

## Terms and Conditions of Sheep Coin

These terms and conditions ("Terms") govern the sale of Sheep Coins during the Pre ICO(Private Stage) and the Main ICO(Public Stage), the purchase of Sheep Coins from any secondary market and the rights of any Purchaser arising from holding Sheep Coins.

By participating in the ICO, purchasing Sheep Coins or otherwise holding Sheep Coins, you agree that (i) you and the entity that you represent, if any, shall be bound by these Terms and all terms incorporated by reference into these Terms, (ii) you and the entity that you represent, if any, shall in these Terms be collectively referred to as a Purchaser, and (iii) these Terms and all terms incorporated by reference into these Terms constitute a legally binding agreement between the Company and each Purchaser (each a "Party" and collectively, the "Parties").

If you do not agree to these Terms or if you are in any doubt as to the action you should take, you should (i) consult your legal, financial, tax or other professional advisors, (ii) immediately navigate away from the Website, (iii) cease any form of participation in the ICO, and (iv) dispose all the Sheep Coins held or owned by you.

If you have any question regarding these Terms or the White Paper, you may contact the Company by sending an e-mail to [help@membersheep.com](mailto:help@membersheep.com).

### 1. DEFINITIONS

**1.1. In these Terms, unless the context otherwise requires, the following definitions shall apply:**

1.1.1. Clause - shall mean a clause in these Terms.

1.1.2. Company - shall mean MEMBERSHEEP COMPANY LIMITED BY HONG KONG, a company incorporated in Hongkong, with its registered address at FT C9, 20F Mailuen Industrial Building 23-31, Kung Yip Street.Kwai Chung, New Territories, Hong Kong

1.1.3. ETH - shall mean the Ethereum ([www.ethereum.org](http://www.ethereum.org))

1.1.4. ICO - shall mean the initial coin offering of the Company for the sale of Sheep Coins (as described in these Terms), and which is divided into the Pre-ICO and the Main ICO.

1.1.5. Intellectual Property Rights - shall mean all intellectual property rights, including

without limitation any copyright, adaptation rights, publishing rights, reproduction rights, rights to communicate to the public, public performances, synchronisation rights, rights to be named as creator of the work, artist names, patents, utility models, circuitry, rights of patent, rights to inventions, design patents, designs, trademarks, trade names and business names (including Internet domain names and e-mail address names), service marks, brands, slogans, commercial symbols, logos, rights in software, database rights, rights to preserve confidential information (including know-how and trade secrets) other designations, inventions, trade secrets, know-how, and any other industrial or intellectual property rights, whether registered or unregistered and all applications therefor.

1.1.6. KYC - shall mean know-your-customer checks as required by the applicable laws, including but not limited to any applicable anti-money laundering rules and any applicable countering the financing of terrorism rules.

1.1.7. Main ICO - shall mean the public stage sale event of the ICO as described in these Terms.

1.1.8. sheep Coin - shall mean the ERC-20, based on the Ethereum blockchain, issued by the Company pursuant to the ICO.

1.1.9. Membersheep platform - shall mean a B2B platform, which is to be developed by MEMBERSHEEP COMPANY LIMITED BY HONG KONG(a company with its registered address at FT C9, 20F Mailuen Industrial Building 23-31, Kung Yip Street.Kwai Chung, New Territories, Hong Kong) using the proceeds raised via the ICO.

1.1.10. Pre-ICO - shall mean the pre stage sale event of the ICO as described in these Terms.

1.1.11. Purchaser - shall mean any person who participates in the ICO or who otherwise acquires or holds Sheep Coins. In these Terms, a person shall be deemed to participate in the ICO if such person submits any information to the Company for the purposes of participating in the ICO, pays (or attempts to pay) the Company for the Sheep Coins, or otherwise receives Sheep Coins issued by the Company pursuant to the ICO.

1.1.12. Protected Parties - shall mean the Company and its related corporations as well as their respective directors, officers, agents, employees, shareholders, successors and assigns.

1.1.13. related corporations - shall have the meaning given to it in the Companies Ordinance (Cap. 622) of Hong Kong.

1.1.14. Terms - shall mean these Terms, including the Appendix.

1.1.15. Wallet - shall mean the technical solution to store the private and public keys of the wallet and to send and receive coins (i.e. cryptocurrencies and other cryptographic tokens, and including Sheep Coins).

1.1.16. Website - shall mean the website of the Company at <http://ico.membersheep.com> through which a Purchaser may buy Sheep Coins from

the Company.

1.1.17. White Paper - shall mean the informative document at the Website describing the technical and business aspects of Sheep Coins and Membersheep platform.

## **1.2. In these Terms, unless the context otherwise requires:**

1.2.1. the headings in these Terms are for reference only and shall not affect the construction or interpretation of these Terms;

1.2.2. references to "Clauses" and "Appendix" refer to the clauses of and appendix of these Terms respectively;

1.2.3. references to an agreement or document (including a reference to these Terms) is to the agreement or document as amended, supplemented, novated or replaced;

1.2.4. references to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form, whether in a physical document or in an electronic communication or form or otherwise;

1.2.5. references to the singular shall include references to the plural and vice versa;

1.2.6. references to a person shall include any individual, firm, company or corporation (whether incorporated or established or carrying on business), unincorporated association or body (including a partnership, trust, fund, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;

1.2.7. references to any gender shall include all genders;

1.2.8. references to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it; and

1.2.9. nothing in these Terms is to be interpreted against a Party solely on the ground that the Party put forward the Terms or a relevant part of it.

## **2. GENERAL**

**2.1.** Unless expressly stated in these Terms or otherwise specified by the Company in writing, these Terms and all terms incorporated by reference into these Terms shall govern the sale of Sheep Coins during the Pre-ICO and the Main ICO. the purchase of Sheep Coins from any secondary market and the rights of any Purchaser arising from holding Sheep Coins. In the event of any conflict or inconsistency between these Terms and any other terms incorporated by reference, these Terms shall prevail to the extent of the conflict or inconsistency.

## **2.2. The following shall apply in relation to the Sheep Coins:**

2.2.1. The Sheep Coins are not intended to be a debt, an investment or financial instrument, a share or equity interest, a security, a capital market product, a financial instrument or a derivative instrument of any of the foregoing in any jurisdiction. Purchase, ownership, receipt or possession of Sheep Coins carries no rights, whether express or implied, save as provided in these Terms.

2.2.2. The Sheep Coins may only be used within Membersheep Platform in a manner which is in accordance with the terms and conditions prescribed by the Company.

2.2.3. The Sheep Coins are not intended to qualify as securities. The Pre-ICO and the Main ICO are each not intended to qualify as an offering of securities or any other means of investment in any jurisdiction.

2.2.4. There is no representation, warranty or undertaking that the Sheep Coins will be listed for trading on any exchange, or that Membersheep will be adopted as described in the White Paper or the Website. Subject to the foregoing, the Company does not intend to prohibit the transferability of Sheep Coins in the event that the Sheep Coins are listed on any exchange.

**2.3.** The Company may, at its sole and absolute discretion, amend these Terms, any terms incorporated by reference into these Terms and the White Paper from time to time with or without notice to the Purchaser by posting the amended document or the link to the amended document on the Website. The amended document shall become effectively immediately from the time of posting.

### **3. RESTRICTIONS TO PURCHASING**

**3.1.** All purchases of Sheep Coins during the ICO shall be subject to completion of the KYC of the Company to its satisfaction. In relation to these KYC, each Purchaser agrees to comply with and be bound by all of the following:

3.1.1. Each Purchaser shall promptly comply and cooperate with all requests for information by the Company for the purposes of the KYC, including but not limited to the Purchaser's identity, place of residence, and source of funds.

3.1.2. Any information provided by the Purchaser to the Company may be disclosed to any governmental or regulatory authority or organisation, or to any other person, as may be required by any applicable laws. The Company reserves the right to report any suspicious transaction, in its sole discretion, to any relevant governmental or regulatory authority or organisation.

3.1.3. If a Purchaser fails to provide any information requested by the Company for the purposes of the KYC, or provides false or misleading information, the Company may, in its sole discretion, reject, cancel or void the Purchaser's purchase of Sheep Coins, and such Purchaser shall hold the Company harmless and indemnified against

any loss arising from such rejection, cancellation or avoidance of purchase.

3.1.4. Any personal data submitted by the Purchaser for the purposes of the KYC shall be subject to the terms of the Privacy Policy.

### **3.2. A Purchaser shall not be eligible to participate in the ICO and must not purchase Sheep Coins if the Purchaser is:**

3.2.1. (if the Purchaser is a natural person) below 19 years of age or such higher age of majority prescribed by the applicable laws;

3.2.2. a citizen, resident (tax or otherwise) or a person located or domiciled in the People's Republic of China or the United States of America; or

3.2.3. a citizen, resident (tax or otherwise) or a person located or domiciled in any geographic area or country in which your participation in the ICO may be prohibited or restricted by the applicable laws (including but not limited to any laws relating to anti-money laundering and combating the financing of terrorism).

Each Purchaser is responsible for seeking seek independent legal advice to ensure that the Purchaser's participation in the ICO and the purchase of Sheep Coins is permitted under all applicable laws.

3.3. In the event of a breach (whether actual or suspected) of any provision in this Clause 3, the Company may in its sole and absolute discretion reject, cancel or void any Purchaser's purchase of Sheep Coins, and such Purchaser shall hold the Company harmless and indemnified against any loss arising from such rejection, cancellation or avoidance of purchase.

## **4. CONDITIONS FOR PURCHASING SHEEP COINS IN THE PRE-ICO AND MAIN ICO**

### **4.1. Issue and Distribution of Sheep Coins**

4.1.1. The Company shall procure that there is at no time more than 500,000,000 Sheep Coins in circulation. The Company intends to distribute these Sheep Coins as follows:

(a) 45% of the Sheep Coins will be distributed during the Pre-ICO and the Main ICO as described in the White Paper;

(b) 20% of the Sheep Coins will be distributed to the Ecosystem Activation as described in the White Paper;

(c) 15% of the Sheep Coins will be distributed to the Team as described in the White Paper;

(d) 10% of the Sheep Coins will form a reserve fund for the Company's use at its

sole and absolute discretion, subject always to any adjustments deemed suitable or necessary by the Company in its sole and absolute discretion.

(f) 5% of the Sheep Coins will be distributed to the community building as described in the White Paper;

(g) 5% of the Sheep Coins will be used for green shoe as described in the White Paper;

4.1.2. In the event any Sheep Coins set aside for the ICO remain unsold for any reason, such Sheep Coins may be burn the reserve fund of the Company.

4.1.3. The Company will not generate any new Sheep Coins after the completion of the ICO.

## **4.2. Pre-ICO and Main ICO**

4.2.1. Subject to Clause 4.2.4, the Pre-ICO and the Main ICO will each commence and end in accordance with the dates and times stated on the Website(as may be updated from time to time).

4.2.2. The price per sheep Coin, including the applicable discounts and bonuses (if any), during the Pre-ICO and the Main ICO shall be as stated on the Website(as may be updated from time to time) unless otherwise agreed by the Company in writing. Unless otherwise specified by the Company in writing, the price per sheep Coin is exclusive of all applicable taxes (including, without limitation, sales, use, withholding and income tax, but excluding tax on the net income of the Company).

4.2.3. The minimum and maximum purchase amount for each purchase transaction during the ICO shall be as stated on the Website(as may be updated from time to time).

### **4.2.4. Suspension or Cancellation**

(a) The Company may, in its sole discretion, suspend the ICO at any time for security reasons or if required by the applicable laws. Any suspension of the ICO shall be deemed to commence immediately after the Company publishes a notice to that effect on the Website. In the event that the ICO is suspended, the Company shall have the right to modify, at its sole discretion, any of the dates in these Terms to account for such period of suspension.

(b) The Company may, in its sole discretion, cancel the ICO for any reason. Any cancellation of the ICO shall be deemed to commence immediately after the Company publishes a notice to that effect on the Website. In the event that the ICO is cancelled, the Company shall have no obligation to any Purchaser, save that where payment has been made by the Purchaser for Sheep Coins in accordance with these Terms, the Company shall refund such payment, without any interest and net of any transaction, network or exchange fees.

### **4.3. Procedures and Conditions for Purchase**

4.3.1. A Purchaser may purchase Sheep Coins directly from the Company during the Pre-ICO or the Main ICO through the Website or such other location as the Company may specify.

4.3.2. In order to purchase Sheep Coins during the ICO, the Purchaser must:

- (a) register using a registration and purchase form available on the Website;
- (b) complete the KYC of the Company to the satisfaction of the Company;
- (c) fully comply with these Terms and all relevant instructions of the Company, as provided on the Website or otherwise notified to such Purchaser from time to time;
- (d) maintain a fully operational and valid Wallet which complies with the requirements prescribed by the Company and whose address has been whitelisted by the Company. Sheep Coins purchased during the ICO shall be transferred into the Wallet identified by the Purchaser to the Company.

4.3.3. Sheep Coins may be purchased using Crypto Currencies(e.g. ETH/BTC). All payments for Sheep Coins must be made to the Company in accordance with the payment instructions provided by the Company. Failing which, (i) the Purchaser bears the risk that the Company may not receive the payment, and such payment shall be regarded as invalid, and (ii) the Company shall have no obligation in any form to the Purchaser.

4.3.4. Each Purchaser shall comply with these Terms (in particular, the provisions in this Clause 4.3). The Company shall not be responsible for any delays, losses, costs, non-delivery of Sheep Coins or other issues arising from any noncompliance.

4.3.5. Subject to these Terms, the issue and transfer of the Sheep Coins to the respective Wallets of the Purchasers will take place as soon as practicable after the completion of the ICO (as determined by the Company in its sole and absolute discretion).

### **5. REPRESENTATION AND WARRANTIES**

**5.1.** The Purchaser represents and warrants that the Purchaser fully agrees to these Terms. The Purchaser acknowledges that if at any time the Purchaser does not agree to the Terms, the Purchaser may not purchase Sheep Coins.

**5.2.** By participating in the sale of Sheep Coins during the ICO, the Purchaser represents and warrants to the Company that:

5.2.1. the Purchaser has carefully reviewed these Terms, the White Paper and any other relevant documents and agrees to be bound by these Terms;

5.2.2. the Purchaser understands the costs and benefits of purchasing Sheep Coins;

5.2.3. the Purchaser has made an independent investigation and assessment of

whether to participate in the ICO, and understands and accepts the risks of purchasing Sheep Coins (including but not limited to those set out in the Appendix to these Terms);

5.2.4. the Purchaser has, to the extent necessary, consulted with the relevant legal, financial, accounting, and tax professionals in the relevant jurisdictions in making an informed decision for purchasing Sheep Coins;

5.2.5. the Purchaser understands that the Company provides no advice and makes no representation as to the tax implication of any jurisdiction, and that the contents of any documents presented by the Company are not intended to provide any tax advice or professional legal advice;

5.2.6. the Purchaser is not subject to any of the restrictions or prohibitions described in Clause 3, and has all requisite powers, authority and legal capacity under the applicable laws to enter into these Terms;

5.2.7. where the Purchaser is not a natural person, the Purchaser has the full right of representation (such as a power of attorney or a duly-certified resolution of the board of directors) to purchase Sheep Coins and to accept and enter into these Terms on behalf of the legal entity;

5.2.8. the Purchaser has a sufficient level of understanding of the technical and economic aspects of the ICO and Sheep Coins, including but not limited to the understanding of cryptographic tokens (like ETH), smart contracts, cryptographic wallets, blockchain and all other aspect in respect of these Terms in order to understand the benefits and risks of the ICO and purchasing of Sheep Coins;

5.2.9. the Purchaser understands and accepts that Sheep Coins do not represent any ownership right (such as a share or other similar tradable right), dividend, share of profit or any other rights, and the purchase or ownership of Sheep Coins does not constitute a loan to the Company;

5.2.10. the Purchaser acknowledges that, save as set out in these Terms, the Company is not required to provide refund for any reason after the purchase of Sheep Coins and that all purchases are final;

5.2.11. the Purchaser is able to financially bear the fluctuations in price of Sheep Coins;

5.2.12. the Purchaser has received sufficient information by the Company in these Terms, in the White Paper and in any other relevant document in regard to the sheep Coin, Membersheep platform, all aspects of the ICO and the risks related hereto;

5.2.13. the Purchaser acknowledges that the information provided to the Purchaser on the Website, in the White Paper or any other documents, related to the Company, Sheep Coins, or the ICO, may not be exhaustive and complete, and that the Purchaser should obtain additional information on its own in order to receive more information on the Company, Sheep Coins, the ICO and the elements of ICO, if

it is deemed necessary by the Purchaser;

5.2.14. the Purchaser acknowledges that Sheep Coins shall be provided on an "as is" basis and without any representation or warranties of any kind; and

5.2.15. the Purchaser is not purchasing Sheep Coins for any illegal or non-ethical purpose.

## **6. TAXES**

### **6.1. The Purchaser agrees to be fully responsible for the following:**

6.1.1. its own tax affairs;

6.1.2. determining and paying the amount of any taxes that the Purchaser may owe as a result of these Terms, the ICO and Sheep Coins;

6.1.3. collecting, reporting and remitting any such taxes required under any law applicable in respect of the Purchaser; and

6.1.4. declaring, bearing and paying all such taxes, duties, imposts, levies, tariffs and surcharges that might be imposed by the laws and regulations of any jurisdiction as a result of or in connection with the Purchaser's participation in the ICO and the receipt, holding, use, purchase, appreciation or trading of Sheep Coins.

**6.2.** Save to the minimum extent required by the applicable laws, the Company shall have no responsibility to collect, report or remit any applicable taxes in connection with these Terms, the ICO and Sheep Coins.

**6.3.** The Purchaser must provide all information requested by the Company or which may be necessary for determining taxable status of payments made by the Company, including information evidencing the tax residency of the Purchaser. All such information must be updated, accurate and complete.

**6.4.** The Purchaser hereby agrees to fully indemnify, defend and hold the Protected Parties harmless from any and all claims, demands, damages, awards, fines, costs, expenses and liability in any way associated with the foregoing obligations or otherwise with respect to any claim, demand or allegation of any tax in any way associated with these Terms, the ICO and Sheep Coins.

## **7. PRIVACY**

7.1. By participating in the ICO or otherwise submitting or making available any personal data or any other information to the Company, each Purchaser consents to the Company collecting, using, disclosing or otherwise processing such personal data in accordance with the Privacy Policy.

7.2. The terms of the Privacy Policy are hereby incorporated by reference into these

Terms.

## **8. SECURITY**

The Purchaser shall be responsible for implementing and maintaining adequate security measures for purchasing, storing and using Sheep Coins, including the safe-keeping any private keys, identification or access credentials of the Purchaser's Wallet.

## **9. DISCLAIMERS, LIMITATION OF LIABILITY AND INDEMNITY**

### **9.1. The Terms, the White Paper and any other document made available by the Company during the ICO (whether via the Website or otherwise):**

9.1.1. are not intended to qualify as a solicitation for investment, as a prospectus or any other offering document, and neither the Pre-ICO nor the Main ICO are intended to qualify as an offering of securities or any other means of investment in any jurisdiction; and

9.1.2. have not been subject to any regulatory approvals, checks or registration.

**9.2.** The information contained in or referred to in the White Paper and the Website are of a descriptive nature for information only. In particular, some of this information may be forward looking in nature and based on certain assumptions. Unless expressly stated by the Company in writing, no information contained in or referred to in the White Paper or the Website shall be construed to be part of these Terms nor constitute any representation, warranty or undertaking from the Company.

**9.3.** To the fullest extent permitted by any applicable law, the Company:

9.3.1. is selling Sheep Coins on an "as is" and "as available" basis, without any warranties or representations of any kind, and without prejudice to the generality of the foregoing, the Company expressly disclaims all warranties and representations relating to Sheep Coins, whether express or implied, including, without limitation, any implied warranties of merchantability, fitness for a particular purpose, usage, title and non-infringement;

9.3.2. shall not be liable to any Purchaser for any direct, indirect, special, incidental, consequential or exemplary loss or damage of any kind whatsoever arising directly or indirectly from any of the following:

- (a) any receipt, holding, use, purchase, appreciation or trading of Sheep Coins;
- (b) any risk in respect of the ICO and the Sheep Coins, whether or not set out in the Appendix, which materialises;
- (c) (i) any non-performance, error, interruption or delay in the performance of its obligations under these Terms (or any part thereof), (ii) any suspension, cancellation

or interruption of the ICO, or (iii) any inaccuracy, unreliability or unsuitability of the Website or Membersheep platform, if this is due, whether in whole or in part, to a circumstance or event beyond its reasonable control;

(d) any unauthorised or illegal participation in and purchase of Sheep Coins by any person during the ICO; and

(e) any failure by any Purchaser to implement sufficient measures to secure its Wallet or Sheep Coins; and

9.3.3. shall not be liable to each Purchaser, in aggregate, for more than the total sum in Crypto Currencies(e.g. ETH/BTC) paid by that Purchaser to the Company during the ICO.

**9.4.** To the fullest extent permitted by any applicable law, the Purchaser shall indemnify, release and hold harmless the Protected Parties from any damage, loss, expense, fine, penalty or liability of any kind arising from or relating to:

9.4.1. any act or omission by the Purchaser that is or constitutes negligent, unlawful or wilful conduct;

9.4.2. the Purchaser's breach of any warranty, representation or any other obligation set forth in these Terms; and

9.4.3. any enquiries or enforcement actions, in relation to the Purchaser, by the relevant regulatory or supervisory authorities.

## **10. INTELLECTUAL PROPERTY**

**10.1.** All Intellectual Property Rights in and to Website, Membersheep platform and Sheep Coins, including their constituent elements, shall at all times belong to the Company and the respective third party proprietors. Save as set out in Clause **10.2.** no Intellectual Property Rights are granted directly, by implication or otherwise by the Company or the relevant third party proprietor.

**10.3.** The Company grants each Purchaser a limited permission to electronically copy and to print in hard copy the White Paper, these Terms and portions of any other document relating to the ICO which is presented on the Website for the sole purpose of purchasing and managing any purchase of Sheep Coins. All other use of the foregoing materials without the prior written permission of the Company is strictly prohibited.

## **11. TERMINATION**

**11.1.** The Company reserves the sole and absolute discretion to terminate the agreement entered into by the Parties pursuant to these Terms at any time, with or

without notice, and for any reason.

**11.2.** The termination of the agreement entered into by the Parties pursuant to these Terms for any reason shall not affect any rights, remedies, obligations, or liabilities that have accrued up to the date of termination, including the right to claim damages in respect of any breach which existed at or before the date of termination. Further, on termination, provisions in these Terms which are by their nature intended to survive shall continue in full force and effect.

## **12. ENTIRE AGREEMENT**

**12.1.** These Terms set forth the entire agreement between the Parties with respect to the ICO and the sale and purchase of Sheep Coins. These Terms shall supersede and extinguish all previous agreements, promises, assurances, warranties, representations and understandings between the Parties, whether written or not, relating to its subject matter.

**12.2.** Each Purchaser agrees and acknowledges that:

12.2.1. it has relied solely on these Terms in deciding to purchase Sheep Coins, but these Terms govern the ICO and any purchase of Sheep Coins from the Company;

12.2.2. these Terms (including the Appendix and any terms incorporated by reference) alone govern the ICO;

12.2.3. the Purchaser has not relied on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in these Terms; and

12.2.4. save for these Terms, the Purchaser has not relied on any statement, representation, assurance or warranty (whether made innocently or negligently) that is contained in the White Paper or any other document issued by the Company, and these documents shall not have any legal effect on the Purchaser's participation in the ICO.

## **13. GENERAL PROVISIONS**

**13.1.** Amendment. The Company may, at its sole discretion, amend any provision in these Terms, any terms incorporated by reference, and the White Paper, at any time with or without notice to the Purchasers. All such amendments shall become binding on the Purchaser as of the moment of posting the link to the updated document on the Website.

**13.2.** Assignment. The Purchaser may not assign, transfer or deal in any other

manner with its rights and obligations under these Terms (including without limitation the right to claim any Sheep Coins purchased) without the prior written consent of the Company. The Company may, without notice to the Purchaser, freely assign, delegate, subcontract or otherwise transfer its rights and obligations under these Terms to any related corporation, affiliate, company with whom the Company may merge or transfer its assets and undertakings.

**13.3. Waiver.** No waiver of any term, provision or condition of these Terms by the Company shall be effective unless such waiver is evidenced in writing and signed by the Company. No omission or delay on the part of the Company in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

**13.4. Language.** In the event that these Terms are translated or entered into in any language other than English, the English language version of these Terms shall govern and shall take precedence over the translated version.

**13.5. Partnership.** Participating in the ICO or purchasing Sheep Coins does not create any form of partnership, joint venture or any other similar relationship between the Parties.

**13.6. Severance.** If at any time any provision of these Terms is or becomes illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions of these Terms shall not be affected or impaired thereby, and shall continue in force as if such illegal, invalid or unenforceable provision was severed from these Terms.

**13.7. Rights of Third Parties.** Except as otherwise provided herein, no person, other than the Parties, and the Company's related corporations, shall have any right to enforce any provision of these Terms.

**13.8. Notices.** The Purchaser agrees and acknowledges that all agreements, notices, disclosures, and other communications that the Company provides to it, including these Terms, will be in electronic form.

## **14. GOVERNING LAW AND DISPUTE RESOLUTION**

**14.1.** These Terms and any non-contractual obligations arising out of or in connection with these Terms will be governed by and construed in accordance with the laws of Hong Kong (without regard to its conflict of laws principles).

**14.2.** Any dispute arising out of or in connection with these Terms (including, without limitation, the enforceability of this arbitration clause and any question regarding its existence, validity or termination) shall be referred to and finally resolved by arbitration. The seat of the arbitration shall be Hong Kong.

**14.3.** The International Arbitration Act (Cap. 143A), as amended from time to time, shall apply to any arbitration proceedings commenced under these Terms.

## **APPENDIX**

### **RISKS**

There are a number of risks that may materially and adversely affect a Purchaser's participation in the ICO. Although some of these risks have been described in this Appendix, the information in this Appendix should not be taken as comprehensive or exhaustive. Please note that all risks described in this Appendix as applying to the Main ICO will apply also to the Pre-ICO.

1. The participation in the ICO and purchase of Sheep Coins carries significant risk. If

any of the risks outlined below materialises, it could have a severe negative impact on the ICO or the Company (including but not limited to the impossibility of continuing a business or the bankruptcy of the Company) and the Purchasers may lose all the funds used to participate in the ICO.

2. Cryptocurrencies and financing through cryptographic tokens, such as initial coin offerings, are being, or may be, subject to regulatory control by various regulatory bodies within different jurisdictions. The approach by the regulators towards the cryptocurrencies, cryptographic tokens, initial coin offerings and token sales may change rapidly. The Company could be affected by the regulatory enquiries or actions in different jurisdictions from time to time which could impede or limit the ability to carry out the ICO, allow respective Purchasers from different jurisdictions to participate in the ICO or continue the development of the Membersheep platform. This uncertainty significantly rises the risks connected with participating in the ICO or with the acquisition and use of Sheep Coins.

3. The Company does not and is unable to advise the Purchasers on the relevant considerations in respect of their respective individual circumstances. Prior to purchasing Sheep Coins or participating in the ICO, the Purchaser must carefully consider the risks involved (including but not limited to those stated in these Terms, the White Paper, the Website or any other relevant document) and, to the extent necessary, with the relevant legal, financial, accounting, and tax professionals in the relevant jurisdictions. Failing which, the Purchaser may face legal or tax exposures.

4. There is a risk in regard to the changes to the legislation and taxes as well as to the interpretation of the legislation and the taxable status of the ICO and Sheep Coins by the respective regulators and authorities.

5. The ICO or Membersheep platform may face limited public interest, which may reduce the utility of Sheep Coins and adversely affect the development and maintenance of Membersheep platform.

6. Although Sheep Coins are intended to be placed for trading on a secondary market for cryptographic tokens after the ICO, the Company cannot guarantee this and makes no representation or warranty in respect of the foregoing. The circulation and trading with Sheep Coins after the ICO on the secondary market depends whether Sheep Coins are admitted to trading by the respective secondary market exchange provider. There is a risk that Sheep Coins will not become available for trading on the secondary market.

7. There is a risk of lack of stability and functioning of the secondary market exchanges for the cryptocurrencies as these exchanges are new and unregulated. This makes the secondary market exchanges more vulnerable to the cases of fraud, business or technical failure or new regulations limiting their functioning. There is also a risk that an active trading market for Sheep Coins will not develop or sustain.

8. There is a risk that the price of Sheep Coins could experience extreme volatility from time to time as the cryptographic tokens are and have been subject to extreme fluctuations in price. The volatility of Sheep Coins could differ between different jurisdictions as a result of approach towards the cryptographic tokens and initial coin offerings by the respective regulators within these jurisdictions.

9. The Website, the White Paper, these Terms and any other document related to the ICO may include forward-looking statements, including expected technical or economic results. There is a risk that these forward-looking statements differ significantly as there is a possibility that the predictions in the forward-looking statements will not occur. Thus, the Purchasers should not base their expectations for future success or failure or on the forward-looking statements.

10. The sheep Coin software is developed on the Ethereum blockchain. Being an open source project, the Ethereum software could be updated or amended from time to time by anyone and it is not possible to foresee the impact of such update or amendment on the Ethereum software or Sheep Coins developed on the software. However, any update or amendment to the Ethereum software or blockchain could lead to unexpected outcome that could have significant effect on Sheep Coins.

11. There is a risk that Sheep Coins, Membersheep platform, Wallets, the Website, any secondary market, or any other website are open to attacks by hackers which could result for the Purchaser or the Company in losing any of the cryptographic currencies or other tokens (including but not limited to Sheep Coins) or have severe impact on the ICO.

12. There is a risk that anyone may introduce weaknesses or bugs into the core infrastructural elements of Sheep Coins causing the loss, destruction or theft of Sheep Coins.

13. There is a risk of the theft of Sheep Coins and cryptographic currencies which are transferred between the Company and the Purchaser.

14. There is a risk that:

(a) the Membersheep platform may not be developed in the manner and to the extent as described in the White Paper regardless of the amount of funds raised within the ICO;

(b) the Membersheep platform will be launched as developed by the developer; and/or

(c) a blockchain utilizing or adopting Membersheep platform will be launched or a blockchain will ever be launched with or without changes to the Membersheep platform and with or without a distribution matching the fixed, non-transferable sheep Coin balances.

15. There are unknown amount of technical risks and uncertainties related to the ICO, the cryptocurrencies, Sheep Coins and any other element of the ICO.