**Final STAR Creation and Starbase Project Creation Conditions: Explanatory Note & Governance Terms**

## I.  Principles

1  By transferring Bitcoin (hereinafter "BTC", relevant only for the so called early purchasers) to the relevant BTC address and/or Ether (hereinafter "ETH") directly to the Smart Contract System and the Smart Contract System creating Starbase Tokens (hereinafter "STAR"), the User understands and accepts that the User ("User") makes a contribution ("Contribution") into a Smart Contract System (see para. 4 below) for the development of the Starbase Project, especially the development and maintenance of the Starbase Platform ("Starbase Project", respectively "Starbase Platform"). For further information on the Starbase Project and the Starbase Platform, visit: *https://starbase.co*. However, the information contained in the Whitepaper and on the website, are of descriptive nature only, are not binding and do – unless explicitly referred to herein – not form part of the Terms as set forth under para 5 below.

2  The Smart-Contract-System will only accept Contributions from addresses whitelisted by Starbase Platform GmbH after a KYC-check of the User. User understands and accepts, that Starbase Platform GmbH is entitled to reject the whitelisting of any address at its own discretion and without any explanation. **Contributions from non-whitelisted addresses will be automatically rejected by the Smart-Contract-System.**

3  The User understands and accepts that while the individuals and entities, including Starbase Platform GmbH, domiciled in Switzerland, (hereinafter "STARBASE"), assigned to this task will make reasonable efforts to develop and complete the Starbase Project and the Starbase Platform, **it is possible that such development may fail and User's STAR become useless and/or valueless due to technical, commercial, regulatory or any other reasons** (see also section 7 regarding Risks). The User is also aware of the risk that even if all or parts of the Starbase Project and/or the Starbase Platform are successfully developed and released in full or in parts, due to a lack of public interest, the Starbase Project and/or the Starbase Platform could be fully or partially abandoned, remain commercially unsuccessful or shut down for lack of interest or other reasons. **The User therefore understands and accepts that the transfer of BTC to the relevant BTC address and/or ETH to the Smart Contract System and the creation of STAR by the Smart Contract System carry significant financial, regulatory and/or reputational risks (including the complete loss of value of purchased STAR and attributed features of the Starbase Project, if any).**

4  The User furthermore understands and accepts that - as the creation of the STAR, any implemented rights of the User as well as the assignment of the execution of the Starbase Project are smart contract based - the terms and conditions applicable thereon are set forth in the Smart Contract System Code, consisting of two interconnected software codes, existing on the Ethereum blockchain at 0x4f4e76761eb0a5a2992a6f3ab1c90a874450ecca. **To the extent the terms contained herein or in any other document or communication contradict to the ones set forth in the Smart Contract System, the**

terms of the Smart Contract System prevail. Furthermore, neither this document nor any other document or communication may modify or add any additional obligations or covenants to STARBASE or publisher of these terms or developer of the Smart Contract System functions and/or any other person, entity and/or affiliates involved with the deployment of the Smart Contract System and the setting up of the Starbase Project beyond those set forth in the Smart Contract System.

5 By transferring BTC to the relevant BTC address and/or ETH to the Smart Contract System, the User expressly agrees to all of the terms and conditions set forth in Smart Contract System Code existing on the Ethereum blockchain (at the addresses set forth under para 4) and in this document (together the "Terms"), which is incorporated by reference herein. **The User further confirms to have carefully reviewed the Smart Contract System Code, its functions and these Terms and to fully understand the risks and costs of creating STAR and contributing into a Smart Contract System for the development of the Starbase Project and/or Starbase Platform.**

6 This document does not constitute a prospectus of any sort, is not a solicitation for investment and does not pertain in any way to an offering of securities in any jurisdiction. It is a description of the functionality of a Smart Contract System.

7 By transferring BTC and/or ETH to the Smart Contract System and/or receiving STAR, no form of partnership, joint venture or any similar relationship between the Users and/or other individuals or entities involved with the deployment of the Smart Contract System and the setting up of the Starbase Project and/or Starbase Platform is created.

## II. STAR Creation Function

8 During the Contribution Period, a total of maximum **1'000'000'000 STAR** ("Maximum Launch Quantity") are planned to be created by the Smart Contract System, all of equal value and functionality, however, divided by the Smart Contract System into three different pools

▪ **Pool A of 17.5% of the STAR** intended to be created by the Smart Contract System after the end of the Contribution Period. Pool A contains the STAR created for normal backers as well as for early purchasers ("Early Purchasers"), whereas early purchasers will receive a special bonus. A maximum of 5% of the STAR is assigned as early purchaser bonus ("Early Purchaser Bonus", see below para 22). User understands and accepts, that all STAR of Pool A (apart from those assigned for the Early Purchaser Bonus), may already be reserved for normal backers that have promised their contribution before the start of the Contribution Period and whose addresses will be whitelisted (see also para 9, "Reserved Tokens").

▪ **Pool B of 7.5 % of the STAR**, already implemented in the Smart Contract System: Upon deployment of the Smart Contract System, the Smart Contract System allocates the Pool B to founders, early contributors, as well as participants of the marketing campaign pursuant to the Smart Contract System (see below para 22).

- **Pool C of 75% of the STAR**, already implemented in the Smart Contract System: Upon deployment of the Smart Contract System, the Smart Contract System allocates the Pool C to STARBASE pursuant to the Smart Contract System (see below para 22).

9  **Initial Contribution Period:** The Contribution Period starts after the deployment of the Smart Contract System and at Ethereum Block Number 4520730. The User understands and accepts, that certain third-party providers have the possibility to make their Contributions already previously, starting Ethereum Block Number 4472037. For the sake of clarity, it has to be stated that STARBASE does not assume any responsibility arising from the relationship between such third-party contributors and its customers. The addresses of these third-party providers have been whitelisted and programmed into the Smart Contract System. The Contribution Period lasts until (paid-in) Contributions amounting to CNY 67'000'000 have been made ("Maximum Contribution Amount", see para 16) or for a maximal duration of 15 days (maximal duration of Contribution Period), whichever is earlier. **Decisive is the CNY value of the contributed amount of ETH, calculated according to the rate of CNY 2028 per 1 ETH..** However, the User understands and accepts, that a significant rise of the value of ETH already promised before the start of the Contribution Period (for Reserved Tokens), may lead to a surpassing of the Maximum Contribution Amount.

10  **Marketing Campaign:** In order to promote the use of the Starbase platform, STARBASE launches a marketing campaign before and within the Contribution Period. Participants to this campaign will receive STAR as reward for their efforts. The rewards will be assessed and distributed by STARBASE at its own discretion, according to the separately published conditions of the marketing campaign. Furthermore, these STAR can be used to reward third party support for the Contribution procedure. There is a maximum of rewards amounting to 1.25% of STAR. If this maximum amount of rewards has been reached, no further STAR can be distributed to participants of the marketing campaign. Irrespective of further actions of the participants of the marketing campaign.

11  **Early Purchase:** The Early Purchase period lasts, until early purchasers made contributions of CNY 6'000'000 or until June 15, 2017, whichever is earlier ("Early Purchaser Period"). Early Purchaser Contributions will be recorded at the following address connected to the Smart Contract System https://etherscan.io/address/0x43d0111ec0584381077a598a1cc5c1fc72722e6c and represent advance payments and no deposits. Further, there is an Early Purchase amendment contract at the following address: https://etherscan.io/address/0x859e7e76caede3b642fc84862809f60c055cb731#readContract, which is also connected to the Smart Contract System. The Early Purchaser has no right for refunding of his Contributions. Decisive is the CNY value of the already contributed ETH and/or BTC at the time of the relevant contribution. The CNY equivalent for ETH or BTC shall be calculated using the time-averaged price provided by CoinMarketCap or equivalent service chosen by STARBASE at approx. the time of the Contribution recorded.

12 **Contribution Software:** Contributions in ETH must be made by using the STARBASE Contribution Browser App ("Contribution Software") provided by STARBASE at the following address: https://crowdsale.starbase.co. User have to whitelist their Ethereum address, which they will use for contributing ETH to the Smart Contract System ("Contribution Address"), by following the KYC procedure as described within the Contribution Software. After the Ethereum address has been whitelisted by STARBASE, User can send ETH directly from the Contribution Address to 0x4f4e76761eb0a5a2992a6f3ab1c90a874450ecca in order to conduct the Contribution. Any ETH Contribution without using the Contribution Software may not lead to an allocation of STAR as set forth below (see section 3) and is made in the own responsibility and at the own risk of the User. An exception applies for Contributions made from whitelisted addresses for STAR Reservation. These Contributions shall be made directly to the address of the Smart-Contract-System as provided by STARBASE.

13 **Contribution Smart Contract**: Contributions made by Users during the Contribution Period are being recorded in an Ethereum smart contract called the Contribution Smart Contract ("CSC"). The Contributions made for the Reservation of STAR have been recorded previously by the following Reservation Smart Contract ("RSC"): 0xc9a37f947422f03162a6a8f3e9583613513324b3. The CSC and the RSC will record the equivalent "value" of Contributions in CNY. The CNY equivalent for ETH shall be calculated as defined under para 9.

14 **Creation of STAR:** The creation and allocation of STAR of Pool A by the Smart Contract System are initiated by the User sending an amount of ETH to the addresses as described within the Contribution Software. The recorded information regarding the individual Contribution will be forwarded from the CSC and the RSC to the Smart Contract System. **After the Contribution Period has finished**, it triggers a smart contract operation. The Smart Contract System creates and allocates the corresponding STAR to the User's Contribution Address, according to the information recorded in the Smart Contract System and as forwarded from the CSC, respectively the RSC. **The Users have to call actively a corresponding function to initiate the effective allocation of the STAR to their Contribution Address as described on https://starbase.co/crowdsale** The issuance of STAR (meaning the respective entries of the Public Key (PUK) of User) is made by the Smart Contract System on the blockchain according to the allocation information in the Smart Contract System.

15 **Distribution of Pool A STAR:** Independently from the amount of Contributions made, the 175,000,000 STAR of Pool A will be created and allocated to the Users in proportion to their Contributions. Each STAR will have the same functions implemented.

16 **Maximum Contribution Amount:** After the Maximum Contribution Amount has been reached, STARBASE stops the Contribution Period at its best efforts. In the case, that more Contributions have been made to the ETH addresses as the Maximum Contribution Amount ("Surpassing Contributions"), the Surpassing Contributions will not be recorded within the Smart Contract System, nor forwarded to the collective address. There is only an exception for ETH that will be sent from certain whitelisted addresses for reserved STAR.

Regarding these whitelisted addresses individual hard caps will be implemented into the Smart-Contract-System, which ensure, that the Contributions may surpass the cap only due to a rise of the value of ETH as defined in para 9. Other Surpassing Contributions will be transferred back to the address, from which they have been contributed. User therefore shall assure to make his Contribution using an ETH address to which the Smart Contract System can send back ETH to (e.g. not an address of a currency exchange like Poloniex, Coinbase, Bitfinex etc.).

17 **Minimum Contribution Amount:** The minimum Contribution amount per Contribution is an equivalent to CNY 7.00 in ETH, calculated according to the mechanism described in para 9 ("Minimum Contribution Amount"). If a Contribution of less than the Minimum Contribution Amount will be made, it will be recorded as a donation and the relevant Contributor may neither claim the allocation of STAR, nor a refund of the Contribution.

18 **Transferability of STAR during the Contribution Period and after:** Any and all STAR are not transferable during the Contribution Period. STAR of Pool A will become transferrable one week after the end of the Contribution Period (Except Early Purchaser Bonus, see para 22). For the transferability of the STAR of Pools B and C, please see para 22.

19 **No Refund:** The User understands and accepts that all Contributions for STAR are final and may not be reversed. Contributions for STAR are non-refundable. By contributing for STAR, the User acknowledges that he has no right to request a refund for any reason, and that the User will not receive money or other compensation for any STAR that is not used or remains unused. Any Contributions that do not entitle the User to STAR (e.g. due to non-compliance with requested KYC-procedures) will be automatically sent back to the sending address.

## III. STAR Allocation

20 **Amount of STAR allocated to the Users:**

- **Early Purchasers:** After the end of the Contribution Period, early purchaser will receive an amount of STAR according to the following calculation, whereas "Value" refers to the Contribution of the User (including applicable Bonus, if any): {earlypurchaser_token_amount} = {earlypurchaser_total_token_amount} * {earlypurchase_value} / {total_earlypurchase_value} + {crowdsale_token_amount} * {earlypurchase_value} / ( {total_earlypurchase_value} + {total_crowdsale_value} ) .

  Example: If an Early Purchaser contributes in the equivalent of 100 CNY (including applicable Bonus, if any) and the total amount of early purchases amounts to 6'000'000 CNY (including applicable Bonus, if any) and the total amount raised during the Contribution Period is CNY 30'000'000 (including applicable Bonus, if any), then he will get 1180.55 STAR = 50'000'000 STAR * 100 CNY / 6'000'000 CNY + 125'000'000 STAR * 100 CNY / (30'000'000 CNY + 6'000'000 CNY)

- **Users contributing within the Contribution Period and for Reserved STAR:** After the end of the Contribution Period, Users, which are contributing within the Contribution Period as well as for Reserved STAR, will receive an amount of STAR according to the following calculation, whereas "Value" refers to the Contribution of the User: {crowdsale_purchaser_token_amount} = {crowdsale_total_token_amount} * {crowdsalePurchase_value} / ( {total_earlypurchase_value} + {total_crowdsale_value} ).

  Example: If a User contributes during the Contribution Period in the equivalent of 100 CNY (including applicable Bonus, if any) and the total amount of early purchases amounts to 6'000'000 CNY (including applicable Bonus, if any) and total amount raised during the Contribution Period is 30'000'000 (including applicable Bonus, if any), then he will get 347.22 STAR = 125'000'000 STAR * 100 CNY / (30'000'000 CNY + 6'000'000 CNY).

The User understands and accepts that in course of the Contribution Period, the exchange value of the STAR may be subject to additional changes as further specified in the Smart Contract System.

21 **Bonus STAR:** Every User contributing ETH may receive a certain Bonus of STAR, additionally to the exchange value described above and depending on the already contributed amounts within the Contribution Period ("Bonus"). The amount effectively contributable however is dependent on the value of the previously contributed amounts and can therefore not be precisely stated in advance. It will be the difference between the already contributed amounts (early purchasers and STAR reservation) and the Maximum Contribution Amount. The Bonus System will be defined as follows:

- For the first 20% of the Contributions collected during the Contribution Period, a bonus of 20% will be applicable;

- For the second 20% of the Contributions collected during the Contribution Period, a bonus of 15% will be applicable;

- For the third 20% of the Contributions collected during the Contribution Period, a bonus of 10% will be applicable;

- For the fourth 20% of the Contributions collected during the Contribution Period, a bonus of 5% will be applicable;

- For the fifth 20% of the Contributions collected during the Contribution Period, no bonus will be applicable.

For example, if a User makes a Contribution in the equivalent of CNY 100 after 63% of the possible Contributions during the Contribution Period have already been made, an actual Contribution of 105 CNY will be recorded.

An additional Bonus of 10% will be granted to those Users, who contributed in advance to the Contribution Period and shall receive Reserved STAR.

22 **Pre-allocated STAR**: The User understands and accepts that out of the Launch Quantity,

- **A maximum of 28.6% STAR from Pool A (5% of STAR in total)**, will be created after the end of the Contribution Period, but are assigned to the Early Purchasers. These STAR will be needed to provide the additional STAR for the Early Purchaser Bonus and are locked for a duration of two weeks after the end of the Contribution Period.

- **7.5% of STAR (Pool B)** will be directly released by the Smart Contract System to founders and early contributors who have made early financial contributions, worked to develop the ideas, implementations and supporting structures of the Starbase Project, as well as for participants of the marketing campaign. 6.25% of these STAR, intended for founders and early contributors, are locked through a smart contract function and may not be transferred until the Launch of the Starbase Platform. Afterwards, these STAR cannot be transferred for one year. After this year, these STAR become transferable in the amount of 1/52 per week.

  The remaining 1.25% STAR will be administered by STARBASE and used to reward participants of the marketing campaign. If not all of these STAR will be necessary for this purpose, the rest may be used by STARBASE for the development and execution of the Starbase Project and/or Starbase Platform. Especially, STARBASE may use these STAR to provide further incentives for certain key Users.

- **75% of STAR (Pool C)** will be directly released by the Smart Contract System to STARBASE according to the following mechanism:

  The STAR within Pool C are locked, unless the conditions for a further Contribution Period apply. Every year, STARBASE is entitled to hold a Contribution Period, during which it allocates STAR from Pool C to Users in return for Contributions. The decision to allocate these STARs will be done and executed with appropriate methods considering existing investor's interest, market situation, and financial requirements of Starbase. The maximum amount of STAR being allocated to Users during the additional Contribution Period shall not exceed 100'000'000 STAR per year.

  The exact pricing is at the disposition of STARBASE. Apart from this, the current Terms apply also to all further Contribution Periods. STARBASE may freely use the Contributions received in such further Contribution Periods, in order to develop and maintain the Starbase Project and/or Starbase Platform (including any marketing expenses).

  Such further Contribution Periods are possible, until all 750'000'000 STAR of Pool C have been allocated to Users.

23 STAR are only for use in connection with the Starbase Project and/or Starbase Platform under the terms of the Smart Contract System and only constitute a transferable representation of a part of a possible output of the functions of the Smart Contract System.

24 The STAR is mainly a usage token, that enables the Users to use the Starbase Platform. Furthermore, it has a staking functionality (technically freezing STAR and in return granting certain benefits on a discretionary basis), it may have a voting functionality (possibility to execute certain voting rights, if any) and it may receive later an input functionality (possibility to provide it with further functions, such as a revenue receiving function), if possible according to regulatory considerations.

25 If the STAR are staked, certain benefits may be granted on the Starbase Platform, such as discounts, priority treatment, increased visibility etc. However, if such benefits shall be granted and how they will be effectively designed differs from project to project and is fully at the discretion of the team behind the project. Starbase Platform provides a certain range of possibilities, but STARBASE has no direct influence regarding the existence and design of the effective benefits.

26 STAR holders may vote regarding changes of the STAR token protocol and the distribution of special rewards in STAR to specifically innovative projects and/or extraordinary work that has been delivered, if such a voting functionality has been implemented. With regard to the changes of the STAR token protocol, STARBASE, at least at the beginning, will have a veto power.

27 The User understands and hereby agrees that the sole and exclusive usage rights of all IPR generated are assigned to STARBASE. Beyond this, the User understands and accepts that STAR do not represent or constitute any ownership right or stake, share or security or equivalent right in or relating to the Starbase Project, STARBASE, Starbase Platform and/or any software, any public or private company, corporation, entity or property. In particular, User understands and accepts that he has no right to claim as holder of STAR any intellectual property rights, equity or equivalent rights or any other form of participation in or relating to the Starbase Project and/or STARBASE.

## IV. Representations and Warranties

28 By transferring ETH and/or BTC to the Smart Contract System and/or by creating STAR, the User represents and warrants that:

▪ the User is not a citizen or resident of the United States of America;

▪ the User confirms not to be resident of, citizen of or located in a geographic area that is subject to UN-, US-, EU-, CH- or any other sovereign country sanctions or embargoes;

▪ the User confirms not being listed or being associated with any person or entity being listed on any of the US Department of Commerce's Denied Persons or Entity List, the

US Department of Treasury's Specially Designated Nationals or Blocked Persons Lists, the US Department of State's Debarred Parties List, the EU Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions or the Swiss SECO's Overall List of Sanctioned Individuals, Entities and Organizations;

- the User confirms that all information provided within any KYC-procedure linked to his or her Contribution is true and accurate and that the User does not act on behalf of any third party.

- the User has a deep understanding of the functionality, usage, storage, transmission mechanisms and intricacies associated with cryptographic tokens, like BTC and ETH, and blockchain-based software systems;

- the User has carefully reviewed the code of the Smart Contract System located on the Ethereum blockchain at the addresses set forth under para 4 and fully understands and accepts the functions implemented therein;

- the User is legally permitted to create STAR (via contributing into the Smart-Contract-System) and obtain STAR in the User's jurisdiction;

- the User is legally permitted to receive software and contributing to the Smart Contract System for the development of the Starbase Project;

- the User is of a sufficient age to legally create and obtain STAR;

- User will transfer STAR and/or other Tokens from the Contribution Address only to a Wallet or Wallet service provider that technically supports the STAR and/or these other Tokens. User understands and accepts, that failure to assure this may have the result that User will not gain access to his STAR and/or other Tokens.

- User will contribute ETH and/or BTC from a wallet or wallet service provider (Contribution Address) that technically supports ETH, respectively BTC and/or STAR and where to ETH, respectively BTC and/or STAR can be sent back automatically (e.g. not an address of a currency exchange like Poloniex, Coinbase, Bitfinex etc.). User understands and accepts, that failure to assure this may have the result that User will not gain access to the STAR created or Surpassing Contributions returned.

- the User will take sole responsibility for any restrictions and risks associated with the creation of STAR by the Smart Contract System as set forth below;

- the User is not submitting ETH and/or BTC to the Smart Contract System to obtain STAR for the purpose of speculative investment;

- the User is not obtaining or using STAR for any illegal purposes;

- the User is purchasing the functionality of the STAR issued by the Smart Contract System primarily to support the development, testing, deployment and operation of

the Starbase Project and/or Starbase Platform, being aware of the commercial risks associated with the Starbase Project and/or Starbase Platform;

- the User waives the right to participate in a class action lawsuit or a classwide arbitration against any entity or individual involved with the creation of STAR;

- the User understands the creation of STAR 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;

- the User understands that the transfer of ETH and/or BTC to the Smart Contract System, the creation of STAR and the development of the Starbase Project carries significant financial, regulatory and reputational risks as further set forth in the Terms;

- the User explicitly understands and accepts, that in case that any of the functionalities of STAR, as mentioned within the Terms, conflicts with regulatory provisions of any applicable jurisdiction, such functionality may be modified and/or abandoned immediately and that in such a case no liability of STARBASE or any person involved in the Starbase project arises.

- the User understands and expressly accepts that there is no warranty whatsoever on STAR, the Smart Contract System and/or the success of the Starbase Project and/or the success of the Starbase Platform, expressed or implied, to the extent permitted by law, and that the Smart Contract System is used and STAR are created and obtained at the sole risk of the User on an "as is" and "under development" basis and without, to the extent permitted by law, any warranties of any kind, including, but not limited to, warranties of title or implied warranties, merchantability or fitness for a particular purpose;

- the User understands and accepts that the Smart Contract System and/or underlying protocols and/or any other software involved may either delay and/or not execute a Contribution due to the overall Contribution volume, mining attacks and/or similar events.

- the User understands and accepts that the Contribution Software and/or the Smart Contract System and/or underlying protocols and/or any other software involved may either delay and/or not execute a Contribution due to the overall Contribution volume, mining attacks and/or similar events.

- the User understands that the User has, other than as implemented in the Smart Contract System, no right against any other party to request any refund of the ETH and/or BTC submitted to the Smart Contract System for the creation of the STAR under any circumstance;

- the User understands with regard to STAR no market liquidity may be guaranteed and that the value of STAR over time may experience extreme volatility or depreciate in full;

▪ the User understands that the User bears the sole responsibility to determine if the User's contribution to the Smart Contract System for the development of the Starbase Project and/or the Starbase Platform, the transfer of ETH and/or BTC to the Smart Contract System, the creation or ownership of STAR, the potential appreciation or depreciation in the value of STAR over time, the sale and purchase of STAR and/or any other action or transaction related to the Starbase Project have tax implications for him; by creating or holding STAR, and to the extent permitted by law, the User agrees not to hold any third party (including developers, auditors, contractors or founders) liable for any tax liability associated with or arising from the creation or ownership of STAR or any other action or transaction related to the Starbase Project.

29 Following the creation of STAR by the Smart Contract System, the STAR will be transferred to User's Contribution Address by the Smart Contract System. The User understands that the User must keep his password and private keys safe and that the User may not share them with anybody. The User further understands that if this information is lost or stolen, the User will not be able to generate a new password or recover his private keys, and if the User also loses his private keys and password, the ETH or STAR associated with the User's Contribution Address will be unrecoverable and will be permanently lost. Furthermore, the User understands that there is no recovery mechanism for lost passwords and private keys, so no one will be able to help the User retrieve or reconstruct a lost password and private keys and provide the User with access to any lost STAR or ETH. Furthermore, the User understands that it is not possible to reconstruct a lost or stolen wallet.

## V.    Starbase Project Execution

30 The User understands and accepts that the development and execution of the Starbase Project will be released by the Smart Contract System to the wallet of a third-party contractor, STARBASE. STARBASE has the right to engage subcontractors to perform the entire or partial development and execution of the Starbase Project. In order to allow STARBASE to develop and execute the Starbase Project, the sole and exclusive usage rights to any and all IPR have been and are being assigned and transferred to STARBASE.

31 The User understands and accepts that for the purpose of the development and execution of the Starbase Project, STARBASE receives the full amount of ETH and BTC transferred to the Smart Contract System during the Contribution Period, for the reservation of STAR and by Early Purchasers. This amount covers expenses, charges and other costs that may arise by STARBASE and/or its subcontractors as part of the development and execution of the Starbase Project, including marketing expenses, as well as discounts for third party support for the contribution procedure (up to 5% of the funds they have attracted). It remains at STARBASES's sole discretion to decide how to allocate the funds in order to develop and execute the Starbase Project.

32  STARBASE shall further have the right to assign the entire Starbase Project including the Contributions received for its development to a third party.

33  STARBASE further may establish and fund subsidiaries, which are in charge of the development of additional features, that enhance the usability of the Starbase Platform.

34  The User understands and accepts that the User may not have any expectation of influence over governance on the Starbase Project and/or Starbase Platform.

35  The User understands and accepts that the Starbase Project and/or Starbase Platform will need to go through substantial development works as part of which they may become subject of significant conceptual, technical and commercial changes before release.

36  The User acknowledges and understands that, after the Launch of the Starbase Platform, the STAR will have an inflation mechanism leading to an inflation of 0.00685% every day. The hereby created STAR are transferrable and will be assigned to an address, controlled by STARBASE. These STAR may be used in order to incentivise maintenance, future development (including marketing expenses) and governance of the Starbase Project and the Starbase platform. Furthermore, these STAR may be used for the special rewards according to para 26. Such inflation mechanism may lead to a dilution of the value, if any, and functionality of STAR.

## VI.    Audit of the Smart Contract System

37  The Smart Contract System has been, on a reasonable effort basis, audited and approved by technical experts with regard to the conformity of the Smart Contract System's functionality to the content of these Terms. The technical experts have further confirmed that the Smart Contract System has, with regard to both accuracy and security, been programmed according to the current state of the art.

38  However, the User understands and accepts that smart contract technology is still in an early development stage and its application of experimental nature which carries significant operational, technological, financial, regulatory and reputational risks. Accordingly, while the audit conducted by the technical experts raises the level of security and accuracy, the User understands and accepts that the audit does not amount to any form of warranty, including direct or indirect warranties that the Smart Contract System and the STAR are fit for a particular purpose or do not contain any weaknesses, vulnerabilities or bugs which could cause, inter alia, the complete loss of ETH and/or BTC and/or STAR.

## VII.   Risks

39  The User understands and accepts the risks in connection with transferring ETH and/or BTC to the Smart Contract System and creating STAR as exemplary set forth above and hereinafter. In particular, but not concluding, the User understands the inherent risks listed hereinafter:

- **Risk of software weaknesses**: The User understands and accepts that 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, why there is no warranty that the process for creating STAR will be uninterrupted or error-free and why there is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of ETH and/or BTC and/or STAR.

- **Regulatory risk**: The User understands and accepts that the blockchain technology allows new forms of interaction and that 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 of the Smart Contract System and/or the Starbase Project and/or Starbase Platform and/or the STAR, including its termination and the loss of STAR for the User.

- **Risk of abandonment / lack of success**: The User understands and accepts that the creation of the STAR and the development of the Starbase Project and/or Starbase 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). The User therefore understands that there is no assurance that, even if the Starbase Project and/or the Starbase Platform is partially or fully developed and launched, the User will receive any benefits by the STAR held by him.

- **Risk of withdrawing partners:** The User understands and accepts that the feasibility of the Starbase Project as a whole depends strongly on the collaboration of banks and other crucial partners of STARBASE. The User therefore understands that there is no assurance that the Starbase Project as a whole will be successfully executed as foreseen.

- **Risk associated with other applications**: The User understands and accepts that the Starbase Project and/or Starbase Platform may give rise to other, alternative projects, promoted by unaffiliated third parties, under which STAR will have no intrinsic value.

- **Risk of Loss of private key**: STAR can only be accessed with a combination of private key and password. The private key is encrypted with a password. The User understands and accepts that if his wallet file or password respectively his private key got lost or stolen, the obtained STAR associated with the User's address or password will be unrecoverable and will be permanently lost.

- **Risk of theft:** The User understands and accepts that 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 that could

result in theft or loss of STAR or ETH and/or BTC, impacting the ability to develop the Starbase Project and/or Starbase Platform.

- **Risk of Ethereum mining attacks:** The User understands and accepts that, 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 race condition attacks. Any successful attacks present a risk to the Smart Contract System, expected proper execution and sequencing of STAR transactions, and expected proper execution and sequencing of contract computations.

- **Risk of governance attacks and failure:** The Contributor understands and accepts that the STAR token protocol may use an in-built decentralized governance system (voting functionality of the STAR, "Governance System"). For these reasons, it is possible that the Governance System adopts proposals that have an adverse effect on the useful functioning of the Starbase Platform, the Starbase Project and/or the value of STAR. If the Governance System is attacked, or becomes controlled either directly or indirectly by some party who makes unwise decisions, or the community generally makes unwise decisions, the value of STAR held by a Contributor might be greatly reduced or even permanently lost.

## VIII.   Taxation

40   The User bears the sole responsibility to determine if his Contribution into the Smart Contract System for the development of the Starbase Project and/or Starbase Platform, the creation or ownership of STAR, the potential appreciation or depreciation in the value of STAR over time, the sale and purchase of STAR and/or any other action or transaction related to the Starbase Project and/or Starbase Platform have tax implications for him.

41   By creating or holding STAR, and to the extent permitted by law, the User agrees not to hold any third party (including developers, auditors, contractors or founders) liable for any tax liability associated with or arising from the creation or ownership of STAR or any other action or transaction related to the Starbase Project and/or Starbase Platform.

## IX.   No Liability

42   The User acknowledges and agrees that, to the fullest extent permitted by any applicable law, the User will not hold STARBASE, any developers, auditors, contractors or founders of the STAR, the Smart Contract System and/or the Contribution Software and/or the Starbase Project and/or Starbase Platform liable for any and all damages or injury whatsoever caused by or related to the use of, or the inability to use, STAR and/or the Smart Contract System and/or the Contribution Software under any cause or action whatsoever of any kind in any jurisdiction, including, without limitation, actions for breach of warranty, breach of contract or tort (including negligence) and that STARBASE, developers, auditors, contractors or founders of the Smart Contract System and/or the

Contribution Software and/or the STAR and/or the Starbase Project and/or the Starbase Platform, shall not be liable for any indirect, incidental, special, exemplary or consequential damages, including for loss of profits, goodwill or data, in any way whatsoever arising out of the use of, or the inability to use of the Smart Contract System and/or the Contribution Software and/or the Starbase Project and/or Starbase Platform and/or STAR.

43 The User further specifically acknowledges that STARBASE, developers, auditors, contractors or founders of the STAR, Smart Contract System and/or the Contribution Software and/or the Starbase Project and/or Starbase Platform are not liable, and the User agrees not to seek to hold them liable, for the conduct of third parties, including other creators of STAR, and that the risk of creating, holding and using STAR rests entirely with the User.

44 By creating or holding STAR, and to the extent permitted by law, the User agrees not to hold STARBASE and/or any third party (including developers, auditors, contractors or founders) liable for any regulatory implications or liability associated with or arising from the creation or ownership of STAR or any other action or transaction related to the Starbase Project and/or Starbase Platform.

## X.     Miscellaneous

45 The User understands and accepts that the network of miners will be ultimately in control of the Smart Contract System. The User understands that a majority of these miners could agree at any point to make changes to the official Smart Contract System and to run the new version of the Smart Contract System. Under such a scenario, STAR will likely have no intrinsic value.

46 The Smart Contract System is located in Alderney. Consequently, the STAR creation and allocation and the assignment of the development and execution of the Starbase Project to STARBASE are considered to be executed in Alderney.

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

48 The Terms govern the creation, transfer and holding of STAR and supersede any public statements about the launch of STAR and/or the Smart Contract System made by anyone in the past, present and future.

49 The Terms may be modified at any time by posting a revised version on the website of STARBASE. These Terms will be applicable upon all transactions concerning STAR that are conducted after the publication of the revised Terms. It is the responsibility of the User to regularly check the STARBASE website for modifications of the agreement.

50 The applicable law is Swiss law. Any dispute arising out of or in connection with the creation of the STAR and the development and execution of the Starbase Project shall be finally settled by the ordinary courts of Zug, Switzerland.