

The following Terms and Conditions (“Terms”) govern the sale of cryptographic tokens -- Equibits (“EQB”) -- that is required to transact on the Equibit open source software platform (“Equibit Platform”) to purchasers of EQB (“Purchasers” collectively, and “Purchaser” individually).

**This document is not a solicitation for investment and does not pertain in any way to an offering of securities in any jurisdiction. As described further below, transactions on the Equibit Platform may require payments of a token in order to create transactions. Without payment for operations, the system may become vulnerable to attack, and thus would not be viable, and would grind to a halt. The payments, in the form of block rewards and transaction fees, are made to owners of computational resources (miners) in exchange for securing the Equibit Platform’s network and for transmitting transactions. This document describes the initial sale in which the token (EQB) is sold, as well as the perpetual coordinated spontaneous creation of the “equibits.” Parties may be interested in purchasing EQB in the initial sale to support the development of the Equibit Platform, and to prepare for their eventual use of the Equibit Platform when it is launched. Individuals, businesses, and other organizations should carefully weigh the risks, costs, and benefits of acquiring EQB early in the initial sale versus waiting to purchase EQB on open, third-party exchanges once the system is operational and when they or their businesses actually require EQB to operate.**

### **IMPORTANT**

Ownership of EQB carries no rights express or implied. Purchases of EQB are non-refundable. Purchasers should have no expectation of influence over governance of the platform. By participating in the sale of EQB, you expressly acknowledge and represent that you have carefully reviewed the Terms and fully understand the risks, costs, and benefits of purchasing EQB and agree to be bound by these Terms. As set forth below, you further represent and warrant that, to the extent permitted by law, you are authorized to purchase EQB in your relevant jurisdiction, are of a legal age to be bound by these Terms, and will not hold EDC, its parent and affiliates, and the officers, directors, agents, joint ventures, employees and suppliers of EDC or our parent or affiliates, now or in the future and any other member of the Equibit Team (collectively the “EDC Parties”) liable for any losses or any special, incidental, or consequential damages arising out of, or in any way connected to the sale of EQB.

### **WARNING: DO NOT PURCHASE EQB IF YOU ARE NOT AN EXPERT IN DEALING WITH CRYPTOGRAPHIC TOKENS AND BLOCKCHAIN-BASED SOFTWARE SYSTEMS**

Purchases of EQB should be undertaken only by individuals, entities, or companies that have significant experience with, and understanding of, the usage and intricacies of cryptographic tokens, like bitcoin (“BTC”), and blockchain-based software systems. Purchasers should have functional understanding of storage and transmission mechanisms associated with other cryptographic tokens. While the Equibit Team will be available to assist Purchasers of EQB during and after the sale, EDC will not be responsible for lost BTC or EQB resulting from actions taken by, or omitted by Purchasers. Note, in particular, that EQB Purchasers should take great care to write down their wallet password and not lose it so as to be sure that they will be able to access their EQB when it becomes available after the initial sale. If you do not have such experience or expertise, then you should not purchase EQB or participate in the pre-sale of EQB.

### **WARNING: CRYPTOGRAPHIC TOKENS MAY EXPERIENCE EXTREME PRICE VOLATILITY**

Cryptographic tokens that possess value in public markets, such as BTC, have demonstrated extreme fluctuations in price over short periods of time on a regular basis. A Purchaser of EQB should be prepared to expect similar fluctuations, both down and up, in the price of EQB denominated in BTC or United States dollars (“USD”) or currencies of other such jurisdictions. Such fluctuations are due to market forces and represent changes in the balance of supply and demand. EDC cannot and does not guarantee market liquidity for EQB and therefore there may be periods of time in which EQB is difficult to buy. Additionally, due to different regulatory dictates in different jurisdictions and the inability of citizens of certain countries to open accounts at exchanges located anywhere in the world, the liquidity of EQB may be markedly different in different countries and this would likely be reflected in significant price discrepancies. By purchasing EQB, you expressly acknowledge and represent that you fully understand that EQB may experience volatility in pricing and will not seek to hold any of the EDC Parties liable for any losses or any special, incidental, or consequential damages arising from, or in any way connected to, the sale of EQB.

### **WARNING: THE PURCHASE OF EQB HAS A NUMBER OF RISKS**

The purchase of EQB carries with it a number of risks. Prior to purchasing EQB, you should carefully consider the risks listed below and, to the extent necessary, consult an appropriate lawyer, accountant, or tax professional. If any of the following risks are unacceptable to you, you should not purchase EQB. By purchasing EQB, and to the extent permitted by law, you are agreeing not to hold any of the EDC Parties liable for any losses or any special, incidental, or

consequential damages arising from, or in any way connected, to the sale of EQB, including losses associated with the risks set forth below.

## **TERMS AND CONDITIONS**

### **1. Overview of Initial Sale of EQB**

The Equibit Platform requires, for proper operation, and comprehensive utilization, a cryptographic token called equibits ("EQB"). EDC will produce and market a quantity of EQB in a pre-sale event called the initial sale, to be conducted on its web site at <https://ico.equibit.org> ("the initial sale"). Purchasers in the initial sale will acquire EQB in exchange for US Dollars or BTC at predefined sale prices over a period of fifty-nine (59) days. Purchasers of EQB in the initial sale will be granted user accounts on the aforementioned website that will enable them to claim their purchase once the product has been developed and is ready for delivery. All EQB pre-sold in this manner will be created in the Equibit Platform's initial Block -- the initial block of the Equibit Platform's blockchain which constitutes the inception of operation of the system -- which is expected to be created during the first quarter of 2017, although there are no guarantees that this will occur according to such a time-frame or at all. After such time, EDC will allocate the purchased EQB to the corresponding user account on the web site, delivering it to their control.

### **2. Creation and Sale of EQB**

EQB will be created through two processes: (1) a pre-mining process, at the instant the system becomes operational, that will create and place a sum of one-million (1,000,000) EQB in the initial block of the blockchain used for the Equibit Platform, and (2) the ongoing mining process which secures the Equibit blockchain. The mining process will create fifty (50) EQB per block with the amount halving every 210,000 blocks. The initial sale is directly related only to the first process. Any unsold EQB from the initial block shall remain in the control of EDC and to be used at the discretion of EDC management.

#### **TIMING OF SALE**

The initial sale will begin at 00:00:00 EST on February 01, 2017.

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The initial Sale will run for 59 days and will end at 23:59:59 EST on March 31, 2017.

EDC reserves the right to change the date when the initial sale will begin and further reserves the right to extend the sale duration for any reason, including the unavailability of the website <https://ico.equibit.org> or other unforeseen security or procedural issues. Though it does not currently anticipate doing so, EDC also reserves the right to shorten the sale duration for any reason.

### **3. EQB Pricing**

Based on the performance of other recent blockchain project launches EDC management has determined that this initial sale shall be partitioned and sold at increasing price points as the sale proceeds, on the following basis:

<b>Tranche</b>	<b>EQB Offered</b>	<b>Cumulative EQB</b>	<b>Price per EQB</b>	<b>Price per Tranche</b>
1	100,000	100,000	\$2.00	\$200,000.00
2	100,000	200,000	\$2.50	\$250,000.00
3	100,000	300,000	\$3.13	\$313,000.00
4	100,000	400,000	\$3.91	\$391,000.00
5	100,000	500,000	\$4.89	\$489,000.00
6	100,000	600,000	\$6.11	\$611,000.00
7	100,000	700,000	\$7.64	\$794,000.00
8	100,000	800,000	\$9.55	\$955,000.00
9	100,000	900,000	\$11.94	\$1,194,000.00
10	100,000	1,000,000	\$14.93	\$1,493,000.00

### **4. Disclosure of Purchases**

In the spirit of openness, and to enable EQB Purchasers to have as much information as possible to guide their decision making process, EDC will disclose in real time the total number of EQB sold to enable the Purchaser to develop an understanding of the size of the existing EQB pool at the time of their EQB purchase.

## **5. Purchase of EQB from the Equibit Store on the Equibit.org Website**

EDC will maintain a store interface, which can be used to purchase EQB. The store interface will be available on the Equibit website (<https://ico.equibit.org>). Instructions for purchasing EQB with BTC using the store interface will be embedded and available for review on the EDC website during the duration of the initial sale. Failure to follow these instructions may limit, delay, or prevent a Purchaser from obtaining EQB. Any questions about these instructions should be directed to [ico@equibit.org](mailto:ico@equibit.org).

## **6. Obligation to Determine If Purchaser Can Purchase EQB in Purchaser's Jurisdiction**

The initial sale constitutes the sale of a legal software product under Canadian law. This product sale is conducted by EDC, a Canadian company, operating under Canadian law. It is the responsibility of each potential Purchaser of EQB to determine if the Purchaser can legally purchase EQB in the Purchaser's jurisdiction.

## **7. Acceptance of Terms and Conditions of the EQB Sale**

As a first step in the purchase process, EDC will present the Purchaser with these Terms, and associated documents. By placing an order for EQB, the Purchaser: (i) consents and agrees to the Terms; (ii) represents and warrants that the Purchaser is legally permitted to purchase EQB in the Purchaser's jurisdiction and is legally permitted to receive products of Canadian origin; (iii) represents and warrants that the Purchaser is of a sufficient age to legally purchase EQB or has received permission from a legal guardian who has reviewed and agreed to these Terms; (iv) represents and warrants that the Purchaser will take sole responsibility for any restrictions and risks associated with the purchase of EQB as set forth below; (v) represents and warrants that Purchaser is not exchanging bitcoin (BTC) for EQB for the purpose of speculative investment; (vi) represents and warrants that the Purchaser is acquiring EQB for the use of the Equibit Platform, or to facilitate development, testing, deployment and operation of applications using the Equibit Platform; and (vii) represents and warrants that the Purchaser has an understanding of the usage and intricacies of cryptographic tokens, like BTC, and blockchain-based software systems.

## **8. Independent Confirmation of Purchases**

During the purchase process on the <https://ico.equibit.org> website, EDC will provide Purchasers with a unique intermediary BTC address. Using this address, Purchasers can track and confirm that the Purchaser's BTC has been received at that address and has been subsequently and automatically sent to the initial address. Knowledge of the unique intermediary BTC address does not constitute a purchase receipt or indicate in any way that any party possessing such knowledge has rights to or ownership of the purchased EQB.

## **9. Receipt of EQB and the Purchase Email**

As part of the purchase process, and in order to purchase EQB, a Purchaser will need to provide an email address (the "Purchase Email"). The Purchase Email will be used to email the Purchaser a notice of the creation of the Purchaser's account on the EDC web wallet service where the purchased EQB has been delivered to. By purchasing EQB, and to the extent permitted by applicable law, the Purchaser agrees not to hold any of the EDC Parties liable for any losses or any special, incidental, or consequential damages arising out of, or in any way connected to, Purchaser's failure to their account.

## **10. EQB Will Only Be Available For Sale on the Equibit Website**

EDC will only sell EQB through the Equibit website, available at <https://ico.equibit.org>. To the extent that any third-party website or service offers EQB for sale during the initial sale or facilitates the sale or transfer of EQB in any way during the initial sale or at any time up to the release of the initial block, such third-party websites or services are not sanctioned by EDC or its parents and affiliates and have no relationship in any way with the EDC Parties. As a result, EDC prohibits the use of these third-party websites or services for the purchase of EQB prior to the end of the initial sale.

## **11. Fraudulent Attempts to Double Spend BTC**

EDC will monitor all potential transactions for fraudulent attempts to double spend BTC. Any detected double spend of BTC will result in no EQB being delivered to the associated Purchaser.

## **12. EDC Will Not Purchase EQB During Initial Sale and Until the Creation of the Initial Block**

EDC warrants that it will not purchase EQB in its own sale. Furthermore EDC warrants that it will not purchase EQB from any third party, or acquire EQB in any manner, or acquire future control of EQB, during the period of the initial sale and until the creation of the initial block.

## **13. Certain Risks Associated with the Purchase of EQB**

The purchase of EQB carries with it significant risk. Prior to purchasing EQB, the Purchaser should carefully consider the below risks and, to the extent necessary, consult a lawyer, accountant, and/or tax professionals prior to determining whether to purchase EQB.

- a. It is possible that the value of BTC will drop significantly in the future, depriving EDC of sufficient resources to continue to operate. In order to guard against this risk, EDC intends to periodically convert proceeds from the sale of EQB into US dollars instead of BTC.
- b. As noted above, EQB will be stored in a wallet, which can only be accessed with a password selected by the Purchaser. If a Purchaser of EQB does not maintain an accurate record of their password, this may lead to the loss of EQB. As a result, Purchasers must safely store their password in one or more backup locations that are well separated from the primary location. In order to access one's EQB the password that the Purchaser entered is required; loss of this may lead to the loss of a Purchaser's EQB.
- c. Any third party that gains access to the Purchaser's Purchase Email may be able to gain access to the Purchaser's account on the EDC web wallet. Purchaser must take care not to respond to any inquiry regarding their purchase of EQB, including but not limited to, email requests purportedly coming from the equibit.org or similar looking domain.
- d. Cryptocurrencies have been the subject of regulatory scrutiny by various regulatory bodies around the globe. The Equibit Platform and EQB could be impacted by one or more regulatory enquiries or regulatory action, which could impede or limit the ability of EDC to continue to develop the Equibit Platform.
- e. Following the initial sale, and the development of the initial version of the Equibit Protocol and web wallet application (i.e., version 1.0), it is possible that alternative unofficial Equibit-based networks could be established, which utilize the same open source source code and open source protocol underlying The Equibit Platform. The official Equibit Platform may compete with these alternative, unofficial Equibit-based networks, which could potentially negatively impact the Equibit Platform and EQB. EDC may gain a competitive advantage being the party that developed the Equibit Platform, but such advantages are far from absolute.
- f. It is possible that the Equibit Platform will not be used by a large number of external businesses, individuals, and other organizations and that there will be limited public interest in the peer-to-peer creation and dissemination of equity. Such a lack of interest could impact the development of the Equibit Platform and potential uses of EQB. EDC has contracted with developers to help build the Equibit Platform and is working with other third-parties around the world to create an interest in the Equibit Platform. However, it cannot predict the success of its own development efforts or the efforts of other third parties.
- g. The Purchaser recognizes that the Equibit Platform is currently under development and may undergo significant changes before release. Purchaser acknowledges that any expectations regarding the form and functionality of the Equibit Platform held by the Purchaser may not be met upon release of the Equibit Platform, for any number of reasons including a change in the design and implementation plans and execution of the implementation of the Equibit Platform.
- h. Purchaser understands, that while the Equibit Team will make reasonable efforts to complete the Equibit software, it is possible that an official completed version of the Equibit Platform may not be released and there may never be an operational Equibit Platform.
- i. Hackers or other groups or organizations may attempt to steal the BTC revenue from the initial sale, thus potentially impacting the ability of EDC to develop the Equibit Platform and operate EDC. To account for this risk, EDC has and will continue to implement comprehensive security precautions to safeguard the BTC obtained from the sale of EQB. Multi-factor security measures will be taken to protect BTC and EQB including physical elements, Shamir's Secret Sharing Algorithm, multisignature keys, BIP 32, anti-spear-phishing

procedures, splitting of funds, hot/cold wallet partitioning and diversification. Moreover, regular security audits of hot and cold wallets will be conducted by internal and external teams.

- j. The Equibit Platform rests on open-source software, and there is a risk that the Equibit Team, or other third parties not directly affiliated with the EDC Parties, may introduce weaknesses or bugs into the core infrastructural elements of the Equibit Platform causing the system to lose EQB stored in one or more Purchaser accounts or other accounts or lose sums of other valued tokens issued on the Equibit Platform. EDC has taken steps to build, maintain, and secure the infrastructure of the Equibit Platform, and will continue to do so after the initial sale. For example, EDC intends to hire external consultants on a periodic basis to assess and audit the security of the Equibit Platform and will work with cryptography and security experts to develop and employ best practices to audit the Platform.
- k. Advances in code cracking, or technical advances such as the development of quantum computers, could present risks to cryptocurrencies and the Equibit Platform, which could result in the theft or loss of EQB. To the extent possible, EDC intends to update the protocol underlying the Equibit Platform to account for any advances in cryptography and to incorporate additional security measures, but cannot it cannot predict the future of cryptography or the success of any future security updates.
- l. As with other cryptocurrencies, the blockchain used for the Equibit Platform is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, “selfish-mining” attacks, and race condition attacks. Any successful attacks present a risk to the Equibit Platform, expected proper execution and sequencing of EQB transactions, and expected proper execution and sequencing of contract computations.
- m. The loss or destruction of a private key by EDC, issuer or investor required to access an equibit may be irreversible. EDC’s loss of access to its private keys or a data loss relating to EDC’s, issuer’s or investor’s EQB could adversely affect the value of EQB.
- n. EQB is a new product, thus contributing to price volatility that could adversely affect the value of EQB. The factors affecting the further development of the digital assets industry, as well as the Equibit Platform, include:
  - i. continued worldwide growth in the adoption and use of EQB and other digital assets;
  - ii. government and quasi-government regulation of equibits and other digital assets and their use, or restrictions on or regulation of access to and operation of the Equibit Platform or similar digital asset systems;
  - iii. the maintenance and development of the open-source software protocol of the Equibit Platform;
  - iv. changes in consumer demographics and public tastes and preferences;
  - v. the availability and popularity of other similar products; and
  - vi. general economic conditions and the regulatory environment relating to the Equibit Platform and digital assets.
- o. Amendments to the Equibit Platform’s protocols and software, if accepted and authorized by the Equibit Platform’s community, could adversely affect equibits. The Equibit Platform is based on a math-based protocol that governs the peer-to-peer interactions between computers connected to the Equibit Platform. To the extent that a significant majority of the users on the Equibit Platform install software upgrade(s), the Equibit Platform would be subject to new protocols and software that may adversely affect equibits. If more than a significant majority of the users and miners on the Equibit Platform install such software upgrade(s), the Equibit Platform could “fork.”
- p. A failure to properly monitor and upgrade the protocol could damage the Equibit Platform and an EQB.
- q. Intellectual property rights claims may adversely affect the operation of the Equibit Platform. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets and their source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the Equibit Platform’s long-term viability or the ability of end-users to hold and transfer EQB may adversely affect the value of EQB. Additionally, a meritorious intellectual property claim could prevent EDC and other end-users from accessing the Equibit Platform or holding or transferring their equibits.
- r. Cryptocurrency exchanges on which EQB may trade may be relatively new and largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for other products. To the extent that the cryptocurrency exchanges representing a substantial portion of the volume in equibit trading are involved in fraud or experience security failures or other operational issues, such cryptocurrency exchange

failures may result in a reduction in the price and can adversely affect the value of EQB. A lack of stability in the cryptocurrency exchanges and the closure or temporary shutdown of cryptocurrency exchanges due to fraud, business failure, hackers or malware, or government-mandated regulation may reduce confidence in the Equibit Platform and result in greater volatility in the price.

- s. Political or economic crises may motivate large-scale sales of EQB, which could result in a reduction in the price and adversely affect the value of an equibit. digital assets such as EQB, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of transacting, and it is unclear how such supply and demand will be impacted by geopolitical events. Large-scale sales of EQB would result in a reduction in the price and adversely affect the value of an EQB.
- t. It is possible that a digital asset other than EQB could have features that make it more desirable to a material portion of the digital asset user base, resulting in a reduction in demand for an EQB, which could have a negative impact on the use and price of EQB. It is possible that a comparable product could become materially popular due to either a perceived or exposed shortcoming of the Equibit Platform that is not immediately addressed by the Equibit Team, or a perceived advantage of a comparable product that includes features not incorporated into EQB. If this product obtains significant market share, it could have a negative impact on the demand for, and price of, an EQB.
- u. EQB transactions are irrevocable and stolen or incorrectly transferred equibits may be irretrievable. As a result, any incorrectly executed EQB transactions could adversely affect the value of an EQB. Equibit transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction or, in theory, control or consent of a majority of the processing power on the Equibit Platform. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of equibits or a theft of EQB generally will not be reversible and there may be no compensation for any such transfer or theft. Such loss could adversely affect the value of an EQB.
- v. EDC may not have adequate sources of recovery if EQBs are lost, stolen or destroyed. If EDC's or issuer's EQBs are lost, stolen or destroyed under circumstances rendering a party liable to EDC or issuer, the responsible party may not have the financial resources sufficient to satisfy the claim.

#### **14. All Purchases of EQB Are Non-Refundable**

ALL PURCHASES OF EQB ARE FINAL. PURCHASES OF EQB ARE NON-REFUNDABLE. BY PURCHASING EQB, THE PURCHASER ACKNOWLEDGES THAT NEITHER EDC NOR ANY OTHER OF THE EDC PARTIES ARE REQUIRED TO PROVIDE A REFUND FOR ANY REASON, AND THAT THE PURCHASER WILL NOT RECEIVE MONEY OR OTHER COMPENSATION FOR ANY EQB THAT IS NOT USED OR REMAINS UNUSED.

#### **15. Taxation of EQB and Taxation Related to the Initial Sale**

EDC makes no representations concerning the tax implications of the sale of EQB or the possession or use of EQB. The Purchaser bears the sole responsibility to determine if the purchase of EQB with BTC or the potential appreciation or depreciation in the value of EQB over time has tax implications for the Purchaser in the Purchaser's home jurisdiction. By purchasing EQB, and to the extent permitted by law, the Purchaser agrees not to hold any of the EDC Parties liable for any tax liability associated with or arising from the purchase of EQB.

#### **16. Privacy**

Although EDC requires that Purchasers provide an email address, EDC will not publish any identifying information related to an EQB purchase, without the prior written consent of the Purchaser. Purchasers may be contacted by email by EDC regarding a purchase. Such emails will be informational only. EDC will not request any information from Purchasers in an email.

#### **17. Disclaimer of Warranties**

THE PURCHASER EXPRESSLY AGREES THAT THE PURCHASER IS PURCHASING EQB AT THE PURCHASER'S SOLE RISK AND THAT EQB IS PROVIDED ON AN "AS IS" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF TITLE OR IMPLIED WARRANTIES, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE (EXCEPT ONLY TO THE EXTENT PROHIBITED UNDER APPLICABLE LAW WITH ANY LEGALLY REQUIRED WARRANTY PERIOD TO THE SHORTER OF THIRTY DAYS FROM FIRST USE OR THE MINIMUM PERIOD REQUIRED). WITHOUT LIMITING

THE FOREGOING, NONE OF THE EDC PARTIES WARRANT THAT THE PROCESS FOR PURCHASING EQB WILL BE UNINTERRUPTED OR ERROR-FREE.

#### **18. Limitations Waiver of Liability**

THE PURCHASER ACKNOWLEDGES AND AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY ANY APPLICABLE LAW, THE DISCLAIMERS OF LIABILITY CONTAINED HEREIN APPLY TO ANY AND ALL DAMAGES OR INJURY WHATSOEVER CAUSED BY OR RELATED TO USE OF, OR INABILITY TO USE, EQB OR THE EQUIBIT PLATFORM UNDER ANY CAUSE OR ACTION WHATSOEVER OF ANY KIND IN ANY JURISDICTION, INCLUDING, WITHOUT LIMITATION, ACTIONS FOR BREACH OF WARRANTY, BREACH OF CONTRACT OR TORT (INCLUDING NEGLIGENCE) AND THAT NONE OF THE EDC PARTIES SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING FOR LOSS OF PROFITS, GOODWILL OR DATA, IN ANY WAY WHATSOEVER ARISING OUT OF THE USE OF, OR INABILITY TO USE, OR PURCHASE OF, OR INABILITY TO PURCHASE, EQB. THE PURCHASER FURTHER SPECIFICALLY ACKNOWLEDGES THAT EDC PARTIES ARE NOT LIABLE FOR THE CONDUCT OF THIRD PARTIES, INCLUDING OTHER PURCHASERS OF EQB, AND THAT THE RISK OF PURCHASING AND USING EQB RESTS ENTIRELY WITH THE PURCHASER. TO THE EXTENT PERMISSIBLE UNDER APPLICABLE LAWS, UNDER NO CIRCUMSTANCES WILL ANY OF THE EDC PARTIES BE LIABLE TO ANY PURCHASER FOR MORE THAN THE AMOUNT THE PURCHASER HAVE PAID TO EDC FOR THE PURCHASE OF EQB. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES OR THE LIMITATION OR EXCLUSION OF LIABILITY FOR CERTAIN TYPES OF DAMAGES. THEREFORE, SOME OF THE ABOVE LIMITATIONS IN THIS SECTION AND ELSEWHERE IN THE TERMS MAY NOT APPLY TO A PURCHASER. IN PARTICULAR, NOTHING IN THESE TERMS SHALL AFFECT THE STATUTORY RIGHTS OF ANY PURCHASER OR EXCLUDE INJURY ARISING FROM ANY WILFUL MISCONDUCT OR FRAUD OF EDC.

#### **19. Dispute Resolution**

- a. EDC and Purchaser (the "Parties") agree to make good faith efforts to resolve any dispute, controversy or claim arising between them relating to this pre-sale and their respective rights and obligations hereunder arising under this Agreement (a "Dispute").
- b. If the Parties, or their designated representatives, are unable to resolve the Dispute within ten (10) business days after referral of the matter to them, the Parties will submit the Dispute for resolution pursuant to paragraph c. of this Section.
- c. Except with respect to Disputes concerning (i) the right of either Party to apply to a court of competent jurisdiction for an interim or interlocutory injunction or other provisional remedy to preserve the status quo or prevent irreparable harm or (ii) any Disputes that may arise in connection with a breach of a Party's obligations of confidentiality hereunder, if any Dispute is not resolved pursuant to paragraphs a. and b. above, the Parties will, acting reasonably, agree mutually on the forum for resolution of the Dispute by arbitration as set out in this Section.
- d. After the completion of the procedures set forth in paragraph b. and agreement by the Parties to enter into binding arbitration in accordance with paragraph c. of this Section, either Party may within thirty (30) calendar days refer the Dispute to arbitration by serving written notice of its intention to arbitrate the Dispute to the other Party.
- e. Arbitration of any Dispute will be conducted in accordance with the *Arbitration Act, 1991* (Ontario) (the "Act"), as amended from time to time, except to the extent that there is a conflict of terms or inconsistency between the Act and a term or condition of this Agreement.
- f. The arbitration will be conducted by a single arbitrator to be mutually agreed to by the Parties within three (3) business days following the date of the referral of the Dispute to arbitration.
- g. The arbitrator will have reasonable expertise and experience in arbitrating commercial disputes involving agreements for the provision of consulting and contractual disputes. If the Parties are unable to mutually agree upon an arbitrator, the arbitrator will be selected by the presiding judge of the Superior Court of Ontario.

#### **20. Force Majeure**

EDC is not liable for failure to perform solely caused by:

- unavoidable casualty,
- delays in delivery of materials,
- embargoes,
- government orders,
- acts of civil or military authorities,
- acts by common carriers,
- emergency conditions (including weather conditions), or
- any similar unforeseen event that renders performance commercially implausible.

If an event of force majeure occurs, the party injured by the other's inability to perform may elect to suspend the Agreement, in whole or part, for the duration of the force majeure circumstances. The party experiencing the force majeure circumstances shall cooperate with and assist the injured party in all reasonable ways to minimize the impact of force majeure on the injured party.

## **21. Complete Agreement**

These Terms set forth the entire understanding between each Purchaser and EDC with respect to the purchase and sale of EQB. For facts relating to the sale and purchase, the Purchaser agrees to rely only on these two documents in determining purchase decisions and understands that these documents govern the sale of EQB and supersede any public statements about the initial sale made by third parties or by Equibit Team or individuals associated with any EDC Parties, past and present and during the initial sale.

## **22. Severability**

The Purchaser and EDC agree that if any portion of these Terms is found illegal or unenforceable, in whole or in part, such provision shall, as to such jurisdiction, be ineffective solely to the extent of such determination of invalidity or unenforceability without affecting the validity or enforceability thereof in any other manner or jurisdiction and without affecting the remaining provisions of the Terms, which shall continue to be in full force and effect.

## **23. No Waiver**

The failure of EDC to require or enforce strict performance by the Purchaser of any provision of these Terms or EDC's failure to exercise any right under these agreements shall not be construed as a waiver or relinquishment of EDC's right to assert or rely upon any such provision or right in that or any other instance. The express waiver by EDC of any provision, condition, or requirement of these Terms shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement. Except as expressly and specifically set forth in these Terms, no representations, statements, consents, waivers, or other acts or omissions by EDC shall be deemed a modification of these Terms nor be legally binding, unless documented in physical writing, hand signed by the Purchaser and a duly appointed officer, employee, or agent of EDC.

## **24. Updates to the Terms and Conditions of the EQB Initial Sale**

EDC reserves the right, at its sole discretion, to change, modify, add, or remove portions of the Terms at any time during the sale by posting the amended Terms on the Equibit website (<https://ico.equibit.org>). Any Purchaser will be deemed to have accepted such changes by purchasing EQB. The Terms may not be otherwise amended except in a signed writing executed by both the Purchaser and EDC. For purposes of this agreement, "writing" does not include an e-mail message and a signature does not include an electronic signature. If at any point you do not agree to any portion of the then-current version of the Terms, you should not purchase EQB.

## **25. Cooperation with Legal Authorities**

EDC will cooperate with all law enforcement enquiries, subpoenas, or requests provided they are fully supported and documented by the law in the relevant jurisdictions. In accord with one of the core principles of the Equibit project — transparency — EDC will endeavour to publish any legal enquiries upon receipt.

## **26. Further Information**

For further information regarding the EQB sale, please contact [ico@equibit.org](mailto:ico@equibit.org).