

# Terms of Token Sale

---

**IMPORTANT:** These Terms of Token Sale (as may be amended, modified, changed or updated from time to time) (Terms) govern the sale of XAUD tokens (XAUD) by TAU Pty Ltd ACN 649 232 995, an Australian proprietary limited company, (Company) to purchasers thereof (you or purchaser).

By purchasing, transferring, receiving or redeeming XAUD you acknowledge that you have read, understand, and agree to be bound by these Terms and agree that any purchaser or other transferee of XAUD shall be subject to these Terms.

Prior to purchasing XAUD you should carefully consider these Terms and, to the extent necessary, consult a lawyer, accountant, and/or tax professional, as applicable. If you have any questions regarding these Terms, please contact the Company at [hello@xaudtoken.io](mailto:hello@xaudtoken.io).

If you do not agree to these Terms, as amended or modified by any subsequent amendment, change or update:

- (a) do not purchase XAUD; and
- (b) do not sell, transfer or redeem any XAUD you already hold (unless such sale is carried out in accordance with these Terms, as so amended, modified, changed or updated).

These Terms may be amended, changed, or updated by the Company at any time and whilst reasonable efforts will be made to alert holders of XAUD or potential purchasers of material changes hereto, such changes may be made without prior notice to you. Any holder of XAUD will be deemed to have accepted these Terms (as may be amended, changed or updated by the Company) by (and such amended terms will be effective immediately upon):

- (a) purchasing, transferring, receiving or redeeming XAUD following the date hereof or such amendment; or
- (b) otherwise by express consent of both such holder of XAUD and the Company.

These Terms are first effective 31 May 2021.

Only Persons who are not Prohibited Persons and otherwise are approved by the Company are permitted to purchase XAUD. Any Person that is not eligible that purchases XAUD will be in breach of these Terms and may have any Fiat, Digital Tokens, funds, proceeds or other property, confiscated (all as defined in Schedule 1), be restricted from purchasing, transferring or redeeming XAUD.

By purchasing XAUD, you agree to these Terms and that any purchaser or other transferee of XAUD from you shall be subject to these Terms.

These Terms, together with the incorporated materials, constitute the entire agreement and understanding with respect to any purchase and holdings of XAUD between you and the Company or any successor issuer of XAUD (together with any successors or assignees) (each of you and the Company being a Party and collectively, Parties).

The Terms of Service (as defined below) are incorporated into these Terms by reference. Please note that all transactions involving XAUD may be subject to fees levied by the

# Terms of Token Sale

Company or affiliated entities from time to time or as otherwise agreed between you and the Company or such Affiliates. In the event of any inconsistency between these Terms and any other pages, policies, terms, conditions, licenses, limitations, or obligations contained within or on the Website (including any whitepaper), these Terms shall prevail. By purchasing XAUD, you acknowledge and agree that any information in any whitepaper issued regarding XAUD is of a descriptive nature only and is not intended to be legally binding on the Company or its Affiliates.

The purchase of XAUD carries a high level of risk and is not appropriate for persons who do not possess the appropriate level of knowledge and experience to deal in them. The Company is under no obligation to assess the suitability of XAUD for purchasers and any comment or statement which may be made by the Company or any of its Affiliates, agents or representatives in relation to XAUD should under no circumstances be considered as investment or legal advice and should not be received or relied upon as such.

These Terms contain 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, do not purchase XAUD.

By purchasing XAUD, you agree to the limitations of liability set out in paragraph 18 (Limitation of Liability) hereof.

Purchaser agrees to buy, and the Company agrees to sell, XAUD in accordance with the following terms:

## 1. Interpretation

---

### 1.1 Definitions

In these Terms and all documents incorporated herein by reference, capitalised words shall have the meanings set out in the definitions in Schedule 1 unless otherwise indicated.

### 1.2 Headings

The headings and sub-headings in these Terms are for ease of reference only and are not to be taken into account in the construction or interpretation of any provision or provisions to which they refer.

### 1.3 Extended meanings

Unless otherwise specified in these Terms, words importing the singular include the plural and vice versa and words importing gender include all genders.

### 1.4 Governing law

These Terms shall be governed by and construed and enforced in accordance with the Laws of Australia, and shall be interpreted in all respects as an Australian contract. Any dispute, controversy, claim or action arising from or related to these Terms likewise shall be governed by the Laws of Australia, exclusive of choice-of-law principles.

# Terms of Token Sale

## 1.5 U.S. Financial Institutions

Persons, regardless of whether or not they are U.S. Persons with accounts that are U.S. Accounts, may be prohibited at the discretion of the Company from directly or indirectly holding or owning XAUD in any way or otherwise transacting on or using XAUD, if the Company believes or suspects that they are making a deposit, withdrawal, or transfer of Fiat or Digital Tokens to, from, or through any U.S. Financial Institution to facilitate the purchase of XAUD.

## 2. XAUD Tokens

---

XAUD is issued on the Ethereum blockchain and complies with the ERC-20 token standard for increased interoperability with all wallets, and amongst other blockchain applications.

Each XAUD token is pegged to the value of one (1) Australian dollar (AUD) and is backed by the XAUD Reserve (as defined below). Subject to the Redemption Terms, each XAUD token is redeemable for one (1) AUD. XAUD tokens are not legal tender or money and are not monetary instruments.

Funds raised from the issue of XAUD will be held by the Company in Australian short term wholesale deposits, APRA Regulated Authorised Deposit-Taking Institution issued hybrids, Australian investment grade bonds with a rating of A, AA and AAA. These investments will be held directly by the Company and will be audited on a regular basis to ensure the amount of XAUD on issue at any time is backed by the requisite amount of AUD. Returns generated from these investments will be retained by the Company to pay for the costs of developing and maintaining the XAUD tokens and will not be made available to token holders. There is a risk that some or all of the XAUD Reserves held by the Company could be lost, damaged or stolen or that access to some or all of the XAUD Reserves could be restricted.

It is not the Company's responsibility to ensure that XAUD is capable of being traded on third party cryptocurrency exchanges and secondary markets. The Company does not have control over XAUD which is purchased, sold or traded on such secondary markets and the terms of any such sales. Notwithstanding the foregoing, purchasers of XAUD will be deemed to have accepted these Terms upon receipt of any XAUD.

XAUD holders maintain ultimate custody and responsibility to ensure XAUD is stored in a secure wallet. Whilst XAUD may be kept on an exchange offering the tokens, the most secure method of storing XAUD may be in a secured wallet within the user's custody with an offline backup to the wallet.

## 3. Overview of XAUD Token Sale Conditions

---

Conditions: You must be legally permitted to purchase, receive, possess, and make use of XAUD in your relevant jurisdictions.

The Company reserves the right to bar transactions, or to undertake enhanced due diligence, with or in relation to any initial purchaser of XAUD for any reason (or for no reason) at any time subject to any limitations imposed by applicable Laws.

## Terms of Token Sale

The Company may, in its sole discretion, perform enhanced due diligence procedures. At all times, you may be subject to enhanced due diligence procedures. If you decline to provide requested due diligence information or otherwise do not reply timely or substantively with the documentation or data requested, the Company has the absolute discretion to suspend or terminate the sale of XAUD to you immediately or to restrict the use of XAUD held by you.

Token Price: One (1) AUD per token.

Accepted Form of Payment in Token Sale: AUD (for the avoidance of doubt, the Company reserves the right to change the accepted form of payment at any time, at its sole discretion.)

Minimum Token Buy: 1 XAUD.

### 4. How to Participate in the sale of XAUD

---

To purchase XAUD you will be required to comply with the Company's compliance procedures, including, without limitation, the satisfactory completion of the Company's anti-money laundering (AML) and "know your client" (KYC) policies and procedures (including a verification as to your source of funds, which can be found at <https://xaudtoken.io/> (Compliance Procedures) and to provide sufficient information to the Company such that you are able to demonstrate your eligibility to participate in the sale of XAUD in accordance with these Terms, all applicable Laws, and other governing regulations and provisions.

If purchasing from the Company, you must transfer payment, in AUD, for the number of XAUD tokens you wish to purchase to the Company's receiving wallet address or nominated bank account, the details of which wallet and bank will be made available after completing the Company's whitelisting procedures.

### 5. After the sale of XAUD

---

Holders of XAUD should have no expectation of ownership or influence over the governance of the Company. If you wish to sell your XAUD, you shall ensure that the buyer of any such XAUD undertakes to comply with all the provisions of these Terms. No certificate will be issued in relation to XAUD and an individual's holding of XAUD tokens is not required to be reflected, recognized, or recorded in any account or ledger maintained by the Company save in connection with the Compliance Procedures.

### 6. Redemption of XAUD Tokens

---

Verified holders of XAUD may request a redemption of their tokens by the Company subject to conditions including minimum redemption amounts and fees prescribed by the Company (or its nominee) and in effect at the time of the redemption request (Redemption Terms). Verified holders will be required to consent to the Redemption Terms prior to any redemption being effected.

As at the date of these Terms, the minimum redemption amount is 100,000 XAUD tokens and tokens may be redeemed in whole increments of 1 thereafter. XAUD may

## Terms of Token Sale

be redeemed for one (1) AUD per token, subject to payment of a redemption fee equal to 1% of the total amount redeemed.

Subject to the Redemption Terms, the Company will make commercially reasonable efforts to process a verified XAUD holder's request for the redemption of their XAUD promptly. However, it may take several business days for any redemption to be completed. The Company reserves the right to delay the redemption of the XAUD if the delay is necessitated by the illiquidity or unavailability or loss of any XAUD Reserves backing the XAUD tokens on issue or as otherwise required by Laws or demanded or lawfully requested by any Government.

The Company will only make the redemption payment upon the verified holder passing the Company's whitelisting procedures and otherwise subject to the Redemption Terms. To confirm availability of this service and the Redemption Terms in effect at the date of your request, please contact [hello@xaudtoken.io](mailto:hello@xaudtoken.io).

### 7. Scope of Terms

---

Unless otherwise stated herein, these Terms govern only your purchase, transfer and redemption of XAUD and the other matters expressly set out herein. The use of XAUD will be governed primarily by other applicable terms and policies, which currently include the Compliance Procedures (available <https://xaudtoken.io/>) and the Privacy Policy (available at <https://xaudtoken.io/privacy-policy/>) (collectively and as each may be amended and updated from time to time, the Terms of Service). The Company may add new terms or policies to the Terms of Service in its sole discretion, and may update the Terms of Service from time to time, again in its sole discretion. In the event of a conflict between the Terms of Service and these Terms, these Terms shall prevail.

### 8. Security

---

You are responsible for implementing all measures for securing the wallet, vault, or other storage mechanism you use to receive and hold XAUD purchased from the Company, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s) and to ensure that your wallet, vault, or other storage mechanism is compatible with XAUD. If your private key(s) or other access credentials are lost, you may lose access to your XAUD. The Company is not responsible for any losses, costs, or expenses relating to lost access credentials, from the use of an incompatible or unsecure wallet or the inaccurate communication by you of a digital wallet address.

### 9. All Purchases of XAUD are Final; Refusal of Purchase Requests

---

All purchases of XAUD are final and non-refundable save as expressly set out in these Terms. By purchasing XAUD you acknowledge that neither the Company, its Affiliates, directors, nor shareholders are required to provide a refund or allow a cancellation for any reason except as may be required by applicable Laws or regulation. If the Company believes, at its sole discretion, that any owner of XAUD creates a regulatory or other legal risk, or adverse effects for the Company or XAUD, the Company reserves the right, at its sole discretion, to buy all XAUD from such token holders at the current market price or to suspend or terminate the sale of

# Terms of Token Sale

XAUD to such person immediately or to restrict the use of XAUD held by such token holders. The Company reserves the right to refuse or cancel XAUD purchase requests at any time in its sole discretion.

## 10. Taxation of XAUD and Taxation Related to the sale of XAUD

---

The purchase price that you pay for XAUD is exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase of XAUD, 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. The Company is not responsible for withholding, collecting, reporting, or remitting any sales, use, value added, or similar tax arising from your purchase of XAUD.

You bear the sole responsibility in determining if the purchase of XAUD or the potential appreciation or depreciation in the value of XAUD over time has tax implications for you in your relevant jurisdiction. By purchasing XAUD, you agree not to hold any of the Company, its Affiliates, shareholders, directors, or advisors liable for any tax liability associated with or arising from the purchase of XAUD.

## 11. Privacy

---

The Company may determine, in the Company's absolute and sole discretion, that it is necessary to obtain certain information about you in order to comply with applicable law or regulation in connection with selling XAUD to you. You agree to provide the Company with such information promptly upon request, and you acknowledge that the Company may refuse to sell XAUD to you until you provide such requested information and the Company has determined that it is permissible to sell you XAUD under applicable Laws or regulation. You acknowledge that you have read and understand the Company's Privacy Policy (available at <https://xaudtoken.io/privacy-policy/>).

## 12. Acknowledgment and Assumption of Risks

---

You acknowledge and agree that there are risks associated with purchasing XAUD, holding XAUD, and using XAUD, as disclosed and explained herein and in Exhibit A hereto. If you have any questions regarding these risks, please contact us at [hello@xaudtoken.io](mailto:hello@xaudtoken.io). BY PURCHASING XAUD, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THESE RISKS.

## 13. Prohibited Uses

---

You may not:

- (a) purchase XAUD in order to disguise the origin or nature of illicit proceeds of, or to further, any breach of applicable Laws, or to transact or deal in any contraband Digital Tokens, Fiat, funds, property, or proceeds;
- (b) purchase XAUD if any applicable Laws, including, but not limited to, AML Laws, CTF Laws, Anti- Corruption Laws, and Economic Sanctions Laws,

## Terms of Token Sale

prohibit, penalise, sanction, or expose the Company to liability under these Terms;

- (c) purchase XAUD to facilitate, approve, evade, avoid, or circumvent any applicable Laws, including, but not limited to, AML Laws, CTF Laws, Anti-Corruption Laws, and Economic Sanctions Laws;
- (d) purchase XAUD to evade taxes under the Laws of Australia or any other jurisdiction(s) applicable to you;
- (e) purchase XAUD with anything other than Fiat, funds, keys, property, or Digital Tokens that have been legally obtained by you and that belong to you;
- (f) use the Website to interfere with or subvert the rights or obligations of the Company or the rights or obligations of any other Website user or any other Person;
- (g) use the Website to engage in conduct that is detrimental to the Company or to any other Website user or any other Person;
- (h) take advantage of any technical glitch, malfunction, delay, default or security breach on the Website;
- (i) falsify any details provided to the Company or any of its Associates, impersonate another Person or misrepresent your affiliation with a Person;
- (j) falsify or materially omit any information or provide misleading or inaccurate information requested by the Company or any of its Associates;
- (k) promote discrimination based on race, religion, nationality, disability, sexual orientation, gender or gender identity, or age; or
- (l) violate, promote, or cause a violation of, or conspire or attempt to violate these Terms or applicable Laws.

### 14. Representations and Warranties

---

In consideration of the Company's acceptance of your offer to purchase XAUD and recognising its reliance thereon, you covenant, agree, represent and warrant to the Company on any date on which you purchase or transfer XAUD that:

- (a) you have read, understand, and are in full compliance with these Terms (including all Exhibits) and the Terms of Service available to you and you understand that, by purchasing, or otherwise receiving, XAUD, you are accepting all of the terms and conditions set forth herein;
- (b) you have sufficient understanding of the functionality, usage, storage, transmission mechanisms, and other material characteristics of cryptographic tokens, 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 XAUD;

## Terms of Token Sale

- (c) you have obtained sufficient information about XAUD and the Company to make an informed decision to purchase XAUD and have otherwise had opportunity to contact the Company at [hello@xaudtoken.io](mailto:hello@xaudtoken.io) with any questions regarding purchasing XAUD;
- (d) you are acquiring XAUD solely for your own account and not as nominee or custodian for another person or entity and not as nominee or custodian for another person or entity; provided, however, that if you are an individual purchasing XAUD on behalf of any entity, you are authorised to accept these Terms on such entity's behalf and that such entity will be responsible for any breach. You understand that your purchase of XAUD does not involve the purchase or receipt of shares, ownership, these Terms by you or any other employee or agent of such entity;
- (e) you are legally permitted to purchase, receive, possess, and make use of XAUD in your jurisdiction; you are of legal age to purchase XAUD in your relevant jurisdiction, and you are not aware of any other legal reason to prevent you from receiving XAUD;
- (f) you are not a Prohibited Person;
- (g) your purchase of XAUD hereunder was not made using funds stemming from illegal or unethical activities or sources; and you are not purchasing or using XAUD for any illegal purpose, and will not use XAUD for any illegal purpose;
- (h) you will comply with any applicable tax obligations in your jurisdiction arising from your purchase of XAUD, and you accept that you bear sole responsibility for determining the tax implications, if any, relating to:
  - (1) the purchase, allocation, use or ownership of XAUD;
  - (2) the potential appreciation or depreciation in the value of AUD over time, if any;
  - (3) the sale or redemption of XAUD; and
  - (4) any other action or transaction related to XAUD;
- (i) you waive any right that you may have, or may obtain in the future, to participate in a class action lawsuit or a class wide arbitration against any entity or individual involved with the sale of XAUD;
- (j) neither the Company nor any member of the Company has provided you with any advice regarding whether XAUD is a suitable token for you;
- (k) you understand that XAUD is not a share, debenture, interest in a managed investment scheme or other security for the purposes of the Corporations Act 2001 (Cth) and is therefore not a regulated product under this legislation.
- (l) you understand that any new laws imposed in Australia (or amendments to the existing laws of Australia) could, among other things:



## Terms of Token Sale

- (1) prohibit the sale, purchase or transfer of XAUD or otherwise make holding them illegal;
  - (2) require the Company to move to another jurisdiction; and/or
  - (3) adversely affect or destroy the value of XAUD, and that such new laws or amendments could be imposed very quickly and without warning;
- (m) you are not making a regulated investment, as this or any similar term may be interpreted by any regulatory agency in its relevant jurisdiction;
- (n) you take sole responsibility for any restrictions and risks associated with receiving and holding XAUD, including, without limitation, those set out in Exhibit A;
- (o) to the extent permitted by law, you understand that the Company makes no warranty whatsoever, either expressed or implied, regarding the future success of XAUD or the Ethereum network or any other network on which the Company may ultimately build the Company's network and XAUD;
- (p) you accept that you are obtaining XAUD on an "as is" and "under development" basis and accept that the Company is providing XAUD without being able to provide any warranties in relation to XAUD, including, but not limited to, title, merchantability or fitness for a particular purpose;
- (q) you have not and will not supply the Company with inaccurate or misleading information relating to your purchase of XAUD including, without limitation, as to your identity and source of funds. You will supply the Company with all accurate information, documentation or copy documentation that the Company may require in order to allow the Company to accept your purchase of XAUD and allocate XAUD to you, and you will provide the Company with any additional information which may be reasonably required in order that the Company can fulfill its legal, regulatory, and contractual obligations, including but not limited to any AML and KYC obligations and/or any change to the information that you have supplied to the Company;
- (r) you acknowledge and agree that any instructions received or undertaken through your login credentials or from your authorised e-mail address on file with the Company are deemed to be valid, binding, and conclusive, and that the Company and its Associates may act upon those instructions without any liability or responsibility attaching to it;
- (s) if you are purchasing XAUD on behalf of a legal entity:
- (1) such legal entity is duly organised and validly existing under the applicable laws of the jurisdiction of its organisation; and
  - (2) you are duly authorised by such legal entity to act on its behalf;
- (t) you will not trade or otherwise transact with the Company with anything other than Fiat, funds, or Digital Tokens that have been legally obtained by you and that belong to you;

## Terms of Token Sale

- (u) you are currently in compliance with, and must, at your own cost and expense, comply with all Laws that relate to or affect these Terms, including, but not limited to, AML Laws, CTF Laws, Anti-Corruption Laws, Economic Sanctions Laws, Tax Information Exchange Laws or other tax Laws;
- (v) you consent to any and all tax and information reporting under AML Laws, CTF Laws, Anti-Corruption Laws, Economic Sanctions Laws, Tax Information Exchange Laws or other tax Laws as the Company may reasonably determine;
- (w) neither you nor any of your Affiliates shall use any Digital Tokens, Fiat, property, proceeds or funds directly or indirectly:
  - (1) on behalf of or for the benefit of a Prohibited Person or any Person subject to the jurisdiction of a Prohibited Jurisdiction;
  - (2) in violation of or as prohibited, restricted, or penalised under applicable Economic Sanctions Laws; or
  - (3) in any way that would violate, be inconsistent with, penalised under, or cause the omission of filing of any report required under applicable AML Laws, CTF Laws, or Economic Sanctions Laws;
- (x) you have not:
  - (1) violated;
  - (2) been fined, debarred, sanctioned, the subject of Economic Sanctions-related restrictions, or otherwise penalized under;
  - (3) received any oral or written notice from any Government concerning actual or possible violation by you under; or
  - (4) received any other report that you are the subject or target of sanctions, restrictions, penalties, or enforcement action or investigation under, any applicable Laws, including, but not limited to, AML Laws, CTF Laws, Anti-Corruption Laws, or Economic Sanctions Laws;
- (y) neither you nor any of your Affiliates is:
  - (1) itself or owned (beneficially or of record) or controlled by a Sanctioned Person;
  - (2) involved in any transaction, transfer, or conduct that is likely to result in you or your Affiliates becoming a Sanctioned Person;
  - (3) residing or domiciled in, or transferring Digital Tokens, Fiat, funds, or property to, from, or through any Digital Tokens Wallet, or other account in, or engaging in any transaction from a Prohibited Jurisdiction; or
  - (4) a Government or Government Official of a Prohibited Jurisdiction;

## Terms of Token Sale

- (z) neither you nor any of your Affiliates has directly or indirectly offered, promised, given, or authorised any payment, or offered, promised, given, or authorised the giving of anything else of value, including, but not limited to, any Digital Tokens or Fiat, to a Government Official or individual employed by another entity in the private sector in violation of any applicable Anti-Corruption Laws; and
- (aa) you will accurately and promptly inform the Company if you know or have reason to know whether any of the foregoing representations or warranties no longer is correct or becomes incorrect.

### 15. Capacity and Experience

---

You are responsible for the decision to acquire XAUD and have legal competence and capacity to accept these Terms through your purchase of XAUD. By purchasing XAUD hereunder, you acknowledge that you have the knowledge, expertise, and experience in financial matters to evaluate the risks of acquiring XAUD, are aware of the risks inherent in acquiring and the method by which the assets of the Company are held and/or traded and can bear the risk of loss of your entire XAUD acquisition and that you are qualified and authorised to make such an acquisition decision and, to the extent deemed necessary, have consulted your own advisors and legal counsel regarding the acquisition of XAUD. In making the decision to acquire XAUD, you have not relied on any advice or recommendation from the Company nor any placement agent associated with the Company, or any of their affiliates. To the extent that you are acting on behalf of an entity, by purchasing XAUD hereunder you acknowledge that you have the full power and authority under such entity's governing instruments to do so and that entity has the full power and authority under its governing instruments to acquire XAUD.

### 16. Indemnification

---

To the fullest extent permitted by applicable Laws, you hereby agree to indemnify and hold harmless the Company and its respective past, present and future employees, officers, directors, contractors, consultants, equity holders, suppliers, vendors, service providers, legal and financial advisers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns (each a Company Party) from and against all claims, demands, actions, damages, losses, costs and expenses (including reasonable attorneys' fees) that arise from or relate to:

- (a) your purchase or use of XAUD;
- (b) your responsibilities or obligations under these Terms;
- (c) your violation of these Terms;
- (d) your access to or use of the Website; or
- (e) your violation of any rights of any other person or entity in connection with XAUD and/or these Terms. The Company reserves the right to exercise sole control over the defence, at your expense, of any claim subject to

## Terms of Token Sale

indemnification under this section, including choice of legal counsel. This indemnity is in addition to, and not in lieu of, any other indemnities set forth in any other written agreement between you and the Company.

### 17. Disclaimer of Warranties

---

XAUD TOKENS ARE SOLD ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND. THE COMPANY EXPRESSLY DISCLAIMS ALL IMPLIED AND STATUTORY WARRANTIES AS TO THE TOKENS, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NONINFRINGEMENT, QUIET ENJOYMENT, SATISFACTORY QUALITY, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE OR TRADE PRACTICE. THE COMPANY DOES NOT REPRESENT OR WARRANT THAT THE XAUD IS RELIABLE, CURRENT OR ERROR-FREE, MEETS YOUR REQUIREMENTS, OR THAT DEFECTS IN XAUD WILL BE CORRECTED. THE COMPANY CANNOT AND DOES NOT REPRESENT OR WARRANT THAT THE TOKENS, THE USE OF XAUD, OR THE DELIVERY MECHANISM FOR XAUD IS FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS. THE COMPANY DOES NOT WARRANT THAT THE USE OF XAUD WILL BE UNINTERRUPTED.

As specified more fully in Exhibit A, transactions using crypto currency and blockchain technology, such as those involving the sale of XAUD, are at risk to multiple potential failures, including but not limited to, high network volume, computer failure, blockchain failure of any kind, and user failure. The Company is not responsible for any loss of data, cryptocurrencies, tokens, hardware or software resulting from:

- (a) any such failures; or
- (b) any actions taken by you in connection with the sale of XAUD.

The disclaimers and other risk disclosures contained in these Terms will apply to the fullest extent permitted by applicable law. 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.

### 18. Limitation of Liability

---

You acknowledge and agree that, to the fullest extent of the law the disclaimer of liability contained herein apply to any and all damages or injury whatsoever caused by or related to the Company or any of the Company Parties 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 Company or any of its Company Parties shall be liable for any indirect, incidental, special, punitive, exemplary, or consequential damages, including loss of profits, loss of revenues, loss of goodwill, or loss of data, in any way whatsoever arising out of the use of, or inability to use, or purchase of, or inability to purchase XAUD, or arising out of any interaction with smart contract implemented in relation to XAUD. You acknowledge that the Company is not liable for the conduct of third parties, including the Company Parties and other purchasers of XAUD, and that the risk of purchasing and using XAUD rests entirely with you. To the maximum extent

## Terms of Token Sale

permissible under law, under no circumstances will the Company be liable to you for more than the amount you have paid to the Company for the purchase of XAUD. The liability limitations and exclusions in this section will apply to the fullest extent permitted by law. 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.

### 19. Release

---

To the fullest extent permitted by applicable law, you release the Company and the other Company Parties from responsibility, liability, claims, demands, and 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 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 its favour at the time of agreeing to this release.

### 20. Arbitration

---

Any dispute or difference arising out of or in connection with these Terms or the legal relationships established by these Terms, including any question regarding its existence, validity or termination (each, a Dispute), shall be referred to and finally resolved by arbitration under the JAMS Rules which will be deemed to be incorporated by reference into this clause, save for any waiver of any rights the parties would otherwise have to any form of appeal or recourse to a court of law or other judicial authority, which rights are expressly reserved. The number of arbitrators shall be three.

The seat of the arbitration shall be Sydney, Australia. The language of the arbitration shall be English.

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 attempts 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.

### 21. Miscellaneous

---

#### 21.1 Complete Agreement

These Terms set forth the entire understanding between you and the Company with respect to the purchase, sale and redemption of XAUD. For facts relating to the sale and purchase, you agree to rely only on these Terms in determining purchase decisions and understand that the Terms govern the sale of XAUD and supersede any public statements about XAUD made by third parties or by the Company or

## Terms of Token Sale

individuals associated with the Company (including any Company Parties), past and present and current.

### 21.2 Severability

You and the Company agree that if any provision 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 these Terms, which shall continue to be in full force and effect.

### 21.3 No Waiver

The failure of the Company to require or enforce strict performance by you of any provision of these Terms or the Company's failure to exercise any right under these Terms shall not be construed as a waiver of the Company's right to assert or rely upon any such provision or right in that or any other instance. The express waiver by the Company 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 or otherwise in writing between the Parties, no representations, statements, consents, waivers, or other acts or omissions by the Company shall be deemed a modification of these Terms nor be legally binding. You agree that the remedies to which the Company is entitled include, but are not limited to:

- (a) injunctions to prevent breaches of these Terms and to enforce specifically the terms and provisions hereof, and you waive the requirement of any posting of a bond in connection with such remedies;
- (b) the right to recover the amount of any Losses by set off against any amounts that the Company would otherwise be obligated to pay to you; and
- (c) the right to seize and recover against any of your XAUD, other Digital Tokens, Fiat or other funds, or your interests therein, that are held by the Company or any of its Associates.

### 21.4 Third Party Rights

Any Company Party who is not a party to these Terms may enforce any rights granted to such party pursuant to these Terms in its own right as if it was a party to these Terms. Except as expressly provided in the foregoing sentence, a person who is not a party to these Terms shall not have any rights to enforce any term of these Terms. Notwithstanding anything to the contrary, the consent of or notice to any person (including any Company Party other than the Company) who is not a party to these Terms shall not be required for any termination or rescission to any variation, waiver, assignment, novation, release or settlement under these Terms at any time. The Company may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other instrument believed in good faith to be genuine, howsoever given. The Company will protect and indemnify its agents, delegates, service providers, officers, directors and other representatives against liability.

# Terms of Token Sale

## 21.5 Amendments; Updates to the Terms

These Terms may be amended, changed, or updated by the Company at any time and whilst reasonable efforts will be made to alert holders of XAUD or potential purchasers of material changes hereto, such changes may be made without prior notice to you. Any holder of XAUD will be deemed to have accepted these Terms (as may be amended, changed or updated by the Company) by (and such amended terms will be effective immediately upon):

- (a) purchasing, transferring, receiving or redeeming XAUD following the date hereof or such amendment (whether from the Company or from or to a holder thereof); or
- (b) otherwise by express consent of both such holder of XAUD and the Company.

## 21.6 Assignment

The Company may assign its rights and obligations under these Terms. Any of the rights, duties, and obligations contained or incorporated herein, are not assignable by you without prior written consent of the Company. Any attempt by you to assign these Terms without written consent of the Company is void. Subject to the foregoing, these Terms, and any of the rights, duties, and obligations contained or incorporated herein, shall be binding upon and inure to the benefit of the heirs, executors, administrators, personal or legal representatives, successors and assigns of you and of the Company.

None of the provisions of these Terms, or any of the rights, duties, and obligations contained or incorporated herein, are for the benefit of or enforceable by any creditors of you or the Company or any other persons. These Terms shall survive the transfer of any XAUD by you.

## 21.7 Electronic Delivery of Reports, Electronic Acceptance and Other Communications

You agree and consent to receive electronically all communications, agreements, documents, notices, and disclosures that the Company may provide in connection with your purchase and use of XAUD. The Company will provide such communications to you by posting them on the Website and/or by emailing them to you at the primary email address associated with your account registered with the Company. You acknowledge and agree that you shall not be entitled to receive any information from the Company in paper format. If you do not have reliable access to the internet or e-mail, you should not acquire XAUD.

You accept that such electronic communications may not be secure and may contain computer viruses or other defects, may not be accurately replicated on other systems, or may be intercepted, deleted, or interfered with or without the knowledge of the sender or the intended recipient. The Company makes no warranties in relation to these matters. The Company reserves the right to intercept, monitor, and retain e-mail messages to and from their systems as permitted by applicable law. If you have any doubts about the authenticity of an electronic communication purportedly sent by the Company, you are required to contact the purported sender immediately.

## Terms of Token Sale

Any notice to be served on the Company may be served by sending it to the following email address: hello@xaudtoken.io. Such notice shall be deemed effective and received by the Company on the date on which the electronic mail is sent to the Company, provided if such notice is sent on a day which is not a business day in Sydney, Australia or after 17:00 (5:00pm) (Australia Eastern Standard Time) on the next business day. All notice provided to the Company must be in English.

These Terms may be agreed to by the purchaser electronically through the use of tick boxes or other means of indicating acceptance. The indication by the purchaser of their acceptance of these Terms through such means shall be deemed to be as valid as if the purchaser had manually signed these Terms and shall be deemed to form a binding contract between the purchaser and the Company on the date of such acceptance by the purchaser. The Company shall be authorized to rely on such electronic acceptance, and shall not be required to undertake any investigation

### 21.8 Cooperation with Legal Authorities

You acknowledge and agree that the Company intends to cooperate with all law enforcement inquiries, subpoenas, or requests provided that such inquiries, subpoenas, or request are fully supported and documented by the law in the relevant jurisdictions in the Company's judgment. You hereby acknowledge and agree that you have read, understand, and are bound by the additional terms set forth in Exhibit B related to such cooperation efforts made by the Company.

### 21.9 Further Assurance

You agree to do anything (including, but not limited to, obtaining consents, signing and producing documents, producing receipts and getting documents completed and signed) which the Company asks and considers necessary to:

- (a) bind the purchaser and any other person intended to be bound in connection with any provision in these Terms;
- (b) confirm whether the purchaser is complying with applicable law and these Terms; and/or
- (c) comply with the Company's or any of its Associates' legal, regulatory and governance requirements.

### 21.10 Language

Currently, only English versions of any Company's communications are considered official. The English version shall prevail in case of differences in translation.

### 21.11 Relationship of the Parties

Neither these Terms, nor purchasing XAUD, create any form of partnership, joint venture, or any other similar relationship between you and the Company. Except as otherwise provided herein, these Terms are intended solely for the benefit of you and the Company and are not intended to confer third-party beneficiary rights upon any other person or entity, save that these Terms confer rights and remedies on the Company Parties as set forth in paragraphs 16 (Indemnities), 18 (Limitation of



## Terms of Token Sale

Liability) and 19 (Release). Notwithstanding any other term of this agreement, the consent of any person who is not a Party to these Terms (including, without limitation, any Company Parties, excluding the Company) is not required for any amendment to, variation of or release, rescission, or termination of, these Terms.

### 21.12 Survival

Any sections or terms which by their nature should survive or are otherwise necessary to enforce the purpose of these Terms, will survive the termination of these Terms.

### 21.13 Force Majeure

The Company is not responsible for damages caused by delay or failure to perform undertakings under these Terms when the delay or failure is due to fires; strikes; floods; power outages or failures; acts of God or the state's enemies; acts of any Government or Government Official; any and all market movements, shifts, or volatility; computer, server, or Internet malfunctions; security breaches or cyberattacks; criminal acts; delays or defaults caused by common carriers; acts or omissions of other Persons; or, any other delays, defaults, failures or interruptions that cannot reasonably be foreseen or provided against. In the event of force majeure, the Company is excused from any and all performance obligations under these Terms.

### 21.14 Intellectual Property

The Company and its Associates retain all right, title and interest in each their respective intellectual property, including, without limitation, inventions, ideas, concepts, code, discoveries, processes, marks, methods, software, compositions, formulae, designs, techniques, information and data, whether or not patentable, copyrightable or protectable in trademark (and where patentable, copyrightable or protectable, whether or not so protected) and any trademarks, copyrights or patents based thereon. Nothing in these Terms shall confer or be deemed to confer on any purchaser any rights or licenses in such intellectual property and no purchaser may use any such intellectual property for any reason without the prior written consent from the Company or the Associate, as relevant.

### 21.15 Remedies

These Terms do not limit any rights that the Company may have pursuant to any intellectual property laws or any other laws. All rights and remedies available to the Company, pursuant to these Terms or otherwise, at law or in equity, are cumulative and not exclusive of any other rights or remedies that may be available to the Company.

### 21.16 Different Terms

Prior or further sales of XAUD to other persons may be on different terms and conditions, and at a different price and conversion rate to those set out in these Terms. The Company reserves the right to distribute XAUD in any manner they determine in their sole discretion (including to persons who may work for the Company's or any of its Associates' business or future business).

## Terms of Token Sale

### 21.17 No Petition

The purchaser hereby covenants that it shall not take any action to present a petition or commence any case, proceeding, proposal or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, arrangement in the nature of insolvency proceedings, adjustment, winding-up, liquidation, dissolution, composition or analogous relief with respect to the Company or the debts or obligations of the Company.

# Terms of Token Sale

## Schedule 1 - Definitions

---

**Affiliate** means, in relation to a Party, a direct or indirect subsidiary of the Party, a holding company of the Party, and any other subsidiary of that holding company.

**AML** means anti-money laundering, including, but not limited to, all Laws applicable to the Parties prohibiting money laundering or any acts or attempted acts to conceal or disguise the identity or origin of; change the form of; or move, transfer, or transport, illicit proceeds, property, funds, Fiat, or Digital Tokens, including, but not limited to, the promotion of any unlawful activity such as fraud, tax evasion, embezzlement, insider trading, financial crime, bribery, cyber theft or hack, narcotics trafficking, weapons proliferation, terrorism, or Economic Sanctions violations, which may also require internal controls to detect, prevent, report, and maintain records of suspected money laundering or terrorist financing.

**Anti-Corruption** means all Laws applicable to each Party prohibiting corruption or bribery of Government Officials, kickbacks, inducements, and other related forms of commercial corruption or bribery.

**Associates** means the Company and each and every one of its shareholders, directors, officers, Affiliates, employees, contractors, agents, partners, insurers, and attorneys.

**AUSTRAC** means the Australian Transaction Reports and Analysis Centre.

**Australia** means the Commonwealth of Australia.

**Consolidated List** means the list of all persons and entities designated for the purposes of sanctions regimes implemented under Australian sanctions laws.

**Controlling Person** means any Person who owns more than a 25% interest in any Person or Affiliate.

**CRS** means the common reporting standard or the Standard for Automatic Exchange of Financial Account Information;

**CTF** means counter-terrorist financing.

**Digital Tokens** means a digital representation of value that functions as:

- (a) a medium of exchange;
- (b) a unit of account;
- (c) a store of value, and/or
- (d) other similar digital representations of rights or assets, which is neither issued nor guaranteed by any country or jurisdiction and does not have legal tender status in any country or jurisdiction, typically including blockchain-based assets or rights including sovereign cryptocurrency or virtual currency (and shall include, for the avoidance of doubt, XAUD).

## Terms of Token Sale

Digital Tokens Wallet means a software application (or other mechanism) that provides a means for holding, storing, and transferring Digital Tokens, including a user's digital address, Digital Tokens balance, and cryptographic keys.

Economic Sanctions means financial sanctions, trade embargoes, export or import controls, anti-boycott, and restrictive trade measures enacted, administered, enforced, or penalized by any applicable Laws.

FATF means the Financial Action Task Force.

Fiat means the money or currency of any country or jurisdiction that is:

- (a) designated as legal tender; and
- (b) circulated, customarily used, and accepted as a medium of exchange in the country or jurisdiction of issuance.

Government means any national, federal, state, municipal, local, or foreign branch of government, including, but not limited to, any department, agency, subdivision, bureau, commission, court, tribunal, arbitral body, or other governmental, government appointed, or quasi-governmental authority or component exercising executive, legislative, juridical, regulatory, or administrative powers, authority, or functions of or pertaining to a government instrumentality, including, but not limited to, any parasternal company, or state-owned (majority or greater) or controlled business enterprise.

Government Approval means any authorization, license, permit, consent, approval, franchise, concession, lease, ruling, certification, exemption, exception, or waiver by or with any Government necessary to conduct the business of either Party or the execution, delivery and performance of any transaction entered into under these Terms.

Government Official means an officer or employee of any Government, a director, officer, or employee of any instrumentality of any Government, a candidate for public office, a political party or political party official, an officer or employee of a public international organization, and any Person who is acting in an official capacity for any of the foregoing, even if such Person is acting in that capacity temporarily and without compensation.

KYC means "know your customer" identification procedures.

Laws means all laws, statutes, orders, regulations, rules, treaties, and/or official obligations or requirements enacted, promulgated, issued, ratified, enforced, or administered by any Government that apply to you.

Losses means, collectively, any claim, application, loss, injury, delay, accident, cost, business interruption costs, or any other expenses (including, but not limited to, attorneys' fees or the costs of any claim or suit), including any incidental, direct, indirect, general, special, punitive, exemplary, or consequential damages, loss of goodwill or business profits, work stoppage, data loss, computer failure or malfunction, or any and all other commercial losses.

Person includes an individual, association, partnership, corporation, company, other body corporate, trust, estate, and any form of organization, group, or entity (whether or not having separate legal personality).

## Terms of Token Sale

Personal Information has the meaning set out in the Privacy Policy.

Privacy Policy means the privacy policy available at <https://xaudtoken.io/privacy-policy/>, as may be amended from time to time.

Prohibited Jurisdiction means any of:

- (a) Cuba, Democratic People's Republic of Korea (North Korea), the Government of Venezuela, Iran, Pakistan, Syria or Crimea (a region of Ukraine annexed by the Russian Federation); and
- (b) any jurisdiction for which the sale of XAUD, or any offer or solicitation in respect of XAUD, would require registration or licensing not obtained by the Company, or otherwise would be unlawful.

Prohibited Person means any Person who is:

- (a) a Sanctioned Person;
- (b) located in a Prohibited Jurisdiction or a citizen or resident of, Government or Government Official of, or Person in or subject to jurisdiction of, any Prohibited Jurisdiction;
- (c) U.S. Person;
- (d) citizen or resident of Canada, the Cayman Islands or Switzerland;
- (e) Person from or in any jurisdiction, that does not meet international AML-CTF standards (including any jurisdiction identified by the FATF as high-risk, non-cooperative, or strategically deficient jurisdictions, including, but not limited to, Bahamas, Botswana, Cambodia, Ghana, Iceland, Mongolia, Panama, Serbia, Trinidad and Tobago, Yemen and Zimbabwe);
- (f) Person that is a Government Official or Politically Exposed Person within the meaning of the FATF's 40 Recommendations;
- (g) Person that presents a risk of any exposure to penalties, sanctions, or other liabilities under AML Laws, CTF Laws, Anti-Corruption Laws, Economic Sanctions Laws, or tax Laws that may apply;
- (h) Person that the Company determines is acting in the United States or Territory or Insular Possession of the United States (whether or not by, to, through, or from any U.S. Financial Institution) in violation of, causing any other Person, including, but not limited to, any of the Associates, to violate, attempting or conspiring to violate, or evading or circumventing these Terms or applicable Laws; and
- (i) Person that fails to meet any user due diligence standards, requests, or requirements of the Company, or otherwise appears to be of high risk, including, but not limited to, any of the foregoing factors.

Prohibited Use has the meaning set out in paragraph 13 of these Terms.

## Terms of Token Sale

Redemption Terms means the terms governing the redemption of XAUD tokens by the Company referred to in paragraph 6.

Sanctioned Person refers to any Person or Digital Tokens Wallet address that is:

- (a) specifically listed in any Consolidated List;
- (b) directly or indirectly owned 50 percent or more by any Person or group of Persons in the aggregate, or a Digital Tokens Wallet associated with such Person or Persons, referred to in any Consolidated List, or Government or Government Official of any Prohibited Jurisdiction; or
- (c) that is subject to any Government Approval or otherwise sanctioned, restricted, or penalized under applicable Laws.

Tax Information Exchange Laws means Laws relating to the exchange of information relating to taxes between Governments, including, but not limited to, CRS.

Terms means these terms and conditions of sale, as they may be changed, amended, or updated from time to time.

Territory or Insular Possession of the United States means the Commonwealth of Puerto Rico; the U.S. Virgin Islands; Guam; the Commonwealth of the Northern Mariana Islands; and all other territories and possessions of the United States, other than the Indian lands (as that term is defined in the Indian Gaming Regulatory Act).

United States or U.S. means the several states of the United States and the District of Columbia.

U.S. Account means any account that is held by one or more U.S. Persons or non-U.S. entities that have one or more Controlling Persons who is a U.S. Person.

U.S. Citizen or U.S. Resident includes any U.S. citizen, U.S. lawful permanent resident, individual who meets the "substantial presence" test described in section 7701(b)(3) of the U.S. Internal Revenue Code of 1986 (as amended), protected individual under section 1324b(a)(3) of the U.S. Immigration and Nationality Act, or individual who holds a passport issued by the United States Government.

U.S. Financial Institution means any U.S. Person and any of its affiliates, branches, offices, or agents incorporated, organized, or located in the United States or Territory or Insular Possession of the United States that is engaged in the business of:

- (a) accepting deposits;
- (b) making, granting, transferring, holding, or brokering remittances, loans, or credits; or
- (c) purchasing or selling foreign exchange, securities, commodity futures or options, or procuring purchases and sellers thereof, whether as principal or agent, and this term applies to affiliates, branches, offices, and agencies of any foreign financial institution that are located in the United States or Territory or Insular Possession of the United States, but not such foreign financial institution's affiliates, branches, offices, or

## Terms of Token Sale

agencies located outside the United States and Territory or Insular Possession of the United States;

U.S. Person means:

- (a) a U.S. Citizen or U.S. Resident;
- (b) a corporation, partnership, or other entity established or organized in or under the Laws of the United States;
- (c) any estate of a decedent who was a U.S. Citizen or U.S. Resident;
- (d) any trust if:
  - (1) a court within the United States is able to exercise primary supervision over the administration of the trust, and
  - (2) one or more United States Persons have the authority to control all substantial decisions of the trust;
- (e) any Person organized or incorporated outside the United States and the Territory or Insular Possession of the United States in which any of the foregoing, whether singularly or in the aggregate, directly or indirectly:
  - (1) holds a 50 percent or greater equity interest by votes or value;
  - (2) holds a majority of seats or memberships on the board of directors of the entity, or
  - (3) authorizes, establishes, directs, or otherwise controls the actions, policies, personnel decisions, or day-to-day operations of the Person; or

any pension plan for the employees, officers or principals of a legal entity unless the pension plan is primarily for foreign employees of such entity.

**Website** means the <https://xaudtoken.io> website (including any sub-domains and any services accessible thereon).

**XAUD** means the XAUD tokens issued by the Company from time to time and further described in these Terms.

**XAUD Reserves** means the term deposits, bonds and other investment instruments out in paragraph 2 hereof and held by the Company as collateral for XAUD tokens on issue.

# Terms of Token Sale

## Exhibit A – Certain risks relating to the purchase, sale and use of XAUD

Important Note: As noted elsewhere in these Terms, XAUD is not being structured or sold as a security or any other form of investment product. Accordingly, none of the information presented in this Exhibit A is intended to form the basis for any investment decision, and no specific recommendations are intended. The Company expressly disclaims any and all responsibility for any direct or consequential loss or damages of any kind whatsoever arising directly or indirectly from:

- (a) reliance on any information contained in this Exhibit A;
- (b) any error, omission, or inaccuracy in any such information; or
- (c) any action resulting from such information.

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

### Disclosures regarding XAUD

#### ***XAUD is provided on an “as is” basis***

XAUD is provided on an “as is” basis. The Company Parties and each of their respective directors, officers, employees, shareholders, Affiliates and licensors make no representations or warranties of any kind, whether express, implied, statutory or otherwise regarding the XAUD, including any warranty that the XAUD will be uninterrupted, error-free or free of harmful components, secure or not otherwise lost or damaged. Except to the extent prohibited by applicable law, the Company Parties and each of their respective directors, officers, employees, shareholders, Affiliates and licensors disclaim all warranties, including any implied warranties of merchantability, satisfactory quality, fitness for a particular purpose, non-infringement, or quiet enjoyment, and any warranties arising out of any course of dealings, usage or trade.

#### ***Lack of development of market of XAUD***

There are no warranties that XAUD will be listed or made available for exchange for any other Digital Token and/or Fiat. It shall be explicitly cautioned that if XAUD is made available on an exchange, such exchange, if any, may not be subject to regulatory oversight, and the Company does not give any warranties in relation to any exchange services providers. Because there has been no prior public trading market for XAUD, the sale of XAUD may not result in an active or liquid market for XAUD, and the price of XAUD may be volatile. Holders of XAUD may not be able to dispose of XAUD easily and where no secondary market develops, a XAUD token holder may not be able to liquidate at all. Proposed transfers of XAUD may be blocked by the Company in circumstances where the proposed transferee has not already completed the Company's KYC and AML procedures (including, without limitation, verification of identity and source of funds) to its satisfaction. You should be aware of the restrictions on their subsequent sale.

#### ***Risks relating to highly speculative prices***

The valuation of Digital Tokens in a secondary market is usually not transparent, and highly speculative. XAUD does not hold any ownership rights to the Company's assets and,



## Terms of Token Sale

therefore, is not backed by any tangible asset. The value of XAUD in the secondary market, if any, may fluctuate greatly within a short period of time. There is a high risk that you could lose your entire contribution amount. In the worst-case scenario, XAUD could be rendered worthless.

### ***Insurance***

Unlike bank accounts or accounts at financial institutions, XAUD is uninsured unless you specifically obtain private insurance to insure it. Thus, in the event of loss or loss of utility value, there is no public insurer or private insurance arranged by the Company to offer recourse to you.

### Governmental Disclosures

#### ***Risk of unfavourable regulatory action in one or more jurisdictions***

The regulatory status of Digital Tokens and blockchain technology is undeveloped, varies significantly among jurisdictions and is subject to significant uncertainty. It is possible that certain jurisdictions may adopt laws, regulations, policies or rules directly or indirectly affecting the Ethereum network, or restricting the right to acquire, own, hold, sell, convert, trade, or use XAUD. Developments in laws, regulations, policies or rules may alter the nature of the operation of the blockchain network upon which the XAUD is dependent. There can be no assurance that governmental authorities will not examine the operations of Company Parties and/or pursue enforcement actions against Company Parties. All of this may subject Company Parties to judgments, settlements, fines or penalties, or cause Company Parties to restructure their operations and activities or to cease offering certain products or services, all of which could harm Company Parties' reputations or lead to higher operational costs, which may, in turn, have a material adverse effect on the XAUD.

#### ***Purchaser bears responsibility of legal categorisation***

There is a risk that XAUD might be considered a security in certain jurisdictions, or that it might be considered to be a security in the future. The Company does not provide any warranty or guarantee as to whether XAUD will be a security in your jurisdiction. You will bear all consequences of XAUD being considered a security in your jurisdiction. You are responsible for satisfying yourself that the acquisition and/or disposal of XAUD is legal in your jurisdiction, and you undertake not to use XAUD in any jurisdiction where doing so would be unlawful. If you establish that the purchase or use of XAUD is not legal in your jurisdiction (or would only be legal if the Company had taken additional steps such as registration or licensing), you should not acquire XAUD and immediately stop using or possessing XAUD.

Acquiring XAUD will most likely continue to be scrutinised by various regulatory bodies around the world, which may impact the usage of XAUD. The legal ability of the Company to provide or support XAUD in some jurisdictions may be eliminated by future regulation or legal actions. In the event that the Company determines that the purchase or usage of XAUD is illegal in a certain jurisdiction, the Company may cease operations in that jurisdiction, or adjust XAUD in a way to comply with applicable Law.

You bear responsibility for complying with transfer restrictions in respect of XAUD.

## Terms of Token Sale

XAUD may be placed on third-party exchanges, giving future purchasers and users an opportunity to openly buy XAUD.

### General Security Risks

#### ***Risk of theft and hacking***

Token generation events and initial coin offerings are often targeted by hackers and bad actors. Hackers may attempt to interfere with your digital wallet, the Company's smart contract or the availability of XAUD in any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks. Any such attack may result in the theft of your XAUD.

#### ***Private keys***

XAUD purchased by you may be held by you in a Digital Tokens Wallet or vault, which requires a private key, or a combination of private keys, for access. Accordingly, loss of requisite private key(s) associated with your Digital Tokens Wallet or vault storing the XAUD will result in loss of such XAUD. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet or vault service used by you may be able to misappropriate your XAUD. The Company is not responsible for and shall be held harmless in respect of any such losses.

#### ***Risk of incompatible wallet service***

The wallet or wallet service provider used for the acquisition and storage of XAUD has to be technically compatible with XAUD. The failure to assure this may result in you not being able to gain access to your XAUD.

#### ***Risk of weaknesses or exploitable breakthroughs in the field of cryptography***

Advances in cryptography, or other technical advances such as the development of quantum computers, could present risks to cryptocurrencies, Ethereum and Tokens, which could result in the theft or loss of XAUD.

#### ***Internet transmission risks***

There are risks associated with using XAUD including, but not limited to, the failure of hardware, software, and internet connections. The Company shall not be responsible for any communication failures, disruptions, errors, distortions or delays you may experience when using XAUD, howsoever caused. Transactions in cryptocurrency may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable. Digital Token transactions are deemed to be made when recorded on a public ledger, which is not necessarily the date or time when the transaction is initiated.

### Company Disclosures

#### ***Legal structure of XAUD issuer***

The Company is a proprietary limited company incorporated in Australia pursuant to the Corporations Act 2001 (Cth). A proprietary limited company is a body corporate which has separate legal personality capable of exercising all the functions of a natural person of full

## Terms of Token Sale

capacity irrespective of any question of corporate benefit, and having perpetual succession. The constitution of a proprietary limited company typically provides that there must be at least one director of the company. Generally, the constitution will specify that the management of the company is the responsibility of, and is carried out by, its board of directors. If the constitution permits it, the proprietary limited company may indemnify officers and directors of the company from all liabilities and expenses incurred by search persons in the performance of their duties.

As a XAUD holder, you will not be a party to the constitution and will not be entitled to any right or interest in or to shares of the Company and will have no rights to appoint or remove the board of directors of the Company.

Because XAUD confer no governance rights of any kind with respect to the Company, all decisions involving the Company's products or the Company itself will be made by the Company at its sole discretion. These decisions could adversely affect the value and/or utility of any XAUD you own.

### ***Dependence on management team***

The ability of the project team which is responsible for maintaining competitive position of the Company is dependent to a large degree on the services of a senior management team. The loss or diminution in the services of members of such senior management team or an inability to attract, retain and maintain additional senior management personnel could have a material adverse effect on the Company and the value of the XAUD. Competition for personnel with relevant expertise is intense due to the small number of qualified individuals, and this competition may seriously affect the Company's ability to retain its existing senior management and attract additional qualified senior management personnel, which could have a significant adverse impact on the value of XAUD.

### ***Disclosures relating to conflicts of interest***

Any of the Company Parties may be engaged in transactions with related parties and conflicts of interest may arise, potentially resulting in the conclusion of transactions on terms not determined by market forces.

### ***Unanticipated Risks***

Digital Tokens such as XAUD are a new and largely untested technology. In addition to the risks included in this Exhibit A of these Terms, there are other risks associated with your purchase, possession, and use of XAUD, including unanticipated risks. Such risks may further materialise as unanticipated variations or combinations of the risks discussed in this Exhibit A of these Terms.

### **Caution regarding forward-looking statements**

Certain information presented within the Company's publications and digital marketing and media may contain forward- looking statements or information (collectively "forward-looking statements") that relate to the Company's current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "anticipate", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/are likely to" or the negative of these Terms, or other similar expressions intended to identify forward- looking statements.

## Terms of Token Sale

The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy, financial needs, or the results of the sale of the Tokens or the value or price stability of XAUD.

Any forward-looking statements made by the Company are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict; therefore, actual results may differ materially from those expressed or forecasted in any forward-looking statements. The risks and uncertainties include, without limitation, those noted in these Terms and this Exhibit A. The Company undertakes no obligation to update any forward- looking statements, whether as a result of new information, future events or otherwise, except to the extent that we are required to do so by law. Given such risks, any prospective purchaser in this sale of XAUD should not place undue reliance on these forward-looking statements.

### Further Disclaimers

All information presented within the Company's publications and digital marketing and media including but not limited to websites, brochures, white papers and presentations are intended for illustrative purposes only and are not guaranteed by the Company or its Affiliates and subsidiaries and are expressly disclaimed from inclusion in these Terms. The information contained herein is not a substitute for a thorough due diligence investigation by the purchaser. The Company has not made any investigation, and makes no warranty or representation, with respect to the Company's compliance with the regulations of any jurisdiction. The Company makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided herein. You must take appropriate measures to verify all of the information set forth herein.

# Terms of Token Sale

## Exhibit B – Additional Compliance Terms

### ***Anti-Money Laundering***

The Company (and/or its delegate) may request such evidence as is necessary to verify the identity and source of your funds and to confirm the anti-money laundering status of any transferring XAUD holder. If, as a result of any information or other matter which comes to their attention, a resident in Australia knows or suspects, or has reasonable grounds for knowing or suspecting, that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business, or employment, the person will be required to report such knowledge or suspicion to AUSTRAC or the Australian Federal Police.

The Company prohibits acceptance of funds by any persons or entities that are acting, directly or indirectly:

- (a) in contravention of any Australian or international laws and regulations, including anti-money laundering regulations or conventions;
- (a) on behalf of terrorists or terrorist organizations, including those persons or entities that are included on the Consolidated List maintained by the Australian Department of Foreign Affairs and Trade, as such list may be amended from time to time;
- (b) for a senior foreign political figure, any member of a senior foreign political figure's immediate family or any close associate of a senior foreign political, unless the Company, after being specifically notified in writing that you are such a person, conducts further due diligence, and determines that such acquisition shall be permitted; or
- (c) for a foreign shell bank.

### ***Tax Information Exchange Obligations***

You acknowledge that the Company may be subject to certain obligations (Tax Information Exchange Obligations) to gather and disclose to the competent authorities information relating to purchasers of XAUD under:

- (a) the *Income Tax Assessment Act 1997* (Cth), the *Income Tax Assessment Act 1936* (Cth) and the *Taxation Administration Act 1953* (Cth);
- (b) any other legislation, regulations, or guidance enacted in any jurisdiction which seeks to implement similar tax reporting, tax information exchange, reporting, and/or withholding tax regimes (including the OECD Common Reporting Standard on the automatic exchange of financial account information);
- (c) any intergovernmental Application between Australia or any other jurisdiction (including any government bodies in any other such jurisdiction), entered into, in order to comply with, facilitate, supplement, or implement the legislation, regulations or guidance described in (a) and (b), including the OECD Multilateral Competent Authority Application; and

## Terms of Token Sale

(d) any legislation, regulations or guidance in Australia that give effect to the foregoing.

You hereby agree to execute properly and provide to the Company in a timely manner any documentation or other information that the Company or its agents may request in writing from time to time in connection with the Tax Information Obligations. You waive any provision under the laws and regulations of any jurisdiction that would, absent a waiver, prevent or inhibit the Company's compliance with applicable law as described in this paragraph, including but not limited to by preventing either:

- (a) you from providing any requested information or documentation, or
- (b) the disclosure by the Company and its agents of the provided information or documentation to applicable regulatory authorities.

Without limitation, you hereby agree to provide any documentation or other information regarding beneficial ownership requested by the Company or its agents in connection with the Tax Information Exchange Obligations. If you provide information and/or documentation that is in anyway misleading, or you fail to provide the Company or its agents or delegates with the information and documentation that has been requested, (whether or not such action or inaction leads to compliance failures by the Company, or a risk of the Company or its token holders being subject to withholding tax or other penalties), the Company reserves the right:

- (a) take any action and/or pursue all remedies at the Company's disposal including, without limitation, compulsory reversion of your acquisition of XAUD in full or in part; and
- (b) to hold back from any reversion proceeds in respect of XAUD so reverted, any liabilities, costs, expenses, or taxes arising (directly or indirectly) from such action or inaction.

Further, you shall have no claim against the Company, or any of the Company's agents or delegates, for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with the Tax Information Exchange Obligations.