

## TERMS AND CONDITIONS RELATING TO TOKEN SALE

Last updated: 15 April 2018

### **BACKGROUND**

Virtue Technologies Limited is proposing to develop a decentralized platform for playing online poker (“**Virtue Poker Platform**”) as further described in clause 1.1.

Virtue Technologies Limited is conducting a smart-contract based crowd contribution campaign (“**Token Sale**”) on the Ethereum blockchain for the purposes of raising capital which it will deploy on developing the Virtue Poker Platform and to meet various other operating expenses.

Please read these terms and conditions (“**T&Cs**”) carefully. By making a contribution to Virtue Technologies Limited for the purchase of Virtue Player Point tokens (“**VPP Tokens**”) during the Token Sale, you will be bound by these T&Cs and all terms incorporated herein by reference.

By accepting these T&Cs, you will be entering into a binding agreement with Virtue Technologies Limited. These T&Cs contain provisions which affect your legal rights. Note that clause 21 contains a binding arbitration clause. If you do not agree to the terms of these T&Cs, you believe that any terms should not apply to you, or you wish to negotiate these T&Cs, do not make a contribution for the purchase of VPP Tokens and navigate away from the Website (as defined in clause 1.2 below).

If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional advisor(s).

### **PROHIBITED JURISDICTIONS**

Restrictions apply to the United States of America and People’s Republic of China (“**Prohibited Jurisdictions**”). Citizens and green card holders of and persons residing in any of the Prohibited Jurisdictions are prohibited from making contributions to Virtue Technologies Limited and participating in the Token Sale. Persons from any of the Prohibited Jurisdictions that participate in the Token Sale by providing false information about their citizenship, residency and/or nationality shall be in breach of these T&Cs and shall be required to indemnify Virtue Technologies Limited in respect of any damages and/or losses suffered due to this breach in accordance with the indemnification provisions set out in these T&Cs.

### **PARTIES TO THESE T&Cs**

VIRTUE TECHNOLOGIES LIMITED is a company incorporated and registered in Gibraltar with registration number 41036 and shall be the creator of VPP Tokens under these T&Cs. There may be other entities within the Virtue Technologies group of companies from time to time (“**Group Companies**”) that will develop, manage and/or operate the Virtue Poker Platform (as defined in clause 1 below) or parts thereof.

References in these T&Cs to “**Virtue Technologies**”, “**Company**”, “**we**”, “**our**” or “**us**” shall be to Virtue Technologies Limited and their respective successors and assigns.

References in these T&Cs to “**Contributor**”, “**your**” or “**you**” are to the person/entity who accepts these T&Cs and agrees to make a contribution to Virtue Technologies as set out in and on the terms of these T&Cs.

You and Virtue Technologies shall together be referred to as the “**Parties**” and references to a “**Party**” shall be to the relevant one of them as the context requires.

If you have any questions relating to these T&Cs, please contact us at support@virtue.poker.

**YOU AND VIRTUE TECHNOLOGIES HEREBY AGREE AS FOLLOWS:**

**1. Virtue Poker Platform**

1.1 Virtue Technologies is proposing to develop a decentralized platform for playing online poker (the “**Virtue Poker Platform**”). It is intended that the Virtue Poker Platform will leverage the Ethereum blockchain to provide a blockchain-based online poker experience where players never have to deposit money on a site, the shuffle is provably random and cards are cryptographically secure. It is proposed that the Virtue Poker Platform will reduce costs to players via lower rakes and create the safest and most secure online poker platform for users.

1.2 For a more detailed description of the proposed Virtue Poker Platform, please refer to

a) the Virtue Technologies website at <https://virtue.poker/> (the “**Website**”); and

b) the Virtue Technologies’ Whitepaper (a copy of which can be found on the Website),

(collectively referred to as the “**Project Documentation**”)

1.3 The information contained in the Project Documentation and clause 1.1 is of a descriptive nature only, is not binding and does not form part of these T&Cs.

**2. Scope of T&Cs**

2.1 Except as otherwise stated, these T&Cs (including any terms incorporated herein by reference) govern only your contribution to Virtue Technologies for the purchase of VPP Tokens during the Contribution Period (as such term is defined in clause 3 below).

2.2 Any potential future use of VPP Tokens on the Virtue Poker Platform shall be subject to and governed by such other applicable terms, conditions and policies relating to the use of the Virtue Poker Platform (“**Platform Terms**”). Such Platform Terms will be made available to Virtue Poker Platform users, if the Virtue Poker Platform is successfully developed and deployed.

**3. Contribution Period**

Contributions may be made during a defined period of time (“**Contribution Period**”). The Contribution Period shall consist of:

- a) **“First Contribution Period”**: shall commence on 25<sup>th</sup> April 2018 at 10:00 am EST and shall end on the earlier of:
  - (i) 9<sup>th</sup> May 2018 at 10 am EDT, or
  - (ii) 25,000 ETH worth of contributions being received by Virtue Technologies in Ether; and
  
- b) **“Second Contribution Period”**: the dates of which have not yet been determined by Virtue Technologies but Virtue Technologies intends, but does not guarantee, that it will conduct a Second Contribution Period on or around the date of the Virtue Poker Platform’s launch on the Ethereum blockchain’s main-net. The Second Contribution Period shall end either fourteen (14) days following the commencement of the Second Contribution Period or at such other time as Virtue Technologies may prescribe prior to the commencement of the Second Contribution Period.

#### 4. **VPP Token Allocation and Price**

- 4.1 During the Token Sale, a total of 200,000,000 (two hundred million) VPP Tokens may be made available for purchase, out of which:
  - a) 100,000,000 (one hundred million) VPP Tokens shall be made available for purchase during the First Contribution Period; and
  - b) a further 100,000,000 (one hundred million) VPP Tokens may be made available for purchase during the Second Contribution Period.
  
- 4.2 For the purposes of the First Contribution Period, the price of VPP Tokens is not pre-determined and shall depend on the total amount of contributions received during this period.
  
- 4.3 Subject to clause 9.1, a total of 100,000,000 (one hundred million) VPP Tokens shall be allocated and issued to Contributors who participate in the First Contribution Period. The number of VPP Tokens that each Contributor, who participates in the First Contribution Period, shall receive shall be determined using the following formula:

A	=	$C \times (100,000,000/B)$
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Where:

A	=	VPP Tokens to be issued to a Contributor that participates in the First Contribution Period;
B	=	Total ETH contributions received by Virtue Technologies during the First Contribution Period; and
C	=	ETH contribution received by Virtue Technologies from the Contributor during the First Contribution Period.

4.4 The VPP Token price and allocation mechanism applicable to the Second Contribution Period has not been determined as of the date of these T&Cs and shall be announced by Virtue Technologies on the Website on or before the commencement of the Second Contribution Period.

## 5. Right to Request Information

5.1 Before you are able to make a contribution to Virtue Technologies or at any time after making a contribution, we may (in our sole and absolute discretion):

- a) request you to provide certain information and documentation for the purposes of complying with any “know your customer” or similar obligations to which we may be subject; and/or
- b) determine that it is necessary to obtain certain other information about you in order to comply with applicable laws and regulations in connection with the creation and issue of VPP Tokens to you.

5.2 You agree that you shall, promptly upon Virtue Technologies’ request, supply such information and documentation as may be reasonably requested by us pursuant to clause 5.1 in order for us to:

- a) carry out, to our satisfaction, all necessary “know your customer” and other similar checks which we may be obliged to perform; and

- b) ensure, to our satisfaction, that we have complied with all applicable laws and regulations in connection with the creation and issue of VPP Tokens to you as contemplated by these T&Cs.

5.3 You acknowledge and accept that we may refuse or reject any contributions for the purchase of VPP Tokens until you provide all information and documentation that we may request under this clause 5 and we have determined that it is permissible to create and issue VPP Tokens to you under applicable law.

## 6. Method of Contribution

6.1 Virtue Technologies has engaged Token Foundry ([www.tokenfoundry.com](http://www.tokenfoundry.com)) to facilitate the deployment of the Smart Contract System and the administrative work in connection with the sale of VPP such as identity verification and purchaser assessment. All Contributors will first be required to register an account with Token Foundry.

6.2 Contributions to be made under these T&Cs through Token Foundry shall be made exclusively in Ether and must be sent from an Ethereum wallet in respect of which you have access to and control of your private key (“**Ethereum Wallet**”). Your private key may be required in order to verify your contribution to Virtue Technologies and to enable Virtue Technologies to issue VPP Tokens to you through the Smart Contract System.

6.3 Contributions shall be sent to Smart Contract System (as defined in clause 7.1) to the address directed by Token Foundry, following the acceptance of and entry into these T&Cs, the successful completion, to our satisfaction, of any information and/or documentation requests made pursuant to clause 5 and satisfaction of such other conditions as the Company shall determine in its sole and absolute discretion].

6.4 The Contributor will bear all gas costs and other costs and fees (collectively, “**Contribution Costs**”) with respect to transferring your contribution to Virtue Technologies. You acknowledge and accept that the transfer of your contribution may be delayed, rejected, or otherwise not processed due to:

- a) the Contributor’s failure to include a sufficient amount of Ether as gas to cover the Contribution Costs for its transfer; and/or

- b) network congestion or fault, or other errors or malfunctions in processing the Contributor's transfer on the Ethereum blockchain which are outside of Virtue Technologies' control.

6.5 To the extent that any third-party, website, service provider, intermediary or smart-contract, other than Token Foundry, offers to receive contributions and issue VPP Tokens or facilitates the allocation or transfer of VPP Tokens in any way ("**Unaffiliated Third Parties**"), such Unaffiliated Third Parties are, unless expressly set out in these T&Cs, not authorised by Virtue Technologies nor do they have any legal or commercial relationship in any way with Virtue Technologies, the Virtue Poker Platform or the VPP Tokens. Contributors that make a contribution:

- a) other than as described in this clause 6; or

- b) to any Unaffiliated Third Party,

risk losing their entire contribution and Virtue Technologies shall not be responsible or liable for recovering or returning any such contributions to the Contributor, nor shall Virtue Technologies be responsible or liable for any losses incurred by the Contributor in this respect.

## 7. **Creation and issue of VPP Tokens through the Smart Contract System**

7.1 Virtue Technologies and Token Foundry have deployed a smart contract system (the "**Smart Contract System**") on the Ethereum blockchain for the purposes of receiving contributions, creating its own proprietary tokens (VPP Tokens) and issuing such VPP Tokens to the Contributor's Ethereum Wallet from which the contribution was received. VPP Tokens shall be based on the ERC223 token standard and is intended to have the functionality set out in Schedule 1.

7.2 The issue of VPP Tokens shall be initiated by the Contributor transferring an amount in Ether, during the Contribution Period to the Smart Contract System. The Smart Contract System's receipt of the contribution in Ether from the Contributor shall trigger a smart contract operation whereby VPP Tokens will be issued to the Contributor's Ethereum Wallet from which the contribution was received in accordance with the delivery terms set out in clause 7.4.

7.3 **In order to receive VPP Tokens, you must have, and send your contribution from, an Ethereum Wallet that supports the ERC223 token standard.** In other words, the Contributor's Ethereum Wallet must possess technical infrastructure that is compatible with the receipt, storage and transfer of VPP Tokens, being tokens that are created based on the ERC223 token standard. We

reserve the right to prescribe additional conditions relating to the specific wallet requirements at any time acting in our sole and absolute discretion.

7.4 Subject to the Contributor's compliance with the foregoing provisions of clauses 5, 6 and 7 above, delivery of VPP Tokens to the Contributor shall be made:

a) in the case of contributions received during the First Contribution Period, within forty-eight (48) following the conclusion of the First Contribution Period; and

b) in the case of contributions received during the Second Contribution Period, within forty-eight (48) following the conclusion of the Second Contribution Period,

through an automated process pursuant to which the Smart Contract System shall send VPP Tokens to the Ethereum Wallet from which your contribution was received. If for whatever reason we are unable to deliver VPP Tokens to you within the time frame specified in this clause 7.4, we shall exercise reasonable endeavours to procure that delivery shall be made within a reasonable time thereafter.

7.5 On receipt of your contribution, such contribution shall immediately become the sole and exclusive property of Virtue Technologies who shall be entitled to apply the contribution towards the development of the Virtue Poker Platform and other operating expenses relating to our business. The application of your contribution shall be determined by us acting in our sole and absolute discretion and we shall be under no obligation to inform you or otherwise verify how your contribution is used.

## 8. **Transfer Restriction**

VPP Tokens issued to Contributors that make a contribution to Virtue Technologies during the First Contribution Period shall be subject to restrictions on transferability as further described in Schedule 1.

## 9. **Refunds, Refusals, Suspension and Termination of Contributions**

9.1 Virtue Technologies has imposed a minimum aggregate contribution target for the First Contribution Period equivalent to 12,500 ETH (twelve thousand five-hundred Ether) ("**Minimum Target**"). If on conclusion of the First Contribution Period, the aggregate sum of all contributions received by Virtue Technologies is less than the Minimum Target, we shall, within a reasonable period of time, exercise reasonable endeavours to procure that contributions are returned to Contributors.

- 9.2 Virtue Technologies reserves the right to refuse or reject any contributions made at any time in our sole and absolute discretion. To the extent that we refuse or reject a contribution, we will exercise reasonable endeavours to procure that the contribution is returned to the Contributor's Ethereum Wallet from which the contribution was received, however, we do not warrant, represent or offer any assurances that we will successfully be able to recover and/or return any such contributions.
- 9.3 Except where we decide to cancel the Token Sale for whatever reason or to the extent required by applicable law, all contributions received by Virtue Technologies under these T&Cs are final and Contributors shall not be entitled to claim any refund or reimbursement of contributions from Virtue Technologies.
- 9.4 At any time prior to conclusion of the Contribution Period, Virtue Technologies may, in its sole and absolute discretion, either temporarily suspend or permanently cancel the Token Sale for security or other reasons. Any suspension or cancellation of the Token Sale shall be deemed to commence from the moment that Virtue Technologies publishes a notice to that effect on the Website.
- 9.5 During any period of suspension or in the event that the Token Sale is cancelled, the Smart Contract System shall not be able to receive and accept contributions, create VPP Tokens and/or issue VPP Tokens to Contributors. Contributors who send contributions (after we publish a notice that the Token Sale has been suspended or cancelled in accordance with clause 9.4) risk losing their entire contribution and we shall not be responsible or liable for recovering or returning any such contributions to the Contributor nor shall we be responsible or liable for any losses incurred by the Contributor in this respect. Contributors are therefore strongly advised to check the Website before sending a contribution.

## 10. **Token Functionality**

- 10.1 Ownership of VPP Tokens carries no rights, whether express or implied, other than a limited potential future right or expectation to use and interact with the Virtue Poker Platform (as further described in Schedule 1), if and to the extent the Virtue Poker Platform is successfully developed and deployed. Any potential future right or expectation relating to the use of VPP Tokens on the Virtue Poker Platform shall be subject to any restrictions and limitations set out in these T&Cs and/or the Platform Terms (as applicable).
- 10.2 You acknowledge and accept that VPP Tokens do not represent or constitute:



- a) any ownership right or stake, share, equity, security, commodity, bond, debt instrument or any other financial instrument or investment carrying equivalent rights;
- b) any right to receive future revenues, shares or any other form of participation or governance right from, in or relating to Virtue Technologies and/or the Virtue Poker Platform;
- c) any form of money or legal tender in any jurisdiction, nor do they constitute any representation of money (including electronic money); or
- d) the provision of any goods and/or services as at the date that these T&Cs form a binding agreement between the Parties.

10.3 Protections offered by applicable law in relation to the acquisition, storage, sale and/or transfer of the instruments and/or investments referred to in clause 10.2 shall not apply to any contribution made under these T&Cs for the acquisition of VPP Tokens or to your storage, sale and/or transfer of VPP Tokens.

10.4 Virtue Technologies makes no warranties or representations and offers no assurances (in each case whether express or implied) that VPP Tokens shall confer any actual and/or exercisable rights of use, functionality, features, purpose or attributes in connection with the Virtue Poker Platform.

## 11. **Contributor's Representations and Warranties**

By participating in the Token Sale and sending a contribution to Virtue Technologies, you hereby represent and warrant the matters set out in Schedule 2 of these T&Cs.

## 12. **Risks**

You acknowledge and agree that participation in the Token Sale, the creation and issue of VPP Tokens and the development and deployment of the Virtue Poker Platform carries significant financial, regulatory and reputational risks, including but not limited to those set out in Schedule 3 of these T&Cs.

BY MAKING A CONTRIBUTION TO VIRTUE TECHNOLOGIES AND ACCEPTING THESE T&Cs YOU EXPRESSLY ACKNOWLEDGE, ACCEPT AND ASSUME THE RISKS SET OUT IN SCHEDULE 3.

13. **Audit of the Smart Contract System**

13.1 Virtue Technologies shall exercise reasonable endeavours to have the Smart Contract System audited and approved by technical experts with regard to both accuracy and security of the underlying code.

13.2 Notwithstanding clause 13.1, smart contract technology is still in an early stage of development and its application is currently of an experimental nature, which carries significant operational, technological, financial, regulatory and reputational risks. Accordingly, while any audit conducted shall raise the level of security and accuracy of the Smart Contract System, you acknowledge, understand and accept that the audit does not amount to any form of warranty, representation or assurance (in each case whether express or implied) that the Smart Contract System and VPP Tokens are fit for a particular purpose or that they are free from any defects, weaknesses, vulnerabilities, viruses or bugs which could cause, inter alia, the complete loss of your contribution and/or VPP Tokens.

14. **Security**

You are responsible for implementing all reasonable and appropriate measures for securing the wallet, vault or other storage mechanism you use to send a contribution and to receive and store VPP Tokens that are issued to you by the Smart Contract System, 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 VPP Tokens. Virtue Technologies shall not be responsible for any security measures relating to your receipt, possession, storage, transfer or potential future use of VPP Tokens nor shall we be under any obligation to recover or return any VPP Tokens and we hereby exclude (to the fullest extent permitted under applicable law) any and all liability for any security breaches or other acts or omissions which result in your loss of (including your loss of access to) VPP Tokens issued to you under these T&Cs.

15. **Intellectual Property**

15.1 In this clause 15, “**Virtue Technologies’ IP Rights**” means in relation to Virtue Technologies, the VPP Tokens, the Token Sale, the Virtue Poker Platform and the Project Documentation, all: (i) patents, inventions, designs, copyright and related rights, database rights, knowhow and confidential information, trademarks and related goodwill, trade names (whether registered or

unregistered), and rights to apply for registration; (ii) all other rights of a similar nature or having an equivalent effect anywhere in the world which currently exist or are recognised in the future; and (iii) all applications, extensions and renewals in relation to any such rights.

15.2 Except as expressly set out in these T&Cs, you are not entitled, for any purpose, to any Virtue Technologies' IP Rights. We shall at all times retain ownership, including all rights, title and interests in and to the Virtue Technologies' IP Rights and you understand and accept that by making a contribution for the purchase of VPP Tokens pursuant to these T&Cs you shall not:

- a) acquire or otherwise be entitled to any Virtue Technologies' IP Rights;
- b) make a claim in respect of any Virtue Technologies' IP Rights or any other equivalent rights; or
- c) use, attempt to use, copy, imitate or modify (whether in whole or in part) any Virtue Technologies' IP Rights, except with our prior written consent.

## 16. Indemnity

16.1 To the fullest extent permitted by applicable law, you will indemnify, defend and hold harmless Virtue Technologies 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 "**Virtue Technologies Parties**") from and against any and all claims, demands, actions, damages, losses, costs and expenses (including reasonable professional and legal fees) that arise from or relate to:

- a) your acquisition or use of VPP Tokens under these T&Cs;
- b) the performance or non-performance of your responsibilities or obligations under these T&Cs;
- c) your breach of any of the terms and conditions set out in these T&Cs; or
- d) your breach of any rights of any other person or entity.

16.2 Virtue Technologies reserves the right to exercise sole control over the defence, at your sole cost and expense, of any claim subject to an indemnity set out in clause 16.1.

16.3 The indemnity set out in this clause 16 is in addition to, and not in lieu of, any other remedies that may be available to Virtue Technologies under applicable law.

## 17. **Disclaimers**

17.1 To the fullest extent permitted by applicable law and except as otherwise specified in writing by us:

a) VPP 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 VPP Tokens (whether express or implied), including, without limitation, any implied warranties of merchantability, fitness for a particular purpose, title and non-infringement;

b) we do not represent or warrant that VPP Tokens are reliable, current or defect-free, meet your requirements, or that any defects will be corrected; and

c) we cannot and do not represent or warrant that VPP Tokens or the delivery mechanism for VPP Tokens are free of viruses or other harmful components.

17.2 Neither these T&Cs nor the Project Documentation constitute a prospectus or offering document, and are not an offer to sell, nor the solicitation of an offer to buy any investment or financial instrument in any jurisdiction. VPP Tokens should not be acquired for speculative or investment purposes with the expectation of making a profit on immediate re-sale.

17.3 No regulatory authority has examined or approved any of the information set out in these T&Cs and/or the Project Documentation. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of these T&Cs and/or the Project Documentation does not imply that applicable laws, regulatory requirements or rules have been complied with.

## 18. **Limitation of Liability**

18.1 To the fullest extent permitted by applicable law, in no circumstances shall:

- a) Virtue Technologies or any of the Virtue Technologies Parties be liable for any direct, indirect, special, incidental or consequential loss of any kind (including, but not limited to, loss of revenue, income, business or profits, loss of contract or depletion of goodwill, loss of anticipated savings, loss of use or data, or damages for business interruption or any like loss) arising out of or in any way related to the acquisition, storage, transfer or use of VPP Tokens or otherwise related to these T&Cs, regardless of the cause of action, whether based in contract, tort (including negligence), breach of statutory duty, restitution or any other legal or equitable basis (even if Virtue Technologies or any of the Virtue Technologies Parties have been advised of the possibility of such losses and regardless of whether such losses were foreseeable); and
- b) the aggregate liability of Virtue Technologies and the Virtue Technologies Parties (jointly), whether in contract, tort (including negligence), breach of statutory duty, restitution or any other legal or equitable basis, arising out of or relating to these T&Cs or the use of or inability to use VPP Tokens, exceed the amount of your contribution.

18.2 The limitations and exclusions of liability set out in clause 18.1 shall not limit or exclude liability for the gross negligence, fraud or intentional, wilful or reckless misconduct of Virtue Technologies, nor shall it limit or exclude any losses for which, as a matter of applicable law, it would be unlawful to limit or exclude liability.

## 19. **Taxation**

19.1 You are solely responsible for determining whether your contribution to Virtue Technologies for the development of the Virtue Poker Platform, the creation, ownership, use, sale, transfer or liquidation of VPP Tokens, the potential appreciation or depreciation in the value of VPP Tokens over time (if any), the allocation of VPP Tokens and/or any other action or transaction contemplated by these T&Cs or related to the Virtue Poker Platform will give rise to any tax implications on your part.

19.2 You are also solely responsible for withholding, collecting, reporting, paying, settling and/or remitting any and all taxes to the appropriate tax authorities in such jurisdiction(s) in which you may be liable to pay tax. Virtue Technologies shall not be responsible for withholding, collecting, reporting, paying, settling and/or remitting any taxes (including, but not limited to, any income, capital gains, sales, value added or similar tax) which may arise from your contribution and/or purchase of VPP Tokens under or in connection with these T&Cs.

19.3 You agree not to hold Virtue Technologies or any of the Virtue Technologies Parties liable for any tax liability associated with or arising from the creation, ownership, use or liquidation of VPP Tokens or any other action or transaction related to the Virtue Poker Platform or the Token Sale.

## 20. **Data Protection**

20.1 If we make an information request in accordance with clause 5, we may require you to provide information and documents relating to (inter alia):

- a) your identity;
- b) your address;
- c) the source of your wealth;
- d) the source of funds used for the purposes of purchasing VPP Tokens;
- e) your Ethereum Wallet from which your contribution shall be transferred; and/or
- f) any other documents or data from which you can be identified,

(together your "**Personal Data**").

20.2 We will not disclose your Personal Data except as expressly permitted under these T&Cs and otherwise only with your prior consent. However, we may need to disclose your Personal Data and/or certain other information about you to the extent required by applicable law or by an order of a court or competent governmental or regulatory authority. By accepting these T&Cs, you expressly agree and consent to your Personal Data being disclosed to third parties to the extent required for the purposes of compliance with applicable law.

20.3 We shall process your Personal Data in accordance with the Data Protection Act 2004, as may be amended ("**Data Protection Act**"), and you agree that we, as the data controller, may directly or through our service providers or agents process your Personal Data for any one or more of the following purposes:

- a) the purchase of VPP Tokens and the processing of transactions related to the Token Sale pursuant to these T&Cs;
- b) carrying out anti-money laundering, “know your customer” and other similar checks;
- c) providing you with information about us and our range of services;
- d) compliance with any requirement imposed by applicable law or by an order of a court or competent governmental or regulatory authority;
- e) management of enquiries and complaints;
- f) opening, maintaining or operating a bank account in Virtue Technologies’ name;
- g) subject to clause 21, resolving any Disputes with you;
- h) producing summary information for statistical, regulatory and audit purposes; and/or
- i) any other reasonable purposes in accordance with applicable law.

20.4 Under the Data Protection Act you have a right to access your Personal Data held by us, and it is your responsibility to inform us of any changes to your Personal Data to ensure such data remains accurate. You also have a right to object to your Personal Data being processed for the purposes of direct marketing. You agree to provide a written request to us should you wish to enforce these rights.

20.5 You agree that we may, for the purposes set out in clause 20.3, permit the transfer of your Personal Data to any jurisdiction, whether or not inside the European Economic Area, and that by accepting these T&Cs you authorise and expressly consent to the processing of your Personal Data by us, our agents and/or our service providers, provided that where your Personal Data is processed by entities other than us, our agents or our service providers, we shall seek your prior written consent in respect of such processing.

- 20.6 You acknowledge, accept and understand that these T&Cs, insofar as they relate to the controlling and processing of your Personal Data by Virtue Technologies, our agents and/or service providers, are only relevant to the processing of your Personal Data for the purposes set out in 20.3. In order to access, use and interact with the Virtue Poker Platform, you will be required to accept the Platform Terms which shall also set out the terms and conditions under which your Personal Data is collected, stored and processed (as well as your individual rights under applicable data protection laws) in connection with your use of the Virtue Poker Platform.

## 21. Dispute Resolution by Arbitration

PLEASE READ THE FOLLOWING CLAUSE CAREFULLY BECAUSE IT CONTAINS CERTAIN PROVISIONS, SUCH AS A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER, WHICH AFFECT YOUR LEGAL RIGHTS. THIS CLAUSE REQUIRES YOU TO ARBITRATE CERTAIN DISPUTES AND CLAIMS WITH Virtue Technologies AND LIMITS THE MANNER IN WHICH YOU CAN SEEK RELIEF FROM US.

- 21.1 **Binding Arbitration.** Except for any disputes, claims, suits, actions, causes of action, demands or proceedings (collectively, “**Disputes**”) in which either Party seeks injunctive or other equitable relief for the alleged unlawful use of intellectual property, including, without limitation, copyrights, trademarks, trade names, logos, trade secrets or patents, you and Virtue Technologies (i) waive your and Virtue Technologies’ respective rights to have any and all Disputes arising from or related to these T&Cs resolved in a court, and (ii) waive your and Virtue Technologies’s respective rights to a jury trial. Instead, you and Virtue Technologies 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).
- 21.2 **No Class Arbitrations, Class Actions or Representative Actions.** Any Dispute arising out of or related to these T&Cs is personal to you and Virtue Technologies 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.
- 21.3 **Arbitration Rules.** Any Dispute arising out of or in connection with these T&Cs, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the rules of The International Centre for Dispute Resolution (ICDR), which are available at [www.icdr.org](http://www.icdr.org) and are deemed to be incorporated by reference into this clause 21. By agreeing to be bound by these T&Cs, you either (i) acknowledge and agree that you have read and understand the ICDR rules, or (ii) waive your opportunity to read the ICDR rules and any claim that the ICDR rules are unfair or should not apply for any reason.



21.4 **Notice; Informal Dispute Resolution.** Each Party will notify the other Party in writing of any Dispute within thirty (30) days of the date it arises, so that the Parties can attempt in good faith to resolve the Dispute informally. Notice to Virtue Technologies shall be sent by e-mail to Virtue Technologies at support@virtue.poker. Notice to you shall be sent to any address you provide to us in writing in a notice. Your notice must include (i) your name, postal address, email address and telephone number, (ii) a description in reasonable detail of the nature or basis of the Dispute, and (iii) the specific relief that you are seeking. If you and Virtue Technologies cannot agree how to resolve the Dispute within thirty (30) days after the date the notice is received by the applicable Party, then either you or Virtue Technologies may, as appropriate and in accordance with this clause 21, commence an arbitration proceeding or, to the extent specifically provided for in clause 21.1, file a claim in court.

21.5 **Process.** The seat, or legal place, of arbitration shall be Gibraltar. The arbitration will be conducted confidentially by a single arbitrator appointed in accordance with the ICDR rules. The language to be used in the arbitral proceedings shall be English. The governing law of this Agreement shall be the substantive law of Gibraltar and the Gibraltar court will have exclusive jurisdiction over any appeals and the enforcement of an arbitration decision.

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

21.7 **Severability of Dispute Resolution and Arbitration Provisions.** If any term, clause or provision of this clause 21 is held invalid or unenforceable, it will be so held to the minimum extent applicable and required by law, and all other terms, clauses and provisions of this clause 21 will remain valid and enforceable. Further, the waivers set forth in clause 21.2 above are severable from the other provisions of these T&Cs and will remain valid and enforceable, except as prohibited by applicable law.

## 22. **Force Majeure**

22.1 Virtue Technologies shall not be liable or responsible to the Contributor, or be deemed to have breached this Agreement, for any failure or delay in fulfilling or performing its obligations under these T&Cs, if and to the extent such failure or delay is caused by, results from or is otherwise connected to acts beyond its reasonable control, including, without limitation: (a) acts of God; (b) flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist, hacking or cyber threats, attacks or acts, or other civil unrest; (d) any laws,

statutes, ordinances, rules, regulations, judgments, injunctions, orders and decrees; or (e) action by any nation or government, state or other political subdivision thereof, any entity exercising legislative, regulatory, judicial or administrative functions of or pertaining to government, including, without limitation, any government authority, agency, department, board, commission or council.

23. **Miscellaneous**

- 23.1 The Contributor understands and accepts that the network of miners will ultimately be in control of the Smart Contract System and that a majority of these miners could agree at any point to make changes to the official Smart Contract System and to run a new version of the Smart Contract System. Such a scenario could lead to VPP Tokens losing intrinsic value.
- 23.2 We may amend these T&Cs from time to time, including where there are changes to the intended functionality of VPP Tokens or as may be otherwise required by any laws or regulatory requirements to which we are subject. If we make any amendments to these T&Cs, we will publish a notice together with the updated T&Cs on the Website and we will change the “Last Updated” date at the top of these T&Cs. Any amended T&Cs shall become effective immediately upon the publication of notice and updated T&Cs on the Website. It is your responsibility to regularly check the Website for any such notices and updated T&Cs.
- 23.3 No Party may transfer and/or assign any of its rights, interests, benefits and/or obligations under these T&Cs without the express written consent of the other Party except that Virtue Technologies shall be entitled to transfer and/or assign all or any of its rights, interests, benefits and/or obligations under these T&Cs to: (i) any of the Group Companies; (ii) a third party that acquires all or substantially all of the assets or equity of Virtue Technologies; or (iii) any entity into which Virtue Technologies shall merge or any affiliate thereof, and the Contributor irrevocably and unconditionally consents to such transfer and/or assignment.
- 23.4 If any term, clause or provision of these T&Cs is found to be illegal, void or unenforceable (in whole or in part), then such term, clause or provision shall be severable from these T&Cs without affecting the validity or enforceability of any remaining part of that term, clause or provision, or any other term, clause or provision of these T&Cs, which shall remain in full force and effect.
- 23.5 A waiver of any right or remedy under these T&Cs or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy. A failure or delay by a Party to exercise any right or remedy provided under these T&Cs or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy

provided under these T&Cs or by law shall prevent or restrict the further exercise of that or any other right or remedy.

- 23.6 These T&Cs constitute the entire agreement between the Parties in relation to its subject matter. These T&Cs replace and extinguish any and all prior 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 that subject matter.
- 23.7 You acknowledge that by accepting these T&Cs, you have not relied on any oral or written statements, warranties, assurances, representations or undertakings which were or may have been made by or on behalf of Virtue Technologies in relation to the subject matter of these T&Cs at any time before your acceptance of them ("**Pre-Contractual Statements**"), other than those set out in these T&Cs. You hereby waive any and all rights and remedies which might otherwise be available in relation to such Pre-Contractual Statements.
- 23.8 Nothing in these T&Cs shall be deemed to create any form of partnership, joint venture or any other similar relationship between you and Virtue Technologies and/or other individuals or entities involved with the development and deployment of the Smart Contract System and/or the Virtue Poker Platform.
- 23.9 Subject to clause 21, these T&Cs and any dispute or claim arising out of or in connection with their subject matter or formation (including non-contractual disputes and claims) shall be governed by and construed in accordance with Gibraltar law.
- 23.10 The Parties irrevocably agree that the Gibraltar courts shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with these T&Cs or their subject matter or formation (including non-contractual disputes and claims).

## **SCHEDULE 1**

### **INTENDED FUNCTIONALITY OF VPP TOKENS**

VPP Tokens are intended to have three core utilities within the Virtue Poker Platform:

- used as an in-game currency: tokenholders can choose to participate in games denominated in VPP Tokens to grow their relative proportion of VPP Tokens in relation to other tokenholders;
- the justice system: tokenholders will need to stake VPP Tokens in the justice system's registry to allow a tokenholder to act as a justice in the Virtue Poker Platform. The justice system is the mechanism intended to ensure that results are properly reported, players are treated equally and disputes are adjudicated properly; and
- access to special tournaments: tokenholders will require VPP Tokens in order to access special tournaments organised on the Virtue Poker Platform, including (without limitation) guaranteed tournaments, celebrity and promotional events, freerolls and special satellite events.

VPP Tokens are not intended to have any functionality or utility outside the Virtue Poker Platform. The Virtue Poker Platform will therefore be structured as a "closed system" insofar as the use of VPP Tokens is concerned.

### **TRANSFER RESTRICTION ON VPP TOKENS ISSUED DURING FIRST CONTRIBUTION PERIOD**

VPP Tokens purchased during the First Contribution Period shall be subject to a transfer restriction with the effect that such VPP Tokens shall not be transferable from the Contributor's Ethereum Wallet until the Virtue Poker Platform is launched on the Ethereum Blockchain's main-net, such date to be determined by Virtue Technologies in its sole and absolute discretion. Contributors who purchase VPP Tokens during the First Contribution Period will be awarded an equivalent amount of Test Virtue Poker Points (tVPP). tVPP will be the token used on the test network during the Virtue Poker Platform Alpha release.

### **VPP TOKEN CREATION AND INTENDED DISTRIBUTION**

A total of 500,000,000 VPP Tokens will be created out of which 20% will be sold to Contributors during the Token Sale and the remaining VPP Tokens shall be allocated as follows:

- 20% of the total VPP Tokens created will be held by Virtue Technologies in reserve for future business initiatives. These reserved VPP Tokens will be subject to the transfer restriction described above;
- 18.8% of the total VPP Tokens created will be issued to strategic partners and shall be subject to a 24 month vesting schedule;
- 17.2% of the total VPP Tokens created will be issued to the founders of Virtue Technologies and shall be subject to a four year lock-in period, with 25% being unlocked after 6 months; 25% being unlocked after 24 months; 25% being unlocked after 36 months and the final 25% being unlocked after 48%; and
- 4% of the total VPP Tokens created will be issued to advisors and shall be subject to a 24 month vesting schedule.

## SCHEDULE 2

### CONTRIBUTOR'S REPRESENTATIONS AND WARRANTIES

By making a contribution and accepting these T&Cs, you hereby represent and warrant that:

1. you have read and understood these T&Cs (including all the Schedules hereto);
2. you have the necessary authority and consent to accept these T&Cs, to enter into a binding agreement with Virtue Technologies and to perform the obligations set out herein;
3. the acceptance of these T&Cs and the entry into a binding agreement with Virtue Technologies shall not result in any breach of, be in conflict with, or constitute a material default under: (i) any provision of the Contributor's constitutional or organizational documents (in the case of a corporate entity including, without limitation, any company or partnership); (ii) any provision of any judgment, decree or order imposed on the Contributor by any court or governmental or regulatory authority; and/or (iii) any material agreement, obligation, duty or commitment to which the Contributor is a party or by which the Contributor is bound;
4. you have sufficient understanding of the functionality, usage, storage, transmission mechanisms and intricacies associated with cryptographic tokens (such as ETH), token storage facilities (including digital token wallets), blockchain technology and blockchain-based software systems;
5. you have obtained sufficient information about the potential future use and functionality of VPP Tokens to make an informed decision to participate in the Token Sale pursuant to these T&Cs;
6. you understand that VPP Tokens confer only a limited potential future right or expectation to use and interact with the Virtue Poker Platform (as more particularly described in Schedule 1) and that VPP Tokens confer no other rights of any kind with respect to Virtue Technologies and/or the Virtue Poker Platform, including, but not limited to, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property rights), or other financial or legal rights;
7. if you are an individual, you are at least 18 years of age, you have sufficient legal capacity to accept these T&Cs and to enter into a binding agreement with Virtue Technologies on the terms set out herein;

8. if you are making a contribution for the acquisition of VPP Tokens for or on behalf of an entity, such entity is duly incorporated, registered and validly existing under the applicable laws of the jurisdiction in which the entity is established;
9. if you are making a contribution for the purchase of VPP Tokens for or on behalf of an entity or person, you are authorized to accept these T&Cs and enter into a binding agreement with Virtue Technologies on such entity's or person's behalf (and in such circumstances, references in these T&Cs to "Contributor", "your" or "you" shall be a reference to the entity or person on whose behalf you are authorized to make a contribution);
10. you are making a contribution for the purchase of VPP Tokens to support the development, testing, deployment and operation of the Virtue Poker Platform and to potentially use and interact with the Virtue Poker Platform at a future point in time. You are not making a contribution under these T&Cs for any other uses or purposes, including, but not limited to, any investment, speculative or other financial purposes;
11. any contribution to be made by you for the purchase of VPP Tokens is not derived from or related to any unlawful activities, including but not limited to money laundering or terrorist financing activities;
12. you shall not use VPP Tokens to finance, engage in, or otherwise support any unlawful activities;
13. the contribution shall be transferred to Virtue Technologies from a Ethereum wallet that: (i) is registered in your name or in the name of a person who is duly authorised by you; and (ii) is not located in or that is not registered in the name of a person located in or resident of any country or territory that has been designated by the Financial Action Task Force as a "non-cooperative country or territory";
14. making a contribution and receiving VPP Tokens under these T&Cs is not unlawful or prohibited under the laws of your jurisdiction or under the laws of any other jurisdiction to which you may be subject and any contribution shall be made in full compliance with applicable laws (including, but not limited to, in compliance with any tax obligations to which you may be subject in any relevant jurisdiction);
15. you are not the subject of any sanctions administered or enforced by any country, government or international authority nor are you resident or established (in the case of a corporate entity) in a country or territory that is the subject of a country-wide or territory-wide sanction imposed by any country or government or international authority.

16. you will comply with any applicable tax obligations in your jurisdiction arising from your acquisition, storage, sale or transfer of VPP Tokens;
17. the contribution shall be transferred to the Smart Contract System from an Ethereum wallet that supports the ERC223 token standard (i.e. technically supports the receipt, storage, holding and transfer of tokens such as VPP Tokens); and
18. you understand and accept the risks of participating in token sales relating to early stage blockchain start-up businesses and acknowledge that these risks are substantial. You further warrant and represent that your contribution does not represent a meaningful or substantial proportion of your wealth or net worth, and that you are willing to accept the risk of loss associated with the contribution made under these T&Cs.

### **SCHEDULE 3**

#### **RISK FACTORS**

1. **Risk of software weaknesses**: because VPP Tokens, the Smart Contract System and the Virtue Poker Platform are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on VPP Tokens, the Smart Contract System and/or the Virtue Poker Platform. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the VPP Tokens, the Smart Contract System and/or the Virtue Poker Platform, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol. The Smart Contract System concept, the underlying software application and software platform (i.e. the Ethereum blockchain) is still in an early development stage and unproven. There is no warranty or assurance that the process for creating VPP Tokens 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 contributions and/or VPP Tokens.
  
2. **Regulatory risk**: blockchain technology allows new forms of interaction and it is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, blockchain technology based applications, which may be contrary to the current setup of the Smart Contract System and which may, inter alia, result in substantial modifications to the Smart Contract System and/or the Virtue Poker Platform, including its termination and the loss of VPP Tokens for the Contributor. Additionally, regulation of proposed activities of the Virtue Poker Platform is currently uncertain. It is not known what regulatory framework the proposed Virtue Poker Platform and associated activities will be caught by, the nature and obligations that will be imposed on Virtue Technologies in order to comply with any such regulatory framework or when/if Virtue Technologies will even be able to apply to be regulated, or successfully obtain the necessary licences so that it may lawfully carry out its proposed business activities.
  
3. **Risks associated with uncertain regulations and enforcement actions**: the regulatory status of VPP Tokens and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory authorities may apply existing regulation with respect to such technology and its applications, including the Virtue Poker Platform and VPP Tokens. It is likewise difficult to predict how or whether any legislative or regulatory authorities may implement changes to law and regulation affecting distributed ledger technology and its applications, including the Virtue Poker Platform and VPP Tokens. Regulatory actions could negatively impact the Virtue Poker Platform and VPP Tokens in various ways, including, for purposes of illustration only, through a determination that VPP Tokens are a regulated financial instrument that requires registration or licensing. Virtue Technologies may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.
  
4. **Risk of abandonment / lack of success**: the creation and issue of VPP Tokens and the development of the Virtue Poker Platform may be abandoned for a number of reasons,



including lack of interest from the public, lack of funding, lack of commercial success or prospects (e.g. caused by competing projects). There is no assurance that, even if the Virtue Poker Platform is partially or fully developed and launched, you will receive any benefits through VPP Tokens that you hold.

5. **Risk associated with other applications:** the Virtue Poker Platform may give rise to other, alternative projects, promoted by unaffiliated third parties, under which VPP Tokens will have no intrinsic value.
  
6. **Risks associated with markets for VPP Tokens:** We do not operate or carry out any secondary trading or external valuation of VPP Tokens. This may restrict the contemplated avenues for using VPP Tokens, and could therefore create illiquidity risk with respect to any VPP Tokens you own. Even if secondary trading of VPP Tokens is facilitated by third-party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to fraud or manipulation. Furthermore, to the extent that any third party ascribes an external exchange value to VPP Tokens (e.g. as denominated in a crypto or fiat currency), such value may be extremely volatile and diminish to zero. If you are purchasing VPP Tokens 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 with time, you assume all risks associated with such speculation or actions, and any errors associated therewith, and accept that VPP Tokens are not offered by Virtue Technologies or our affiliates on an investment basis. You further acknowledge that any contribution that you make under these T&Cs will not be protected, guaranteed or reimbursed by any governmental, regulatory or other entity, and will not, for instance be guaranteed by the Gibraltar Deposit Guarantee Scheme, the Gibraltar Investor Compensation Scheme, and is unlikely to be protected by any equivalent scheme in a jurisdiction outside of Gibraltar.
  
7. **Risk of losing access to tokens due to loss of private key(s), custodial error or your error:** VPP Tokens can only be accessed by using an Ethereum wallet with a combination of the Contributor's account information (address), private key and password. The private key is encrypted with a password. You acknowledge, understand and accept that if your private key or password gets lost or stolen, the obtained VPP Tokens associated with your Ethereum wallet address may be unrecoverable and permanently lost. Additionally, any third party that gains access to your private key, including by gaining access to the login credentials relating to your Ethereum wallet, may be able to misappropriate your VPP Tokens. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault in which you choose to receive and store VPP Tokens, including your own failure to properly maintain or use such digital wallet or vault, may also result in the loss of your VPP Tokens.
  
8. **Risk of theft:** the Smart Contract System concept, the underlying software application and software platform (i.e. the Ethereum blockchain) may be exposed to attacks by hackers or other individuals including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Any such successful attacks could result in theft or loss of contributions or VPP Tokens, adversely impacting the ability to develop the Virtue Poker Platform and derive any usage or functionality from VPP Tokens.

Furthermore, because the Virtue Poker Platform is based on open-source software, there is a risk that a third party or a member of the Virtue Technologies team may intentionally or unintentionally introduce weaknesses or defects into the core infrastructure of the Virtue Poker Platform, which could negatively affect the Virtue Poker Platform and VPP Tokens.

9. **Risk of Ethereum mining attacks:** as with other cryptocurrencies, the blockchain used for the Smart Contract System is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, “selfish-mining” attacks, and rare condition attacks. Any successful attacks present a risk to the Smart Contract System, expected proper execution and sequencing of token transactions, and expected proper execution and sequencing of contract computations. You understand and accept that the network of miners will ultimately be in control of the delivery of the VPP Tokens via the Smart Contract System, 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 Smart Contract System, and that such a scenario could lead to the VPP Tokens losing intrinsic value and/or functionality.
10. **Risk of incompatible wallet service:** the wallet or wallet service provider used to receive VPP Tokens must conform to the ERC223 token standard in order to be technically compatible with VPP Tokens. The failure to ensure such conformity may have the result that Contributor will not gain access to his VPP Tokens.
11. **Risk of hard-fork:** the Virtue Poker Platform will need to go through substantial development works as part of which it may become the subject of significant conceptual, technical and commercial changes before release. As part of the development, an upgrade to VPP Tokens may be required (hard-fork of VPP Tokens) and that, if you decide not to participate in such upgrade, you may no longer be able to use your VPP Tokens and any non-upgraded VPP Tokens may lose its functionality in full.
12. **Risk of uninsured losses:** unlike bank accounts or accounts at some other financial institutions, VPP Tokens are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer or private insurance arranged by us, to offer recourse to you.
13. **Risks arising from taxation:** the tax characterization of VPP Tokens is uncertain. You must seek your own tax advice in connection with acquisition, storage, transfer and use of VPP Tokens, 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.
14. **Risk of an unfavourable fluctuation of Ethereum and other currency value:** Virtue Technologies intends to use the contributions received to fund the development of the Virtue Poker Platform and various other operating expenses. The contributions received will be

denominated in ETH, and may be converted into other cryptographic and fiat currencies. If the value of ETH or other currencies fluctuate unfavourably during or after the Contribution Period, Virtue Technologies may not be able to fund the development of, or may not be able to maintain, the Virtue Poker Platform in the manner that it intended.

15. **Risk of dissolution of the Company or network:** it is possible that, due to any number of reasons, including, but not limited to, an unfavourable fluctuation in the value of ETH (or other cryptographic and fiat currencies), decrease in VPP Tokens utility due to negative adoption of the Virtue Poker Platform, the failure of commercial relationships, or intellectual property ownership challenges, the Virtue Poker Platform may no longer be viable to operate and Virtue Technologies may dissolve.
16. **Risks arising from lack of governance rights:** because VPP Tokens confer no governance rights of any kind with respect to the Virtue Poker Platform or Virtue Technologies, all decisions involving the Virtue Poker Platform or Virtue Technologies will be made by Virtue Technologies acting in its sole and absolute discretion, including, but not limited to, decisions to discontinue the Virtue Poker Platform, to create and issue more VPP Tokens, or to sell or liquidate Virtue Technologies. These decisions could adversely affect the Virtue Poker Platform and/or VPP Tokens you hold.
17. **Risks arising from the online gaming industry:** the online gaming industry, and by extension the Virtue Poker Platform, are subject to a variety of federal, state and international laws and regulations, including those with respect to gambling, intellectual property, employment, KYC/AML and customer due diligence procedures, privacy and data protection, consumer protection, data security, and others. These laws and regulations, and the interpretation or application of these laws and regulations, could change. In addition, new laws or regulations affecting the Virtue Poker Platform could be enacted, which could impact the utility of VPP Tokens in the Virtue Poker Platform. Additionally, the Virtue Poker Platform users may be subject to or adversely affected by industry specific laws and regulations or licensing requirements. If any of these parties fail to comply with any such licensing requirements or other applicable laws or regulations, or if such laws and regulations or licensing requirements become more stringent or are otherwise extended, it could adversely impact the Virtue Poker Platform and the VPP Tokens, including its functionality to obtain or provide services within the Virtue Poker Platform.
18. **Risks associated with the development and maintenance of the Virtue Poker Platform:** the Virtue Poker Platform is still under development and may undergo significant changes over time. Although we intend for the VPP Tokens and Virtue Poker Platform to function as described in Schedule 1 and the Virtue Technologies Whitepaper, and we intend to take commercially reasonable steps towards those ends, we may have to make changes to the specifications of the VPP Tokens or the Virtue Poker Platform for any number of legitimate reasons. This could create the risk that VPP Tokens or the Virtue Poker Platform, as further developed and maintained, may not meet your expectations at the time of purchasing VPP Tokens. Furthermore, despite our good faith efforts to develop and maintain the Virtue Poker Platform, it is still possible that the Virtue Poker Platform will experience malfunctions or

otherwise fail to be adequately developed or maintained, which may negatively impact the Virtue Poker Platform and VPP Tokens, and the potential utility of the VPP Tokens.

19. **Risk of Competing Platforms:** It is possible that alternative platforms could be established that utilize the same open source code and protocol underlying the Virtue Poker Platform and attempt to facilitate services that are materially similar to the services offered by or within the Virtue Poker Platform. The Virtue Poker Platform may compete with these alternatives, which could negatively impact the Virtue Poker Platform and VPP Tokens, including the utility of the VPP Tokens on the Virtue Poker Platform.
  
20. **Unanticipated Risks:** cryptographic tokens such as VPP Tokens are a new and untested technology. In addition to the risks set out in this Schedule 3, there are other risks associated with your acquisition, storage, transfer and use of VPP Tokens, including those that Virtue Technologies may not be able to anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks set out in this Schedule 3.