



Cross Hedge

Join the next generation of fund management

Terms Of Token Sale

PLEASE NOTE THAT U.S. CITIZENS OR RESIDENTS MAY NOT PARTICIPATE IN THE TOKEN SALE. IF YOU ARE A NON-U.S. PURCHASER, YOU MAY ONLY PARTICIPATE IF YOU ARE OUTSIDE OF THE UNITED STATES AT THE TIME OF THE PURCHASE.

Date Posted: March 28th, 2018

Last Updated: April 21st, 2018

PLEASE READ THESE TERMS OF TOKEN SALE CAREFULLY. NOTE THAT SECTION 21 CONTAINS A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER, WHICH AFFECT YOUR LEGAL RIGHTS. IF YOU DO NOT AGREE TO THESE TERMS OF SALE, DO NOT PURCHASE TOKENS.

These Terms take effect when you (1) click an "I Agree" button, check box or other indicator of agreement presented with these Terms and (2) when we receive payment in full ("Your purchase of Stellar compatible Cross Hedge tokens (collectively named as **"Cross"** or **"Tokens"** during the Private (**"Early Contributors"**) and Presale (**"Presale"**) Period (defined below) or Token sale (the **"Token Sale"**) period (the **"Token Sale Period"** and together with the Presale Period, the **"Creation Period"**) from Cross Hedge and its platform/affiliates, (**"Company," "we," "the network"** or **"us"**) is subject to these Terms of Sale ("Terms"). Each of you and Company is a **"Party,"** and, together, you and the Company are the **"Parties."** The Early Contributors, Presale and Token Sale are referred to collectively herein as the **"Token Sale"** unless otherwise noted. **Effective Date"**). By purchasing Tokens from us during the Creation Period, you will be bound by these Terms and all terms incorporated by reference. If you have any questions regarding these Terms, please contact us at tokensale@cross-hedge.com.

You and Company agree as follows:

1. Purpose and Use of Tokens

The proceeds from the tokens' sale will be used for the development of our solution and to compensate technical staff, cover marketing costs and operating expenses, and develop technical infrastructure.

Currently, we envision that our development of technical infrastructure will focus on two primary areas. The first area of development involves IT infrastructure and the second is related to Compliance and legal purposes to be able to launch our services as soon as possible.

Distribution

The Cross Hedge Cross Tokens will be distributed as follows:

- **Token sale: 55%**
- **Reserve: 20%**
- **Team: 10%**
- **Bounties and Sales Program: 9%**
- **Advisory: 6%**

The envisioned expenditures and areas of development described above are provided for illustrative purposes only, and Company reserves the right to allocate its resources, including proceeds from the sale of Tokens toward such areas of development at its sole discretion.

You understand and accept that Tokens do not represent, constitute or confer:

- any ownership right or stake, share, equity, security, bond, debt instrument, or any other financial instrument or investment or investment carrying equivalent rights;
- any right to receive future revenues, shares, intellectual property rights or any other form of participation or governance rights from, in, or relating to the Company and its corporate affiliates.
- any form of money or legal tender in any jurisdiction or any representation of money, including electronic money; or
- the provision of any goods and/or services.

As such, protections offered by applicable law in relation to the acquisition, storage, sale, and/or transfer of the instrument and/or investments of the types referred to above shall not apply to any contribution made under these Terms for the acquisition of Tokens or to your storage, sale, and/or transfer of the Tokens.

We make no warranties of title or implied warranties of merchantability of fitness for a particular use with respect to the Tokens or their functionality, features, purpose, or attributes in connection with the Company. As a result, you may never receive delivery of Tokens, and you may lose the entire amount of the payment you make to the Company.

As we have limited ability to control third parties' use of the Cross, our responsibility or liability for the actions of third parties on the Cross's use is limited.

2. Scope of Terms

Unless otherwise stated herein, these Terms govern only your purchase of Tokens from us during the Creation Period.

Any other use of Tokens in connection with Cross Hedge will be governed primarily by other applicable terms and policies. We may add new terms or policies to the Network Terms and Policies at our sole discretion and may update each of the Network Terms and Policies from time to time according to the modification procedures set forth therein. You have read, understand and agree to these Terms as well as the Cross Hedge Terms and Policies, the Risk Disclosures (provided later in this document), and the White Paper and will regularly check for updates to these documents on <https://www.cross-hedge.com> or other channels we make available, and will read any updates.

YOU AGREE AND UNDERSTAND THAT YOU ARE PURCHASING TOKENS DURING THE TOKEN SALE FOR YOUR OWN PERSONAL USE AND UTILITY AND NOT FOR INVESTMENT OR FINANCIAL PURPOSES. YOU AGREE AND UNDERSTAND THAT TOKENS ARE NOT A SECURITY OR A CRYPTOCURRENCY AND ACKNOWLEDGE THAT TOKENS MAY LOSE ALL VALUE.

Tokens are a cryptographic token used on the auction Network. If you did not understand any of the concepts identified in the White Paper, these Terms, the Terms of Use, Risk Disclosures, Privacy Policy, or other Network Terms and Policies, please contact us at tokensale@cross-hedge.com.

By agreeing to the Terms, you affirm that you understand any and all concepts described in the documents to your satisfaction, and you affirm that you also agree to the Cross Hedge Terms and Policies.

3. Eligibility

In order to be eligible to participate in the Token Sale, you will have to provide us personal information, as requested (your "**User Credentials**").

You must also have a wallet or other storage mechanism ("**Wallet**") that supports the Stellar network token standard in order to receive any Tokens you purchase from us and provide the address for your Wallet (the "**Token Receipt Address**"). We reserve the right to prescribe additional guidance regarding specific requirements with respect to a storage mechanism for the Tokens. You must have the ability to send crypto and fiat currencies to the address that we provide (the "**Token Deposit Address**").

We are not responsible for any delays, losses, costs, non-delivery of refunds or of Tokens, or other issues arising from your failing to provide a Token Receipt Address or providing an inaccurate or incomplete Token Receipt Address.

4. Principles

By transferring cryptocurrencies and/or fiat currencies to the relevant Token Deposit Address during the Creation Period, you understand and accept that you make a contribution into the Token Deposit Address for the development of the company. For the White Paper and/or further information on the Network, visit: <https://www.cross-hedge.com/cross-hedge-whitepaper.pdf>.

The information contained in the Whitepaper and on <https://www.cross-hedge.com> (the "Company Site") are of descriptive nature only, are not binding and – unless explicitly referred to herein – do not form part of the Terms.

- A. You understand and accept that while the individuals and entities, including the Company assigned to this task, will make reasonable efforts to maintain the Network, it is possible that such maintenance may fail and your tokens may become useless and/or valueless due to technical, commercial, regulatory or any other reasons.
- B. You are also aware of the risk that, due to a lack of public interest, the Network could be fully or partially abandoned, be commercially unsuccessful or shut down for lack of interest, regulatory or other reasons. You therefore understand and accept that the transfer of your contribution to the Token Deposit Address, and the creation of Cross by the Network carry significant financial, regulatory and/or reputational risks (including the complete loss of value of created Cross, if any, and attributed features of the Network).
- C. By transferring any cryptocurrencies or fiat currencies to the Token Deposit Address, you expressly agree to all of the terms and conditions existing on the Stellar blockchain (at the address set forth on the Company Site). You further confirm to have carefully reviewed the Network documentation, its functions and the terms and conditions set forth in this document and to fully understand the risks and costs of creating Cross and contributing into the Network.
- D. You furthermore understand and accept that the creation and assignment of the Tokens and the execution of the Services are Network based, consisting of multiple interconnected software codes existing on the Stellar blockchain (in the form of a smart contract), or other distributed ledger (as determined by the Company), as set forth on the Company Site. Moreover, the Company reserves the right to migrate from the Stellar

protocol to a future protocol, that may or may not currently exist, for any reason, in accordance with the procedures set forth in Section 7.

- E. This document does not constitute a prospectus of any sort, is not a solicitation for investment, does not pertain in any way to a share/equity offering, and does not pertain in any way to an offering of securities in any jurisdiction. It is a description of the functionality of the Network.
- F. By transferring any cryptocurrencies or fiat currencies to the relevant Token Deposit Address, and/or receiving Cross, no form of partnership, joint venture, agency or any similar relationship between you and the Company and/or other individuals or entities involved with the creation or deployment of the Network is created.
- G. Your contribution into the Network can involve any fiat currencies or/and cryptocurrencies.

5. Cancellation, Refusal of Purchase Requests

Your purchase of Cross from us during the Creation Period is final, and there are no refunds or cancellations except (i) as may be required by applicable law or regulation, (ii) as to the Token Sale alone, if fewer than the equivalent of \$5,000,000 USD in XLM (calculated to the Applicable Exchange Rate (as defined below)) are created during the Creation Period, or (iii) if contribution is sent to us from an address different than the approved Token Receipt Address. If any of (i), (ii), or (iii) occurs, then XML or other (crypto)currency sent by you to purchase Tokens may be returned and the purchase and sale will be considered not made. We reserve the right to refuse or cancel Token purchase requests at any time in our sole and absolute discretion and to stop the Early Contributors, Presale or Token Sale entirely. To the extent that we refuse or reject a payment, we will exercise reasonable endeavors to secure that the payment is returned to the Wallet from which it was made. However, we do not warrant, represent, or offer any assurances that we will be able to successfully recover and/or return such payments, and, in any event, you accept that any return of your payment will be net of any mining fees applied at the time the payment is made and thereafter until returned (if so returned).

We will provide you web-based support only, which may include email, web forums, and knowledge based support. We will not provide telephone or live support. Our support email is tokensale@cross-hedge.com.

6. CROSS Creation Function

Contribution:

- A. Early contributors, Presale Period and Token Sale Period:
 - i. **Early Contributors Period:** Cross's creation for the Early Contributors sales begins at the Stellar block mined soonest after 11:00am GMT on May 22nd, 2018. Contribution can be made to a contract address for an initial period on an invite only basis, beginning on May 22nd, 2018 at 11:00am GMT.
 - ii. **Presale Period** Cross's creation for the Early Contributors sales begins at the Stellar block mined soonest after 11:00am GMT on September 10th, 2018. Contribution can be made to a contract address for an initial period on an invite only basis, beginning on September 10th, 2018 at 11:00am GMT and continuing until October 9th, 2018 at 11:00am GMT (**the "Presale Period"**).
 - iii. **Token Sale Period:** The Token Sale Period will begin on October 10th, 2018 at 11:00am GMT.
- B. When the Company has received a maximum contribution of the equivalent of \$85,500,000 USD in XLM (calculated to the Applicable Exchange Rate) or
- C. When the Company, in its sole discretion, terminates the Token Sale. Once the Token Sale Period ceases, the receiving contract will be marked "finished" and it will reject contribution from that time. The **"Applicable Exchange Rate"** shall be calculated according to the average of the exchange rate "Close" price denoted in U.S. dollars for the two calendar days prior to and not including the date on which the Token Sale period begins, as specified on <https://www.kraken.com>. **For the avoidance of doubt, notwithstanding the date and time any contribution done pursuant to these Terms, your contribution amount shall be valued in accordance with the Applicable Exchange Rate, irrespective of the exchange rate as of the date and time any contribution was sent to the address specified by us.**
- D. Token Pools: During the Creation Period, all Cross created by the Network will be of equal value and functionality. The amount of Cross created during the Creation Period will depend primarily on contribution amount during the Creation Period.
 - i. 1 Cross = 0.15 USD received in acceptable contributions. However, a discount can be enabled during phases of the Early Contributor, Presale Period and the Token Sale Period.

- ii. At the end of the Creation Period, the Cross contract will grant the Company an additional pool of Cross tokens based on the total tokens created during the Creation Period. The size of this pool will be 20% of final amount of Cross created.
- E. Creation and Allocation of tokens: The creation and allocation of tokens by the Network are initiated by you sending a contribution to the Network, located on the Stellar blockchain at the addresses set forth on the Company Site, as follows:
 - i. You will go to <https://www.cross-hedge.com/token>;
 - ii. You will create an account;
 - iii. You will be required to provide personal verification data (KYC);
 - iv. You will be required to accept our Terms and register for the Token Sale;
 - v. You will receive "transaction data" which is a cryptographic value that proves to the contract that you've accepted the terms; and
 - vi. You will send your contribution and the transaction data you received to the smart contract to receive your cross when the Token Sale closes.
- F. Ensure to Use the Original Smart Contracts. Only the smart contract existing at the addresses sent to you pursuant to this Section 6 will issue Cross after the Creation Period. Access to this smart contract address will be available to authenticated users through the Cross Hedge website at <https://www.cross-hedge.com/token>. To the extent that any third party website, service or smart contract offers Cross during the Creation Period or facilitates the sale or transfer of Cross in any way during the Creation Period or at any time up to the release of the Cross, such third-party websites or services are, unless explicitly mentioned on the Cross Hedge website at <https://www.cross-hedge.com>, not authorized by Cross Hedge and have no relationship in any way with Cross Hedge.
- G. Transferability of CROSS During the Creation Period. Any and all CROSS will be locked, and are therefore not transferable, until the Creation Period has ended as set forth on <https://www.cross-hedge.com>. After the end of the Token Sale, we plan to make all CROSS transferable within three weeks, which is the amount of time we anticipate needing to create and distribute the CROSS.
- H. Excluded Contributions. DO NOT make use of any multi-signature wallet as we will not support them, and your transaction will not be accepted. By doing so your contribution may be permanently lost, and the CROSS may not be created.
- I. Third Party Payment Processor. To the extent that any third-party website, service, or smart-contract offers to receive payments and issue CROSS or facilitates the allocation or

transfer of CROSS in any way during the Creation Period, such third-party websites or services are, unless expressly set forth in these Terms or mentioned on the Company Site, not authorized by the Company. Such third parties do not have any legal or commercial relationship in any way with the Company. You are solely responsible for ensuring that we actually receive the appropriate amount of from a stellar compatible Wallet. We are not responsible for any loss of funds related to the use of a third-party payment processor.

Pricing:

CROSS is only for use in connection with the Network under the Terms and only constitute a transferable representation of attributed functions of the Network.

7. Possible Migration of Tokens

- A. We reserve the right to migrate the Tokens (the "Pre-existing Tokens") from the Stellar protocol to any future protocol, that may or may not currently exist, for any reason. Further, we may generate new Tokens on any future protocol that may or may not currently exist and make them available to the holders of Pre-existing Tokens (the "Replacement Tokens") should we determine, in our sole discretion, that doing so is necessary or useful to the operation of the Network.
- B. In the event that we migrate the Tokens, we may no longer provide support for the Pre-existing Tokens relating to the Network, the Services, or any other operational matters, except with respect to the migration process. Accordingly, by accepting these Terms, you acknowledge and agree that in order for you to continue to participate in the Network or obtain utility from the Tokens, you may need to convert the Tokens you purchase during the Token Sale to Replacement Tokens in the future.
- C. In the event that we migrate the Tokens, we shall notify you in accordance with the notice provisions set forth in Section 25(g) herein.

8. Acknowledgment and Assumption of Risks

You acknowledge and agree that there are risks associated with purchasing Tokens, holding Tokens and using Tokens for providing or receiving Services in the Network, as disclosed and explained in the Risk Disclosures set forth in Schedule 2 hereto. If you have any questions regarding these risks, please contact us at tokensale@cross-hedge.com. BY ACCEPTING THESE TERMS AND PURCHASING TOKENS, YOU EXPRESSLY AND FINALLY ACKNOWLEDGE, ACCEPT AND ASSUME ALL OF THE RISKS SET FORTH IN SCHEDULE 2 HERETO.

9. Security

- A. **Your Security.** You are responsible for implementing reasonable measures for securing the wallet, vault or other storage mechanism you use to receive and hold Tokens you purchase from us, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If your private key(s) or other access credentials are lost, you may lose access to your Tokens. We are not responsible for any such losses. You will implement reasonable and appropriate measures designed to secure access to (i) any device connected with the email address associated with your account, (ii) private keys required to access any relevant Stellar address or your Tokens and (iii) your username, password and any other login or identifying credentials.
- B. **Additional Information.** You will provide to us, or our nominee, immediately upon request, information that in either of our sole discretion, we deem to be required to maintain compliance with any federal, state, local, domestic or foreign law, regulation or policy, including any "Know Your Customer" requirements and policies. Such information may include a passport, driver's license, utility bill, photograph of you, government identification cards, or sworn statements, and we or our nominee may keep a copy of such information.
- C. **Your Information.** We may use aggregate statistical information about your activity, including your activity on the Company Site or platform and logins to various websites, for marketing or any other purpose in our sole discretion. We may use your internet protocol address to verify your purchase of Tokens. However, we will not release your personally-identifying information to any third party without your consent, except as not prohibited by law or as set forth in these Terms, our Privacy Policy or any other Network Terms and Policies, all of which you have agreed to.

10. Right to Request Information

Before you are able to make a payment or at any time after making a payment to the Company, we or our nominee may determine, in either of our sole or absolute discretion:

- a. to request additional information pursuant to Section 9(b), and
- b. that it is necessary to obtain certain other information about you in order to comply with applicable laws or regulations in connection with the creation and issue of Tokens to you.

By agreeing to these Terms, you agree to provide us such information promptly upon request, and you acknowledge that we may refuse to sell Tokens to you until you provide such requested information and we have determined that it is permissible to sell you Tokens under applicable law or regulation.

Further, you acknowledge and accept that we may refuse or reject any contributions for the purchase of Tokens until after you have provided all information and documentation that we may request under this Section 10 and after we have determined that it is permissible to create and issue Tokens to you under applicable law.

11. Taxes

The Purchase Price that you pay for Tokens is exclusive of all applicable taxes. You are solely responsible for determining what, if any, taxes apply to your purchase of Tokens, including, for example, sales, use, value added, and similar taxes. It is also your responsibility to withhold, collect, report and remit the correct taxes to the appropriate tax authorities. We are not responsible for withholding, collecting, reporting or remitting any sales, use, value added or similar tax arising from your purchase of Tokens. You agree not to hold the Company or any Company Parties (defined below) liable for any tax liability associated with or arising from the creation, ownership, use or liquidation of Tokens, or any other action or transaction related to the Network.

12. Representations and Warranties

- A. By purchasing Tokens, you represent and warrant that:
- B. You understand that the Token to XML exchange rate will be determined in accordance with the Applicable Exchange Rate and may not reflect the exchange rate of your XML at the time of your purchase of Tokens.
- C. You have sufficient understanding of cryptographic tokens, token storage mechanisms (such as token wallets), and distributed ledger technology to understand these Terms and to appreciate the risks and implications of purchasing the Tokens;
- D. You have read and understand these Terms (including the totality of the White Paper to which these Terms also apply);

- E. You are aware of the Company's business affairs and financial condition and have obtained sufficient information about the Company to reach an informed decision to purchase the Tokens;
- F. You will not be able to transfer Tokens until they have been unlocked by the Company;
- G. You have obtained sufficient information about the Tokens to make an informed decision to purchase the Tokens;
- H. You understand that the Tokens does not confer rights of any form with respect to the Company, including, but not limited to, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights;
- I. You are not purchasing Tokens for any uses or including, but not limited to, any investment, speculative or other financial purposes and you agree that, other than your use of the Tokens on the Network, that you will not, directly or indirectly, transfer any Tokens into the United States, or to or for the account or benefit of any U.S. person;
- Your purchase of Tokens complies with applicable law and regulation in your jurisdiction, including, but not limited to, (i) legal capacity and any other threshold requirements in your jurisdiction for the purchase of the Tokens and entering into contracts with us, (ii) any foreign exchange or regulatory restrictions applicable to such purchase, and (iii) any governmental or other consents that may need to be obtained;
- J. You are legally permitted to receive software and contribute to the Network for the continued improvement of the Network;
- You will comply with any applicable tax obligations in your jurisdiction that may be relevant to your purchase, holding, redemption, sale, or transfer of the Tokens;
- K. If you are purchasing Tokens on behalf of any entity, such entity is not organized in, held for the benefit of, and the administrators, executors or trustees of such entity are not, residents (tax or otherwise), citizens, or green card holders of the United States, its territories and possessions or the District of Columbia and you are authorized to accept these Terms on such entity's behalf and that such entity will be responsible for breach of these Terms by you or any other employee or agent of such entity (references to "you" in these Terms refer to you and such entity, jointly);
- You are not a resident (tax or otherwise), citizen, or green card holder of the United States, its territories and possessions or the District of Columbia, and you are not purchasing Tokens from the United States, nor will you use the Tokens to conduct or facilitate any transactions with persons or entities located in these countries or regions;

- L. You agree to promptly provide to the Company or its nominee, upon request, proof of identity and/or source of funds and/or other documentation or other information that the Company may request from time to time in connection with the Company's obligations under, and compliance with, applicable laws and regulations, including but not limited to anti money laundering legislation, regulations or guidance and/or tax information reporting or withholding legislation, regulations or guidance;
- M. You are at least 18 years old and are legally able to obtain and use the Tokens.
- N. You understand with regard to Tokens, that we make no guarantees that you will be able to resell Tokens, or as to its future value, and that no market liquidity may be guaranteed and that the value of Tokens over time may experience extreme volatility or depreciate in full;
- O. You, as a token owner, must maintain all records as to ownership amounts, correct address and physical location, location of wallets, participation efforts, and any and all other information necessary for the Company managers to maintain accurate records as to the ecosystem created for the Company, and to notify all associated parties with the Company community;
- P. You understand that you bear the sole responsibility to determine whether your contribution to the Company, the transfer of your contribution, the creation, ownership or use of the Tokens, the potential appreciation or depreciation in the value of the Tokens over time, the sale and purchase of the Tokens and/or any other action or transaction related to the Company application have tax implications; further, by creating, holding or using the Tokens, and to the extent permitted by law, you agree not to hold any third party (e.g., developers, auditors, contractors, or founders) liable for any tax liability associated with or arising from the creation, ownership or use of the Tokens or any other action or transaction related to the Company platform;
- Q. You are purchasing the Tokens primarily to participate in the development of the company, being aware of the commercial risks associated with the Company application;
- R. You waive the right to participate in a class action lawsuit or a class wide arbitration against any entity or individual involved with the creation of the Tokens, as discussed more fully here;

- S. You understand the creation of the Tokens does not involve the purchase of shares or any equivalent in any existing or future public or private company, corporation or other entity in any jurisdiction;
- T. You understand that the transfer of your contribution to the Company, the creation of the Tokens and the maintenance of the Network for the Token sale carry significant financial, regulatory and reputational risks as further set forth in the Terms;
- U. You understand that you have no right against any other party to request any refund of your contribution submitted to the Network for the creation of the Tokens under any circumstance.
- V. You agree not to allow anyone to use your Wallet or share your User Credentials with any other person for the purpose of facilitating their unauthorized access to the Token Sale. If you do share your User Credentials with anyone we will consider their activities to have been authorized by you. You alone are responsible for any acts or omissions that occur during the Token Sale through the use of your User Credentials. We reserve the right to suspend or block your access to the Token Sale upon suspicion of any unauthorized access or use, or any attempted access or use, by anyone associated with your User Credentials.

13. Your Responsibilities

- A. Security and Backup. You are responsible for properly configuring any software in connection with your access to, or use of, Tokens. The Network log-in credentials are for your internal use only and you may not sell, transfer, or sublicense them to any other person, including any other individual or entity, except that, if you are an entity, you may disclose your credentials to your employees, contractors or agents performing work on your behalf. You are responsible for any person's use of your credentials.
- B. End User Violations. You will be deemed to have taken any action that you permit, assist or facilitate any person to take related to these Terms. You are responsible for any actions taken by anyone who purchases Tokens from you (this person being referred to herein as an "End User"). You will ensure that any End User complies with your obligations in these Terms, including the restrictions on transfers as set forth in Sections 6(g) and 12(j), 12(k), and 12(l), and that the terms of your agreement with any End User are consistent with these Terms.

- C. End User Support. You are responsible for providing customer service (if any) to any End User. We do not provide any support or services to End Users unless we have a separate agreement with you or an End User obligating us to provide support or services.

14. Additional Representations & Warranties Regarding Export Controls & Sanctions Regulations

In connection with these Terms, you agree to comply strictly with all applicable import, re-import, export, and re-export control and sanctions laws, regulations, guidance and programs, including but not limited to the EU and the U.S. Export Administration Regulations.

Without limiting the foregoing, by transacting in Tokens and accessing our Services you agree that you are not:

- A. purchasing Tokens or otherwise transacting in Tokens from within countries or regions comprehensively sanctioned by OFAC and EU (list published by the European Commission - Service for foreign policy instruments);
- B. purchasing Tokens or otherwise transacting in Tokens on behalf of any governments or government instrumentalities comprehensively sanctioned by OFAC and EU, wherever located;
- C. an individual or entity, or acting on behalf of any individual or entity, identified on BIS' s Denied Persons, Unverified, or Entity Lists, or OFAC and/or Eu' s List of Specially Designated Nationals, Foreign Sanctions Evaders, or List of Consolidated Sanctions, or DDTC's Debarred Parties List (collectively, "Restricted Parties"), nor an entity in which one or more Restricted Parties own in the aggregate, directly or indirectly, a 50 percent or greater interest; or
- D. a citizen or resident of any geographic area in which access to or use of the Tokens is prohibited by applicable law, decree, regulation, treaty, or administrative act.
- E. a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure.

By transacting in Tokens or you also agree that you will not use the Tokens or Services to conduct or facilitate any transactions with such persons described in (a)-(d) above. You agree that if your country of residence, status as a Restricted Party, or other circumstances change such that the above representations are no longer accurate, that you will immediately cease using the Tokens and Services. If you are registering to use the Tokens on behalf of a legal entity, you further represent and warrant that such legal entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization, and that you are duly authorized by such legal entity to act on its behalf. You agree that you are solely responsible for compliance related to your use of Tokens.

15. Additional Representations & Warranties Regarding Anti-Money Laundering & Anti-Bribery

By transacting in Tokens and accessing our Services, you agree that no payment or other transfer of value to the Company is or will be derived from, pledged for the benefit of, or related in any way to:

- A. the government of any country designated as a country supporting international terrorism by the EU instances and U.S secretary of state;
- B. the government of any country that has been designated as a non-cooperative country or designated by the EU authorities and the U.S. Secretary of the Treasury as a money laundering; or directly or indirectly, any illegal activities.

By transacting in Tokens and accessing our Services, you further agree that all payments or other transfer of value to the Company by you will be made through an account (or virtual currency public address whose associated balance, either directly or indirectly, has been funded by such an account) located in a jurisdiction that does not appear on the list of boycotted countries or fiscal paradise by the EU and U.S secretary of State

In the event that you or the source of the funds for the Tokens, receives deposits from, makes payments to or conducts transactions relating to banking institution in connection with the acquisition of Tokens, the Bank:

- A. has a fixed address, other than an electronic address or a post office box, in a country in which it is authorized to conduct banking activities;

- B. employs one or more individuals on a full-time basis;
- C. maintains operating records related to its banking activities;
- D. is subject to inspection by the banking authority that licensed it to conduct banking activities; and
- E. does not provide banking services to any other Non- EU/U.S. Bank that does not have a physical presence in any country and that is not a registered affiliate.

You acknowledge that, pursuant to anti-money laundering laws and regulations, the Company may be required to collect documentation verifying the identity and the source of funds used to acquire a Token before, and from time to time after, the date of this Agreement. You further agree that no payment or other transfer of value to the Company and no payment or other transfer of value to you shall cause the Company to be in violation of applicable E.U and U.S. federal or state or other states laws or regulations, including, without limitation, anti-money laundering, anti-bribery or anti-boycott laws or regulations.

16. Proprietary Rights

- A. Suggestions. If you provide any suggestions to us or our affiliates, we will own all right, title, and interest in and to those suggestions, even if you have designated the suggestions as confidential or proprietary. We and our affiliates will be entitled to use the suggestions without restriction. You irrevocably assign to us all right, title, and interest in and to the suggestions and agree to provide us any assistance we may require to document, perfect, and maintain our rights in the suggestions.
- B. Hardware and Software. Under no circumstances will you gain any proprietary rights in any computer hardware or software (except the value of the Tokens. your Resulting Distribution) used by us or our affiliates.
- C. Intellectual Property. We retain all right, title, and interest in all of our intellectual property (the "**Company IP**"), including inventions, designs, discoveries, processes, marks, methods, compositions, formulae, techniques, knowhow, information and data, whether or not patentable, copyrightable or protectable in trademark, and any

trademarks, copyrights or patents based thereon, and we retain all other rights of a similar nature or having an equivalent effect anywhere in the world which currently exist or are recognized in the future, as well as all applications, extensions and renewals in relation to such rights. You may not use any of the Company IP for any reason, except with our express, prior, written consent which may be revoked by us, and you are not entitled, for any purpose, to any of the Company IP. We shall at all times retain ownership, including all rights, title and interests in and to the Company IP, and you understand and accept that by contributing either for the purchase of Tokens pursuant to these Terms, you shall not:

- i. Acquire or otherwise be entitled to any Company IP;
- ii. Make a claim in respect of any Company IP or any other equivalent rights; or
- iii. Use, attempt to use, copy, imitate or modify (whether in whole or in part) any Company IP, except with our prior written consent.

17. Indemnification

- A. To the fullest extent permitted by applicable law, you will indemnify, defend and hold harmless Company and our respective past, present and future employees, officers, directors, contractors, consultants, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns (the "Company Parties") from and against all actual and threatened claims, lawsuits, demands, actions, investigations (whether formal or informal), liabilities, obligations, judgments, damages, penalties, interests, fees, losses, expenses (including attorneys' fees and expenses), and costs (including, without limitation, court costs, costs of settlement, and costs of pursuing indemnification and insurance), of every kind and nature whatsoever, whether claimed by Company Parties or third parties including governmental authorities, whether known or unknown, foreseen or unforeseen, matured or unmatured, or suspected or unsuspected, in law or equity, whether in tort, contract, or otherwise (collectively "Claims") arising from or relating to (i) your acquisition or use of Tokens, (ii) the performance or non-performance of your responsibilities or obligations under these Terms, (iii) your breach or violation of these Terms, (iv) any inaccuracy in any representation or warranty made by you, (v) your violation of any rights (including, but not limited to, intellectual property rights) of any other person or entity or (vi) any act or omission of yours that is negligent, unlawful, or constitutes willful misconduct. This foregoing indemnity is in addition to, and not in lieu of, any other remedies that may be available to the Parties under applicable law.
- B. Company reserves the right to exercise sole control over the defense, at your expense, of any claim subject to indemnification under Section 17(a). This indemnity is in

addition to, and not in lieu of, any other indemnities set forth in a written agreement between you and Company.

18. Disclaimers

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS OTHERWISE SPECIFIED IN A WRITING BY US, (A) THE TOKENS ARE SOLD ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND, AND WE EXPRESSLY DISCLAIM ALL WARRANTIES AND REPRESENTATIONS RELATING TO THE TOKENS (WHETHER EXPRESS OR IMPLIED), INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE; (B) WE DO NOT REPRESENT OR WARRANT THAT THE TOKENS ARE RELIABLE, CURRENT, ERROR-FREE, OR DEFECT-FREE, MEET YOUR REQUIREMENTS, OR THAT ANY DEFECTS WILL BE CORRECTED; AND (C) WE CANNOT AND DO NOT REPRESENT OR WARRANT THAT THE TOKENS OR THE DELIVERY MECHANISM FOR TOKENS ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS.

YOU ACKNOWLEDGE THAT YOU HAVE NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY THE COMPANY, OR ANY OTHER PERSON ON THE COMPANY'S BEHALF, INCLUDING, BUT NOT LIMITED TO, CONVERSATIONS OF ANY KIND, WHETHER THROUGH ORAL OR ELECTRONIC COMMUNICATION.

WE DO NOT AND WILL NOT PROVIDE YOU WITH ANY SOFTWARE OTHER THAN THE TOKENS IN YOUR RESULTING DISTRIBUTION.

YOU UNDERSTAND THAT TOKENS, DISTRIBUTED LEDGER TECHNOLOGY, THE STELLAR PROTOCOL, AND OTHER ARE NEW AND UNTESTED TECHNOLOGIES OUTSIDE OF OUR CONTROL AND ADVERSE CHANGES IN MARKET FORCES OR TECHNOLOGY WILL EXCUSE OUR PERFORMANCE UNDER THESE TERMS.

TRANSACTIONS USING DISTRIBUTED LEDGER TECHNOLOGY, SUCH AS THOSE INVOLVING THE EARLY CONTRIBUTOR, PRESALE OR TOKEN SALE, ARE AT RISK TO MULTIPLE POTENTIAL FAILURES, INCLUDING HIGH NETWORK VOLUME, COMPUTER FAILURE, DISTRIBUTED LEDGER FAILURE OF ANY KIND, USER FAILURE, TOKEN THEFT, AND NETWORK HACKING. WE ARE NOT RESPONSIBLE FOR ANY LOSS OF DATA, TOKENS, HARDWARE OR SOFTWARE RESULTING FROM ANY TYPES OF FAILURES, THEFT, OR HACK.

Some jurisdictions do not allow the exclusion of certain warranties or disclaimer of implied terms in contracts with consumers, so some or all the exclusions of warranties and disclaimers in this Section may not apply to you. In such an event, the terms that are not enforceable in the relevant jurisdiction shall be severed from these Terms in accordance with Section 23 herein.

NEITHER THESE TERMS NOR ANY RELATED DOCUMENTATION OR COMMUNICATION BY THE COMPANY CONSTITUTES A PROSPECTUS OR OFFERING DOCUMENT AND IS NEITHER AN OFFER TO SELL NOR THE SOLICITATION OF AN OFFER TO BUY ANY INVESTMENT OR FINANCIAL INSTRUMENT IN ANY JURISDICTION. THE TOKENS SHOULD NOT BE ACQUIRED FOR SPECULATIVE OR INVESTMENT PURPOSES WITH THE EXPECTATION OF MAKING A PROFIT ON IMMEDIATE OR FUTURE RESALE.

NO REGULATORY AUTHORITY HAS EXAMINED OR APPROVED ANY OF THE INFORMATION SET FORTH IN THESE TERMS OR ANY RELATED DOCUMENTATION OR COMMUNICATION BY THE COMPANY. NO SUCH ACTION HAS BEEN OR WILL BE TAKEN UNDER THE LAWS, REGULATORY REQUIREMENTS, OR RULES OF ANY JURISDICTION.

19. Limitation of Liability

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

- B. THE LIMITATIONS SET FORTH IN THIS SECTION 19 WILL NOT LIMIT OR EXCLUDE LIABILITY FOR THE GROSS NEGLIGENCE, FRAUD OR INTENTIONAL, WILLFUL OR RECKLESS MISCONDUCT OF COMPANY.

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

20. Release

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

21. Dispute Resolution; Arbitration

PLEASE READ THE FOLLOWING SECTION CAREFULLY BECAUSE IT REQUIRES YOU TO ARBITRATE CERTAIN DISPUTES AND CLAIMS WITH COMPANY AND LIMITS THE MANNER IN WHICH YOU CAN SEEK RELIEF FROM US.

- A. Binding Arbitration. Except for any disputes, claims, suits, actions, causes of action, demands or proceedings (collectively, "**Disputes**") in which either Party seeks to bring an individual action in small claims court or seeks injunctive or other equitable relief for the alleged unlawful use of intellectual property, including, without limitation, copyrights, trademarks, trade names, logos, trade secrets or patents, you and Company (i) waive your and Company's respective rights to have any and all Disputes arising from or related to these Terms resolved in a court and (ii) waive your and Company's respective rights to a jury trial. Instead, you and Company will arbitrate Disputes through binding arbitration (which is the referral of a Dispute to one or more persons charged with reviewing the Dispute and making a final and binding determination to resolve it instead of having the Dispute decided by a judge or jury in court).
- B. No Classwide Arbitrations. Class Actions or Representative Actions. Any Dispute arising out of or related to these Terms is personal to you and Company and will be resolved solely through individual arbitration and will not be brought as a classwide

arbitration, class action or any other type of representative proceeding. There will be no classwide arbitration or arbitration in which an individual attempt to resolve a Dispute as a representative of another individual or group of individuals. Further, a Dispute cannot be brought as a class or other type of representative action, whether within or outside of arbitration, or on behalf of any other individual or group of individuals.

22. Governing Law and Venue

These Terms will be governed by and construed and enforced in accordance with the laws of France, without regard to conflict of law rules or principles (that would cause the application of the laws of any other jurisdiction). Any Dispute between the Parties arising out of or relating to these Terms that is not subject to arbitration or cannot be heard in small claims court will be resolved and filed only in the state or federal courts of France. You hereby irrevocably and unconditionally consent and submit to the exclusive jurisdiction of such courts over any suit, action or proceeding arising out of these Terms.

23. Severability

If any term, clause, or provision of these Terms is held to be illegal, invalid, void, or unenforceable (in whole or in part), then such term, clause, or provision shall be severable from these Terms without affecting the validity or enforceability of any remaining part of that term, clause, or provision, or any other term, clause, or provision in these Terms, which will remain in full force and effect. Any invalid or unenforceable provisions will be interpreted to affect the intent of the original provisions. If such construction is not possible, the invalid or unenforceable provision will be severed from these Terms, but the rest of these Terms will remain in full force and effect.

24. Modifications to the Terms.

We may modify these Terms and the Network Terms and Policies at any time by, at our option, posting a revised version on the Company Site, other channel we make available or, only if you have provided us with an email address, by email. The modified provisions will become effective upon posting or the date indicated in the posting, or if we notify you by email, as stated

in the email. It is your responsibility to check the Company Site and other channels regularly for modifications. Your continued use of Tokens or the Network after any modification become effective constitutes your acceptance of the modification. Please contact us by email at tokensale@cross-hedge.com if you do not accept any modifications. We last modified these Terms on the date listed at the beginning of these Terms.

25. Miscellaneous

A. Confidentiality and Publicity. You may use Company Confidential Information (as defined below) only in connection with your purchase of Tokens and pursuant to the terms of these Terms. You will not disclose Company Confidential Information during or after the Token Sale, including the Early Contributors and Presale Period. You will take all reasonable measures to avoid disclosure, dissemination or unauthorized use of Company Confidential Information, including, at a minimum, those measures you take to protect your own confidential information of a similar nature. You will not issue any press release or make any other public communication with respect to these Terms or your purchase of Tokens. You will not misrepresent or embellish the relationship between us and you (including by expressing or implying that we support, sponsor, endorse or contribute to you or your business endeavors) or express or imply any relationship or affiliation between us and you or any other person.

"Company Confidential Information" means all nonpublic information disclosed by us, our affiliates, business partners and our or their respective employees, contractors or agents that is designated as confidential or that, given the nature of the information or circumstances surrounding its disclosure, reasonably should be understood to be confidential. Company Confidential Information includes: (a) nonpublic information relating to our or our affiliates' or business partners' technology, customers, business plans, promotional and marketing activities, finances and other business affairs; (b) third-party information that we are obligated to keep confidential; and (c) the nature, content and existence of any discussions or negotiations between you and us or our affiliates. Company Confidential Information does not include any information that: (i) is or becomes publicly available without breach of this agreement; (ii) can be shown conclusively by documentation to have been known to you at the time of your receipt from us; (iii) is received from a third party who did not acquire or disclose the same by a wrongful or tortious act; or (iv) can be shown conclusively by documentation to have been independently developed by you without reference to the Company Confidential Information.

B. Force Majeure. We and our affiliates will not be liable for any delay or failure to perform any obligation under these Terms where the delay or failure results from any cause beyond our reasonable control, including acts of God, flood, fire, earthquake, explosion, storm, or other elements of nature, labor disputes or other industrial disturbances, electrical, telecommunications, hardware, software or other utility failures, blockages, embargoes, riots, acts or orders of government, acts of terrorism, war, changes in distributed ledger technology, changes in the Stellar or Cross Hedge protocols or any other force, event or condition outside of our control.

C. Independent Contractors. We and you are independent contractors, and neither Party, nor any of their respective affiliates, is an agent of the other for any purpose or has the authority to bind the other.

- D. No Partnership or Joint Venture. Nothing in these Terms shall be deemed to create any form of partnership, joint venture, or any similar relationship between you and the Company and/or other individuals or entities involved with the development, deployment, and maintenance of the Network and/or the Company Parties and/or the Network.
- E. No Third-Party Beneficiaries. These Terms do not create any third-party beneficiary rights in any person except for any of our affiliates or licensors as provided in these Terms.
- F. Import and Export Compliance. In connection with these Terms, you will comply with all applicable import, re-import, export and re-export control and laws, regulations, guidance and programs, including the Export Administration Regulations, the International Traffic in Arms Regulations and country or individual-specific economic sanctions programs implemented by the Office of Foreign Assets Control and European Union authorities. You are solely responsible for compliance related to your use of Tokens.
- G. Notice.
- i. **To you:** We may provide any notice to you, at our option, under these Terms by: (A) posting a notice on the Company Site or (B) sending an email to the email address then associated with your account. Notices we provide by posting on the Company Site will be effective upon posting, and notices we provide by email, if any, will be effective when we send the email. It is your responsibility to keep your email address current. You will be deemed to have received any email sent to the email address then associated with your account when we send the email, whether or not you actually receive or read the email.
 - ii. **To us:** To give us notice under these Terms, you must contact the Company by email to tokensale@cross-hedge.com. We may update this email address for notices to us by posting a notice on the Company Site or sending an email to you. Notices to us will be effective when received by us.
 - iii. **Language:** All communications and notices to be made or given pursuant to these Terms must be in the English language.
- H. Assignment. You will not assign these Terms, or delegate or sublicense any of your rights under these Terms, without our prior written consent. Any assignment or transfer in violation of this Section 25(h) will be void. We may assign these Terms or any of its provisions without your consent. Subject to the foregoing, these Terms will be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

- I. **No Waivers.** The failure by us to enforce any provision of these Terms will not constitute a present or future waiver of such provision nor limit our right to enforce such provision at a later time. All waivers by us must be in writing to be effective.

- J. **Entire Agreement.** These Terms set forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes, replaces, and extinguishes any and all prior or contemporaneous disclosures, discussions, understandings, agreements, draft agreements, arrangements, warranties, statements, assurances, representations, and undertakings of any nature made by, or on behalf of the parties, whether oral or written, public or private, in relation to the subject matter herein.

SCHEDULE 1

INTENDED FUNCTIONALITY OF CROSS ON THE NETWORK

CROSS is a capital raising token without shares, equity, property or voting rights. CROSS is not a security and is not intended for speculative investment. The Company makes no promises of future performance or future value of CROSS for the provision of Services within the Network. Holding CROSS is in no way the equivalent of holding a share in the Company: The holders of CROSS (the "**Token holders**") are not entitled to participate in Company decision making, and Token holders have no rights in the Company, implied or otherwise.

Importantly, Token holders should have no expectation of profiting from their purchase of CROSS. CROSS is sold as a raising capital contribution, and all proceeds received by the Company in connection with the operation of its business, including without limitation developing and deploying the Company, as well as all proceeds received by the Company in connection with the sale of CROSS, may be spent freely by Company, absent any conditions or restrictions.

POSSIBILITY OF CHANGE TO THE FUNCTIONALITY OF THE TOKENS

WE RESERVE THE RIGHT TO AMEND THE INTENDED FUNCTIONALITY OF THE TOKENS. WE SHALL PROVIDE NOTICE OF ANY CHANGES THAT WE DECIDE TO MAKE TO THE FUNCTIONALITY OF THE TOKENS IN ACCORDANCE WITH SECTION 25(G) OF THE TERMS. IT IS YOUR RESPONSIBILITY TO REGULARLY MONITOR OUR WEBSITE FOR ANY SUCH NOTICES AND TO ENSURE THAT WE HAVE YOUR CURRENT EMAIL ADDRESS.

SCHEDULE 2

RISK DISCLOSURES

Last Updated: March 27th, 2018

1. Risk of Losing Access to CROSS Due to Wallet Incompatibility:

A valid Stellar address from a compatible wallet is required to receive your CROSS. A compatible wallet is a Stellar wallet that possesses technical infrastructure that is compatible with the receipt, storage, and transfer of CROSS. Non-compatible wallet addresses will not be accepted. In addition, the Stellar address used must not be associated with a third-party exchange or service that has custody over the private key (e.g., Coinbase, etc.). You must own the private key if your address is an exchange address.

2. Risks Associated with the Stellar Protocol:

CROSS and the Network are based on the Stellar protocol. As such, any malfunction, unintended function, unexpected functioning of or attack on the Stellar protocol may cause the Network or CROSS to malfunction or function in an unexpected or unintended manner. The Network may be the target of malicious attacks seeking to identify and exploit weaknesses in the software or the Network, which may result in the loss or theft of CROSS. For example, if the CROSS and the Network are subject to unknown and/or known security attacks (such as double-spend attacks, 51% attacks, or other malicious attacks), such attacks may materially and adversely affect the Network and the utility of the CROSS. XLM, the native unit of account of the Stellar protocol, may itself lose value in ways similar to CROSS, and also other ways.

3. Risks Associated with Purchaser Credentials:

Any third party that gains access to or learns of your wallet login credentials or private keys may be able to dispose of your CROSS. To minimize this risk, you should guard against unauthorized access to your electronic devices. Best practices dictate that you safely store private keys in one or more backup locations geographically separated from the working location. In addition, you are responsible for giving us the correct Token Receipt Address to send you your CROSS. If you give us the incorrect Token Receipt Address to send your CROSS to, we are not responsible for any loss of CROSS that may occur.

4. Risk of Unknowable or Unfavorable Regulatory Action in One or More Jurisdictions:

Regulation of tokens (including the Tokens), token offerings, or SAFT offerings, cryptocurrencies, blockchain technologies, and cryptocurrency exchanges is not yet mature and likely to rapidly evolve, varies significantly among international, federal, state and local jurisdictions, and is subject to significant uncertainty. Various legislative and executive bodies in the United States and in other countries may in the future adopt laws, regulations, guidance, or other actions,

which may severely impact the development and growth of the Network and the adoption and utility of the Tokens. Failure by the Company or certain users of the Network to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.

As distributed ledger networks and distributed ledger assets have grown in popularity and in market size, federal and state agencies have begun to take an interest in and, in some cases, regulate their use and operation.

The regulation of the non-currency use of distributed ledger assets, including the Tokens, is also uncertain. The CFTC has publicly taken the position that certain distributed ledger assets are commodities, and the SEC has issued a public report stating federal securities laws require treating some blockchain assets as securities. To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a distributed ledger network or asset, the Network and Tokens may be materially and adversely affected.

Distributed ledger networks also face an uncertain regulatory landscape in many jurisdictions such as the United States, the European Union, China and Russia. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Network. Such laws, regulations or directives may be in conflict with each other or may directly and negatively impact our business. The effect of any future regulatory change is impossible to predict, but such change could be substantial and materially adverse to the development and growth of the Network and the adoption and utility of the Tokens.

New or changing laws and regulations or interpretations of existing laws and regulations, in any jurisdictions, may materially and adversely impact the value of the currency in which the Tokens may be exchanged, the liquidity and use of the Tokens, and the structure, rights and transferability of Tokens.

5. Risk of Regulatory Action (example set in the United States if the Tokens are Deemed to be Securities offered in the United States).

Due to the nature of Tokens, we do not think they should be considered a "security" as that term is defined in the Securities Act.

However, on July 25, 2017, the SEC issued a Report of Investigation (the "**Report**") of the Securities Exchange Act of 1934 (the "**Exchange Act**") describing an SEC investigation of The DAO, a virtual organization, and its use of distributed ledger or blockchain technology to facilitate the offer and sale of DAO Tokens to raise capital. The SEC applied existing U.S. federal securities laws to this new paradigm, determining that DAO Tokens were securities. The SEC stressed that those who offer and sell securities in the U.S. are required to comply with federal securities laws, regardless of whether those securities are purchased with virtual currencies or distributed with blockchain technology. The SEC's announcement, and the related Report, may be found here: <https://www.sec.gov/news/press-release/2017-131>.

Since the date of the Report, the SEC has subsequently provided statements regarding cryptocurrencies and initial coin offerings. Some state securities commissions have also provided

statements. As noted by the SEC, token issuances represent a new paradigm, and the application of the federal securities laws to this new paradigm is very fact specific. If the Tokens are deemed to be a security subject to U.S. federal or state securities laws, we may be deemed to be in violation of U.S. federal or state securities laws with respect to Tokens that we will be issuing in connection with the Token Sale. Violations of U.S. federal or state securities laws could result in, among other things, administrative or civil lawsuits against the Company seeking remedies such as fines, restitution, disgorgement and injunctions. The Company may be required in the future to register the issuance of its Tokens under the Securities Act. The registration of the Tokens under the Securities Act would result in a significant delay in the issuance of the Tokens and would require us to incur substantial additional expense.

6. Risk of Alternative Networks:

It is possible that alternative networks could be established that utilize the same or similar open-source code and protocol underlying the Network and attempt to facilitate services that are materially similar to the Services on the Network. The Network may compete with these alternative networks, which could negatively impact the Network and the Tokens.

7. Risk of Insufficient Interest in the Network or Distributed Applications:

It is possible that the Network will not be used by a large number of businesses, individuals, and other organizations and that there will be limited public interest in the creation and development of distributed ledger technologies. Because the success of the Network depends, in part, on the growth and adoption of the use of Stellar and other distributed ledger technologies, such a lack of interest could negatively impact CROSS and the Network.

8. Risk that the Network, as Developed, Will Not Meet the Expectations of the Company or the Purchaser:

The Network may undergo significant changes over time. Moreover, we have limited control over how other participants will use the Network, what products or services will be offered through the Network by third parties, or how third-party products and services will utilize the Tokens (if at all). This could create the risk that Tokens or the Network, may not meet your expectations at the time of purchase, for any number of reasons including mistaken assumptions or analysis, a change in the design and implementation plans, and execution of the Network. Furthermore, despite our good faith efforts to develop, complete, and participate in the Network, it is still possible that the Network will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Network and Tokens, and your Tokens may become useless due to technical, commercial, regulatory or any other reasons.

9. Risk of Unfavorable Fluctuation of XML and Other Currency Value:

The Company team intends to use the proceeds from selling CROSS to fund general corporate purposes, as described further in the White Paper. The proceeds of the Token Sale will

be denominated in XML and converted into other cryptographic and fiat currencies. If the value of XML or other currencies fluctuates unfavorably during or after the Token Sale, the Company team may not be able to maintain the Network in the manner that it intended.

10. Risks from Taxation:

The tax characterization of CROSS is uncertain. You must seek your own tax advice in connection with the acquisition, storage, transfer, and use of CROSS, which may result in adverse tax consequences to you, including, without limitation, withholding taxes, transfer taxes, value added taxes, income taxes and similar taxes, levies, duties, or other charges and tax reporting requirements.

11. Risk of Theft and Hacking:

Hackers or other groups or organizations or countries may attempt to interfere with the Network or the availability of CROSS in any number of ways, including service attacks, denial of service attacks, Sybil attacks, spoofing, smurfing malware attacks, or consensus-based attacks, or phishing, or other novel methods that may or may not be known to steal CROSS. Any such successful attacks could result in theft or loss of your payment of Ether or your Tokens, adversely impacting the ability to develop the Network and derive any usage or functionality from the Tokens.

12. Risk of Security Weaknesses in the Network Core Infrastructure Software:

The Network operates on an open-source protocol maintained by the Company and other contributors. As an open-source project, the Network will not be represented, maintained, or monitored by an official organization or authority. The open-source nature of the Network protocol means that it may be difficult for the Company or contributors to maintain or develop the Network and the Company may not have adequate resources to address emerging issues or malicious programs that develop within the Network adequately or in a timely manner. Third parties not affiliated with the Company may introduce weaknesses or bugs into the core infrastructure elements of the Network and open-source code which may negatively impact the Network. Such events may result in a loss of trust in the security and operation of the Network, and a decline in user activity and could negatively impact the Tokens.

13. Risk of Weaknesses or Exploitable Breakthroughs in the Field of Cryptography:

Advances in cryptography, or technical advances such as the development of quantum computers, could present risks to CROSS and the Network by rendering ineffective the cryptographic consensus mechanism that underpins the Stellar protocol. Smart contracts and their underlying software application and software platforms (i.e., the Stellar blockchain) are still in an early development stage and unproven. There is no warranty or assurance that the process for creating CROSS will be uninterrupted or error-free, and there is an inherent risk that the software could contain defects, weaknesses, vulnerabilities, viruses, or bugs causing, inter alia, the complete loss of any XML you contribute, the theft or loss of your Tokens, or a reduction in the utility of your Tokens.

14. Risk of CROSS Mining Attacks:

As with other decentralized cryptographic tokens and cryptocurrencies, the distributed ledger used for the Network is susceptible to mining attacks, including double-spend attacks, majority mining power attacks, selfish-mining attacks, and rare condition attacks. Any successful attacks present a risk to the Network, CROSS, and expected proper execution and sequencing of Stellar contract computations. Despite the efforts of the Company team, the risk of known or novel mining attacks exists. You understand and accept that the network of miners will ultimately be in control of the delivery of CROSS via smart contracts and that a majority of miners could agree at any point to make changes, updates, modifications to, or effect a deletion or destruction of the Network, and that such a scenario could lead to CROSS losing intrinsic value and/or functionality.

15. Risk of Lack of Adoption or Use of the Network:

While CROSS should not be viewed as an investment, it may have value over time due to its utility on the Network. That value may be limited or non-existent if the Network lacks use and adoption. If this becomes the case, there may be few or no markets in which CROSS may be sold following the launch of the platform, potentially having an adverse impact on CROSS.

16. Risk of an Illiquid Market for CROSS:

The Company is not aware of any marketplace for CROSS and does not support a marketplace for CROSS. There may never be any such marketplace for CROSS. There are currently no exchanges upon which CROSS would trade. If such exchanges ever do develop, they will likely be relatively new and subject to poorly understood regulatory oversight. Such exchanges may, therefore, be more exposed to fraud and failure than established, regulated exchanges for other products, and such exposure may have a negative impact on CROSS. Furthermore, to the extent that third parties do ascribe an external exchange value to CROSS (e.g., as denominated in a crypto or fiat currency), such value may be extremely volatile and diminish to zero. You should not purchase CROSS as a form of investment on a speculative basis or otherwise, or for a financial purpose, with the expectation or desire that their inherent, intrinsic, or cash-equivalent value may increase over time. You assume all risks associated with such speculation or actions and any errors associated therewith, and you accept that CROSS is not offered by the Company or its affiliates on an investment basis or for such purpose. You further acknowledge that any funds that you consider to be invested in CROSS will not be protected, guaranteed, or reimbursed by any governmental, regulatory, or other entity.

17. Risk of Uninsured Losses:

Unlike bank accounts or accounts at some other financial institutions, funds held using the Network or Stellar network are generally uninsured. In the event of any loss, there is no public insurer, such as the Federal Deposit Insurance Corporation, or private insurer, to offer recourse to the purchaser.

18. Risk of Dissolution of the Cross Hedge Project:

It is possible that, due to any number of reasons, including, but not limited to, a decrease in CROSS utility due to (i) negative adoption of the Network, (ii) an unfavorable fluctuation in the value of XML (or other cryptographic and fiat currencies, (iii) the failure of commercial relationships, or (iv) intellectual property ownership challenges, the Network may no longer be viable to operate, and the Cross Hedge project may dissolve.

19. Risk of Malfunction in the Network:

It is possible that the Network malfunctions in an unfavorable way, including one that results in the loss of CROSS.

20. Risks Arising from Lack of Governance Rights:

Because Tokens confer no governance rights of any kind with respect to the Network or the Company, all decisions involving the Company's products or services within the Network or the Company itself will be made by the Company at its sole discretion, including, but not limited to, decisions to discontinue its products or services in the Network, to create and sell more Tokens for use in the Network, or to sell or liquidate the Company. These decisions could adversely affect the Network and the utility of any Tokens you own, including their utility for obtaining Services.

21. Risk of Hard-fork:

The Network may be subject to significant conceptual, technical and commercial changes. An upgrade to CROSS may be required (hard-fork of CROSS) and, if you decide not to participate in such an upgrade, you may no longer be able to use your Tokens, and any non-upgraded CROSS may lose their functionality in full.

22. Risks Associated with Our Intellectual Property:

The Company considers any technology that it develops to be proprietary. Our ability to compete depends in part upon our ability to protect our rights to the technology that we develop. The Company will also rely on trademark, copyright and trade secret law to protect its rights. However, these laws offer only limited protection. In addition, other countries may provide the Company with little to no intellectual property right protection. As the number of distributed ledger products and services available to consumers increase, and as the uses of such products and services overlap, companies in the industry may become subject to additional intellectual property disputes. Any litigation to protect our intellectual property rights would be expensive, time consuming, and unpredictable. Such litigation could adversely affect our business, including our financial condition, regardless of the outcome. There can be no assurances that any steps taken to protect intellectual property rights will be successful in deterring misappropriation or independent third-party development of our technology. Similarly, third parties may assert infringement and misappropriation claims against us.

Regardless of the merit, these actions could distract management from our business and adversely affect our financial condition and operating revenues. The Company may need to enter into confidentiality agreements with its consultants, business partners and investors in an attempt to protect the Company's proprietary rights. Nevertheless, these attempts to protect our proprietary rights may be inadequate. If the Company is unable to protect its intellectual property, the utility of the Tokens may decline or diminish, and the Network may fail.

23. Risks Associated with Data Privacy Laws:

There are a number of data protection, security, privacy and other government- and industry-specific requirements, including those that require companies to notify individuals of data security incidents involving certain types of personal data. Security compromises could harm the Network's reputation, erode user confidence in the effectiveness of its security measures, negatively impact its ability to attract new users, or cause existing users to stop using the Network, which would reduce or diminish the utility of the Tokens and cause the Network to fail.

24. Unanticipated Risks:

Cryptographic tokens are a new and untested technology. In addition to the risks discussed in the White Paper and these Terms, there are risks that the Cross Hedge team cannot anticipate. Further risks may materialize as unanticipated combinations or variations of the discussed risks or the emergence of new risks.