Tokens, and release any claims, rights or interests of any nature whatsoever you have or might have with respect to the Company, its affiliates, employees, officers and directors, and anyone acting or purporting to act on behalf of the Company or the foregoing, effective upon your election to rescind your purchase, except your right to receive the Purchase Amount of your SAFT.

## **EXHIBIT A**

Description of the Company, the Polybird, the SAFT and PBT:

### **1. Overview of the Company**

The Company is organized in Wyoming (US) and will have primary responsibility for administering the development of the Polybird.

### **2. Overview of the Polybird and PBT Functionality**

Polybird is a global exchange platform that is akin to ‘World Stock Exchange’, but is multi-asset in nature where assets could be equities, bonds, crypto-assets, currencies, commercial real estate, or derivatives. Further details regarding the Polybird and PBT are described in the Polybird Whitepaper (“Whitepaper”) and Tokenomics (“Tokenomics”), which is available at [polybird.io](http://polybird.io). The information contained in the Whitepaper, Tokenomics, and Polybird’s website is of a descriptive nature only, and does not, unless explicitly incorporated herein, form part of the Terms. Although the Company intends to develop the Polybird in the manner generally described above, it reserves the right to modify features, functionalities or development plans in its sole and absolute discretion.

### **3. Summary of terms of SAFT**

Each SAFT provides for the purchase of PBT according to the pricing structure set forth below in Exhibit B. The holder of the SAFT is only entitled to receive the specified amount of PBT upon the Token Generation Event (as defined in the SAFT), and only after providing the Company with a network address to which the PBT will be sent and verification of the holder’s status as a U.S. accredited investor or non-U.S. person under applicable securities laws. The SAFT terminates upon the earlier of (a) issuance of the PBT, (b) a Dissolution Event (as defined in the SAFT), at which time the Company must

repay the SAFT amount to the holder, or (c) the Deadline Date (as defined in the SAFT), if the Token Generation Event does not occur by such date.

## **EXHIBIT B**

**Please refer to “Tokenomics” on [polybird.io](http://polybird.io) for more details on Token Structure**

### **Procedures for Buying and Receiving PBT**

In order to purchase Tokens during the Pre-Sale Period or Public Sale Period, and to receive the PBT upon conversion of the SAFT, you must have an Ethereum wallet that supports the ERC20 token standard. The Company reserves the right to prescribe additional wallet requirements.

To initiate a purchase of Tokens during the Pre-Sale Period, you must either (i) send an amount of ETH to a digital wallet address specified by the Company or (ii) wire an amount in U.S. dollars to the Company’s bank account pursuant to wire instructions provided by the Company (both (i) and (ii), the “Payment Instructions”) and you must agree to these Terms. Sending payment according to the Payment Instructions triggers a smart contract operation that will occur during the Public Sale Period, pursuant to which the Smart Contract System will automatically create and prepare to deliver PBT upon the Token Generation Event to the ERC20 wallet address you provided to the Company. Concurrent with your payment to the Company in accordance with the Payment Instructions, you and the Company will execute the Company’s standard form of Simple Agreement for Future Tokens.

Sending ETH to any other address may result in loss of ETH. Attempted transactions to purchase PBT will be rejected if any ETH are sent to the PBT Token Address at any time outside the Sale Period.

## **EXHIBIT C**

### **Certain Risks Relating to Purchase, Sale and Use of PBT**

Important Note: An investment in the SAFT involves a high degree of risk. You should consider carefully the risks described below, together with all of the other information contained in these Terms and the SAFT, before making an investment decision. The following risks entail circumstances under which, our business, financial condition, results of operations and prospects could suffer.

By purchasing the SAFT, and holding and using PBT, you expressly acknowledge and assume the following risks:

Risks associated with an investment in the SAFT

**We may not successfully develop, market and launch the Polybird and Investors may not receive PBT.**

The Polybird is in the testing stage and has not yet been fully developed by the Company and will require significant capital funding, expertise of the Company's management, time and effort in order to develop and successfully launch the Polybird. The Company may have to make changes to the specifications of the Polybird, PBT or PBT Tokens for any number of legitimate reasons or the Company may be unable to develop the Polybird in a way that realizes those specifications or any form of a functioning network. It is possible that the PBT, PBT Tokens and/or and the Polybird may not ever be released and there may never be an operational token or that the Token Generation Event will not occur. The Polybird or PBT or PBT Tokens, if successfully developed and maintained, may not meet investor expectations at the time of purchase. Furthermore, despite good faith efforts to develop and launch the Polybird and subsequently to develop and maintain the Polybird, it is still possible that the Polybird will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Polybird, PBT and/or PBT Tokens.

The Company will use the proceeds of this Offering to make significant investments to develop and launch a viable Polybird and subsequently to build a fulsome network upon which users can realize utility and value. The Company may not have or may not be able to obtain the technical skills and expertise needed to successfully develop the Polybird and/or achieve the Token Generation Event. While the Company has sought to retain and continue to competitively recruit experts, there is a general scarcity of management, technical, scientific, research and marketing personnel with appropriate training to develop and maintain PBT, PBT Tokens and the Polybird. If the Company is not successful in its efforts to demonstrate to users the utility and value of Polybird, there may not be sufficient demand for the Company to achieve the Token Generation Event. As a result, or if the Token Generation Event does not occur, Investors may lose all of their investment.

**Investments in startups including the Company involve a high degree of risk. Investments in token presales including the Token Sale may involve an even higher degree of risk.**

Financial and operating risks confronting startups are significant: The Company is not immune to these. The startup market in which the Company competes is highly competitive and the percentage of companies that survive and prosper is small. Startups often experience unexpected problems in the areas of product development, marketing, financing, and general management, among others, which frequently cannot be solved. In addition, startups may require substantial amounts of financing, which may not be available through institutional private placements, the public markets or otherwise.

**The Company may be forced to cease operations or take actions that result in a Dissolution Event.**

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of cryptographic and fiat currencies, the inability by the Company to establish the Polybird, the failure of commercial relationships, or intellectual property ownership challenges, the Company may no longer be viable to operate and the Company may dissolve or take actions that result in a Dissolution Event.

**The SAFTs may not be transferred.**

The terms of the SAFT prohibit transfer of the SAFT. As a result, Investors will be required to hold their SAFT until the earlier of the Token Generation Event and the delivery of all of the PBT, or the termination of the SAFT pursuant to the provisions set forth therein. Consequently, Investors must be prepared to bear the risk of an investment in the SAFT until the termination of the SAFT pursuant to the terms set forth therein.

**The tax treatment of the SAFT, the conversion rights contained therein and the PBT distribution is uncertain and there may be adverse tax consequences for Investors upon certain future events.**

The tax characterization of the SAFT and the PBT is uncertain, and each Investor must seek its own tax advice in connection with an investment in the SAFT. An investment pursuant to the SAFT and the receipt of PBT pursuant thereto may result in adverse tax consequences to Investors, including withholding taxes, income taxes and tax reporting requirements. Each Investor should consult with and must rely upon the advice of its own professional tax advisors with respect to the United States and non-U.S. tax treatment of an investment in the SAFT.

*Risks associated with PBT and the Polybird*

**1. Risk of Losing Access to PBT Due to Loss of Private Key(s), Custodial Error or Purchaser Error**

A private key, or a combination of private keys, is necessary to control and dispose of PBT stored in your digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your digital wallet or vault storing PBT will result in loss of such PBT. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a digital wallet or vault service you use, may be able to misappropriate your PBT. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive and store PBT, including your own failure to properly maintain or use such digital wallet or vault, may also result in the loss of your

PBT. Additionally, your failure to follow precisely the procedures set forth in Section 4 of Exhibit B for buying and receiving PBT, including, for instance, if you provide the wrong address for receiving PBT, may result in the loss of your PBT.

## **2. Risks Associated with the Ethereum Protocol**

Because PBT is based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on the Polybird or PBT. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to PBT and the Polybird, including the utility of PBT for obtaining any physical or virtual items on Polybird, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol.

## **3. Risk of Mining Attacks**

As with other decentralized cryptographic tokens based on the Ethereum protocol, PBT are susceptible to attacks by miners in the course of validating PBT transactions on the Ethereum blockchain, including, but not limited to, double-spend attacks, majority mining power attacks, and selfish-mining attacks. Any successful attacks present a risk to the Polybird and PBT, including, but not limited to, accurate execution and recording of transactions involving PBT.

## **4. Risk of Hacking and Security Weaknesses**

Hackers or other malicious groups or organizations may attempt to interfere with the Polybird or PBT in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing.

## **5. Risks Associated with Markets for PBT**

There could be illiquidity risk with respect to PBT you hold. Secondary trading of PBT may be facilitated by the Polybird or third-party exchanges, but such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to market-related risks. Furthermore, to the extent that third-parties do ascribe an external exchange value to PBT (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile and diminish to zero.

## **6. Risk of Uninsured Losses**

Unlike bank accounts or accounts at some other financial institutions, PBT are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss

or loss of utility value, there is no public insurer, such as the Federal Deposit Insurance Corporation, or private insurance arranged by us, to offer recourse to you.

## **7. Risks Associated with Uncertain Regulations and Enforcement Actions**

The regulatory status of PBT and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to such technology and its applications. It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to the laws and regulations affecting distributed ledger technology and its applications, including the Polybird and PBT. Regulatory actions could negatively impact the Polybird and PBT in various ways, including, for purposes of illustration only, through a determination that PBT are a regulated financial instrument or security that require registration and/or licensing. The Company may cease operations in a jurisdiction in the event that regulatory actions, or changes to laws or regulations, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

## **8. Risk of Alternative Platforms**

It is possible that alternative platforms could be established that utilize the same open source code and protocol underlying the Polybird and attempt to facilitate services that are materially similar to those provided by the Polybird. The Polybird may compete with these alternative platforms, which could negatively impact the Polybird and PBT, including PBT's utility for participation on the Polybird.

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

The Company team intends to use the proceeds from selling PBT to fund the maintenance and development of the Polybird, as described further in Section 8 of Exhibit B. The proceeds of the sale of PBT will be denominated in U.S. Dollars, and may, at our discretion, be converted into other cryptographic and fiat currencies. If the value of ETH or other currencies fluctuates unfavorably during or after the Sale Period, the Company team may not be able to fund development, or may not be able to develop or maintain Polybird in the manner that it intended.

## **10. Risks Arising from Lack of Governance Rights**

Because PBT confer no governance rights of any kind with respect to the Polybird or the Company, all decisions involving the Polybird or the Company will be made by the Company at its sole discretion, including, but not limited to, decisions to discontinue the Polybird, to sell more PBT for use in the Polybird, or to sell or liquidate the Company.

These decisions could adversely affect the Polybird and the utility of PBT that you hold, including PBT's utility for obtaining physical or virtual items on the Polybird.

## **11. Unanticipated Risks**

Cryptographic tokens such as PBT are a new and untested technology. In addition to the risks included in this Exhibit C, there are other risks associated with your purchase, holding and use of PBT, including those that the Company cannot anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this Exhibit C.