Crowdsale General Terms and Conditions

Please read these terms and conditions carefully, as they set out our and your legal rights and obligations in relation our Crowdsale. You will be asked to agree to these terms and conditions before participating in the Crowdsale.

Please note that we have added Annex I to these terms and conditions with an aim to notify you of the risks relating to purchase, sale and use of the MSP cryptocurrency sold during the Crowdsale specified herein. Annex I is an integral part of these Terms and Conditions, and by agreeing to these Terms and Conditions, you confirm that you have read the Annex I and you are aware of and acknowledge the risks specified therein.

These Terms and Conditions are available in the English language only. You should print a copy of these Terms and Conditions for future reference. We will not file a copy specifically in relation to you, and they may not be accessible on our website in the future.

1. Definitions

1.1. **Crowdsale** – public sale of MSP Tokens.

1.2. **End Date** – 28th July 2017 at 1 PM UTC or when 200'000'000 MSP Tokens have been sold, whichever occurs first.

1.3. **ETH** – Ethereum cryptocurrency.

1.4. **Force Majeure Event** - an event, or a series of related events, that is outside the reasonable control of the party affected (including failures of or problems with the Internet or a part of the Internet, hacker attacks, virus or other malicious software attacks, Ethereum network, power failures, industrial disputes affecting any third party, changes to the law, disasters, explosions, fires, floods, riots, terrorist attacks and wars).

1.5. **Launch Date** – 7th July 2017 at 1 PM UTC.

1.6. **Loss** - damages, claims, applications, loss, injuries, delays, accidents, costs, business interruption, expenses (including, without limitation, counsel's or legal fees or the costs of any claim or suit), any incidental, direct, indirect, general, special, punitive, exemplary, special or consequential damages, any loss of goodwill, profits or revenue or any other economic loss, any loss of cryptocurrency or digital assets, any work stoppage, data loss, computer failure or malfunction, or any other commercial or other loss.

1.7. **Mothership** - Mothership Foundation OÜ, a private limited company incorporated under the laws of the Republic of Estonia that has been entered in the Estonian Commercial Register (*äriregister*) under the registry code 14284254, having its registered office at Narva mnt 5, 10117 Tallinn, Estonia, and if applicable Mothership Foundation OÜ's affiliates and subsidiaries.

1.8. **Mothership Crowdsale Portal** – https://mothership.cx/crowdsale, the website where the Participant can sign up for purchasing MSP Tokens, access Mothership wallet public key, and participate in the Referral Programme.

1.9.   **Mothership Products** – products specified in the Mothership Whitepaper that shall be developed by Mothership using the funds gathered via Crowdsale.

1.10.   **Mothership Whitepaper** – informational document issued by Mothership Foundation OÜ highlighting the features of Mothership products, strategy etc., available at: https://mothership.cx/documents/whitepaper.pdf.

1.11.   **MSP Tokens** – a software product created based on ERC-20 standard Ethereum token, stored, and distributed to the Participant by means of Mothership Smart Contract.

1.12.   **Mothership Smart Contract** – Ethereum smart contract made for Mothership, which handles payments for MSP Tokens and distributes the relevant MSP Tokens to the Participants as described in the Mothership Whitepaper. Mothership Smart Contract is available at:
https://etherscan.io/address/0xf5096917729885ef5b1a8c4ef238d3cf06028ee7#code

1.13.   **Participant** – anyone who purchases MSP Tokens, provides Mothership his/her email address and/or respective wallet public key for the Referral Programme, receives the MSP Tokens via Smart Contract during the Crowdsale.

1.14.   **Refunds** – funds in ETH that shall be automatically returned to the Participant in case less than 50´000´000 MSP Tokens are sold between Launch Date and End Date in the amount corresponding to the sum the Participate used to purchase MSP Tokens during the Crowdsale.

1.15.   **Referral Programme** – as provided and detailed in the section 7 of these Terms and Condition and in the Mothership Whitepaper.

1.16.   **Referral MSP Tokens** – MSP Tokens, which shall be minted to the Participants who took part in the Referral Programme, in the amount of 5% of the MSP Tokens purchased by the new participant(s) they referred.

1.17.   **UTC** - Coordinated Universal Time.

1.18.   **Website** – www.mothership.cx, Mothership Crowdsale Portal, all subdomains and all other respective pages of abovementioned webpages.

2.   **General Provisions**

2.1.   By entering your email address at www.mothership.cx website or at Mothership Crowdsale Portal, and/or purchasing MSP Tokens, you confirm that you have read the terms and conditions of this Mothership Crowdsale Agreement (hereinafter the "**Terms and Conditions**"), agree to these Terms and Conditions, and undertake to comply with these Terms and Conditions.

2.2.   This agreement is entered into as of the date on which it is accepted by the Participant and with the purpose to gather funds for developing Mothership Products by selling cryptographic MSP Tokens issued by Mothership to Participants outside the USA. Please note that if you are a citizen, tax resident or green card holder of the USA, you are not eligible to participate in the Crowdsale specified herein.

2.3.   Mothership is launching a crowdsale of MSP Tokens that will enable the Participant to use and consume upcoming Mothership products and services specified in the Mothership Whitepaper.

2.4.   Mothership reserves the right to amend these Terms and Conditions at any time, and such amendments will be effective immediately upon publication on the Website. By continuing to use the Website and participating in the Crowdsale you accept the amendments.

2.5.   If you do not agree to these Terms and Conditions, you must refrain from using the Website, Mothership Smart Contract, and participating in the Crowdsale.

3.   Crowdsale of MSP Tokens

3.1.   The Participants shall purchase MSP Tokens to receive access to existing and future Mothership Products.

3.2.   To participate in the Crowdsale, the Participant shall provide to Mothership his/her e-mail address by entering it via the Mothership Crowdsale Portal. Mothership shall then send a confirmation code to the Participant's specified e-mail address. The Participant shall enter this confirmation code in Mothership Crowdsale Portal account to conclude the signing up. On the respective website, the Participant must agree to these Terms and Conditions and Privacy Policy to participate in the Crowdsale. The Participant has the possibility to participate in the Referral Programme by entering his/her personal wallet public key on the Mothership Crowdsale Portal. After signing up, Mothership will provide to the Participant an URL address which they must use to participate in the Referral Programme. In addition, the Mothership shall provide the Mothership Smart Contract address, where the payment for MSP Tokens shall be directed in order to participate in the Crowdsale.

3.3.   In order to participate in the Crowdsale and receive MSP tokens, the Participant must have a personal wallet that supports the ERC-20 standard Ethereum tokens. The Participant shall not use exchange account. Mothership shall have the right to prescribe additional guidance regarding specific wallet requirements.

3.4.   Crowdsale shall be concluded through the Mothership Smart Contract. Through the Mothership Smart Contract, Mothership shall accept the qualifying purchases, and the Mothership Smart Contract shall issue MSP Tokens for the purchases thus accepted.

3.5.   Failure to follow Crowdsale instructions provided in these Terms and Conditions or on the Website may limit, delay, or prevent the Participant from purchasing MSP Tokens. Should this happen, Mothership shall under no conditions be held liable for any costs or damages arising for the Participant or any other persons.

3.6.   Mothership shall do its best efforts to develop and/or deliver the Mothership Products, but shall not guarantee it.

4.   Issuing MSP Tokens

4.1.   MSP Tokens shall be made available to the Participant for purchase on the Launch Date, and the Participant shall be able to purchase MSP Tokens until the End Date.

4.2.   Mothership shall mint 200'000'000 MSP Tokens during the Crowdsale.

4.3.   Mothership shall destroy all MSP Tokens that remain unsold and/or undistributed after the End Date.

4.4.   From all the MSP Tokens minted for the purpose of this Crowdsale, the MSP Tokens will be available as follows:

4.4.1.   70% of the total amount of MSP Tokens shall be provided to the Participants;

4.4.2.   20% of the total amount of MSP Tokens shall be provided and minted to Mothership's investors after End Date;

4.4.3.   5% of the total amount of MSP Tokens shall be minted to the Participants in accordance with the Referral Programme after the End Date;

4.4.4.   5% of the total amount of MSP Tokens shall be minted to the founders, employees and advisors of Mothership after the End Date.

5.   Purchase and Sale of MSP Tokens

5.1.   The price of 1 MSP Token shall be $0,04 expressed in ETH on the Launch Date.

5.2.   The Participant shall purchase the MSP Tokens only in ETH. Mothership shall not accept other cryptocurrencies or fiat currencies.

5.3.   Minimum amount of MSP Tokens that can be purchased during the Crowdsale by a Participant in one purchase, in the amount that equals 0,01 ETH.

5.4.   The MSP Tokens shall be sold only within the period between the Launch Date and End Date. Mothership reserves the right to change Launch Date or End Date at its absolute discretion. Any such changes shall be published on the Website.

5.5.   The Participant shall pay the purchase price for the desired amount of the MSP Tokens by sending the correct quantity of ETH to the unique address displayed to the Participant at the Mothership Crowdsale Portal (Mothership Smart Contract address). The purchase shall be done through the Mothership Smart Contract. The purchase of the MSP Tokens shall not be guaranteed until Mothership has received the full amount of the purchase price.

5.6.   The Participant shall have the right to purchase an unlimited quantity of MSP Tokens, until the total amount of MSP Tokens issued in the Crowdsale is purchased, on a first-come-first-serve basis.

5.7.   Knowledge of the unique address or unique order identification combination shall not constitute a purchase receipt or indicate in any way that any party with such knowledge shall have a right to the ownership of the MSP Tokens.

5.8.   The MSP Tokens purchased by the Participant will be distributed to him/her by Mothership Smart Contract within 24 hours after the respective purchase of MSP

Token. The purchased MSP Tokens shall be transferrable within 24 hours from the End Date. The Participant shall have the right to transfer MSP tokens on any exchange platform where it is possible and allowed.

5.9.   The Participant will be able to check the status of his/her MSP Tokens purchase on his/her personal wallet or respective website. Mothership shall not publish or make available a Participant's personal MSP Tokens purchase status on the Website or Mothership Crowdsale Portal.

5.10.   Mothership shall publish on the Website only the status of Crowdsale in general, i.e. the amount of purchased MSP Tokens and its proportion of the total amount of MSP Tokens.

5.11.   MSP Tokens shall not impart on the Purchaser any, express or implied, proprietary rights or obligations or contract, including, but not limited to intellectual property rights. Participating in the Crowdsale, purchasing MSP Tokens, or receiving and holding MSP Tokens does not grant the Participant any decision-making power, including, but not limited to in relation to development, governance, or the role, conduct or performance of Mothership.

5.12.   Mothership shall monitor all potential transactions for attempts to double spend cryptocurrency or cryptographic MSP Tokens during Crowdsale. Any double spends detected shall result in the cancellation of the MSP Token issue to the relevant Participant at any stage of the Crowdsale. The relevant Participant shall not be reimbursed for any costs he/she bears related to the Crowdsale.

6.   Repurchase of MSP Tokens by Mothership

6.1.   Mothership shall begin repurchasing MSP Tokens on weekly basis from the date when Mothership Products have been launched and/or Mothership has received income from Mothership Products. Mothership will repurchase MSP Tokens at market value. Mothership shall use up to 20% of its income accumulated within a 30-day period to repurchase MSP Tokens.

6.2.   Mothership shall repurchase up to 50% of MSP Tokens from the total amount of issued MSP Tokens. Mothership shall have the right to change the amount of MSP Tokens that Mothership will repurchase from the total amount of MSP Tokens.

6.3.   Mothership will permanently destroy all MSP Tokens repurchased in accordance with clauses 6.1. and 6.2. of these Terms and Conditions.

7.   The Referral Programme

7.1.   Each Participant of the Crowdsale shall be provided with a unique referral URL that can be used to promote the Crowdsale to other potential participants, if he/she chooses to participate in Referral Programme while signing up for the Crowdsale. When the unique referral URL issued to the Participant is used by a new participant to sign up for the Crowdsale, the Participant will receive additional MSP Tokens

("**Referral MSP Tokens**") to his/her account in the amount of 5% of the MSP Tokens purchased by the new participant(s) they referred.

7.2. The Referral MSP Tokens are the ones referred to in clause 4.4.3. of these Terms and Conditions. The remaining tokens which are minted in accordance with clause 4.4.3. of these Terms and Conditions, will be distributed to all the Participants, proportionate to the amount of new participants they referred that actually made purchases.

7.3. The Referral MSP Tokens shall be minted to the Participant's account within 5 business days following the End Date.

8. Crowdsale on the Mothership Smart Contract and Authorised Exchanges

8.1. Mothership shall conduct Crowdsale via the Mothership Smart Contract only.

8.2. If any third party website or service, which is not Mothership Smart Contract, takes payments for MSP Tokens during the Crowdsale, provides MSP Tokens during the Crowdsale, or facilitates purchases of MSP Tokens to Mothership in any way during the Crowdsale, then such third party websites or services are not in any way supported or endorsed by Mothership and have no relationship in any way to Mothership. Mothership shall accept MSP Tokens purchased from these third party websites or services after the Crowdsale,.

8.3. The only official and authorised Crowdsale website URL operated by Mothership is https://mothership.cx. The Participant shall ensure that the URL of his/her web browser indicates that it is using a hypertext transport protocol secure connection ("https") and that the domain name is correct.

8.4. The Participant shall not hold Mothership liable for any Loss arising out of, or in any way connected to the Participant's participation in the Crowdsale, purchase of MSP Tokens, or receiving and holding MSP Tokens in any manner other than via the Mothership Smart Contract during the Crowdsale.

9. Warranties and Acknowledgments of the Participant

9.1. The Participant warrants that:

9.1.1. He/She has the legal right and authority to enter into and perform his/her obligations under these Terms and Conditions;

9.1.2. He/She is not participating in the Crowdsale, purchasing MSP Tokens, receiving and holding MSP Tokens, or exchanging any cryptocurrency for MSP Tokens for the purpose of speculative investment;

9.1.3. He/She is not participating in the Crowdsale, purchasing MSP Tokens, or receiving and holding MSP Tokens for any illegal purpose;

9.1.4. He/She understands the use and intricacies of cryptocurrencies, cryptographic MSP Tokens and blockchain based software systems.

9.2. The Participant acknowledges and agrees that:

9.2.1. He/She shall take sole responsibility for any restrictions and risks associated with participating in the Crowdsale, purchasing MSP Tokens, or receiving and holding MSP Tokens, whether referred to in these Terms and Conditions, arising under any applicable law, or otherwise;

9.2.2. He/She is participating in the Crowdsale, purchasing MSP Tokens, and receiving and holding MSP Tokens to facilitate the development, testing, deployment and operation of Mothership Products;

9.2.3. The proposed outcomes of Mothership Products may not be achieved;

9.2.4. MSP Tokens may not provide the rewards envisaged;

9.2.5. He/She shall not hack into, interfere with, disrupt, disable, overburden or otherwise impair the proper working of the Website and/or Mothership Smart Contract;

9.2.6. He/She shall not violate or attempt to violate the security of the Website and/or Mothership Smart Contract;

9.2.7. He/She shall not access information or data which he/she is not authorised to access;

9.2.8. He/She shall not violate or attempt to violate the Referral Programme;

9.2.9. He/She shall promptly provide to Mothership, upon request, any relevant additional information, which Mothership may consider necessary for the purpose of providing services to the Participant; and

9.2.10. He/She shall ensure that any information or content he/she posts, or permits or causes to be posted on the Website and/or Mothership Smart Contract shall be non-confidential or non-proprietary unless expressly indicated otherwise, and not offensive, illegal, and that he/she will be responsible for all such information or content.

9.3. By participating in the Crowdsale the Participant shall agree to the following statements:

9.3.1. The participant represents that he or she is:

9.3.1.1. NOT an individual who is a resident of the United States of America, its territories or possessions, any state of the United States of America or the District of Columbia (hereinafter the "**USA**");

9.3.1.2. NOT a corporation, partnership or other legal entity formed under the laws of the USA;

9.3.1.3. NOT an agency, branch or office located in the USA of a corporation, partnership or other legal entity that was formed under laws other than those of the USA;

9.3.1.4. NOT a trust of which any trustee is described in sections 9.3.1.1 to 9.3.1.3.;

9.3.1.5. NOT a legal entity (i) the shares of which are not publicly traded on a securities exchange, and (ii) more than 45% of the shares of which are owned by or for the benefit of an individual or entity described in sections 9.3.1.1 to 9.3.1.4.;

9.3.1.6. NOT a member of any branch of the military of the USA; and

9.3.1.7. NOT an agent or a fiduciary acting on behalf or for the benefit of an individual or entity described in sections 9.3.1.1 to 9.3.1.6.

9.3.2. The Participant decision to purchase or subscribe for MSP Tokens was:

9.3.2.1. NOT based, at least in part, on information the Participate received or communications the Participate exchanged while the Participate, or the person providing the information or with whom the communication was exchanged, was within the USA;

9.3.2.2. NOT made inside the USA; and

9.3.2.3. NOT communicated to Mothership from a source within the USA.

9.3.3. The Participant purchase of MSP Tokens is:

9.3.3.1. Made for his/her own account as principal; and

9.3.3.2. Not preceded, and will not be followed within 2 days from the End Date, by any effort to create or condition a market for the MSP Tokens in the USA.

10. Warranties of Mothership

10.1. Mothership shall warrant and undertake that it shall not itself purchase or otherwise receive any MSP Tokens as a result of the Crowdsale, except for the MSP Tokens provided in the section 4.4.4. of these Terms and Conditions.

11. USA citizens

11.1. MSP Tokens are not offered to USA residents or citizens.

11.2. By participating in the Crowdsale, purchasing MSP Tokens , or receiving and holding MSP Tokens, the Participant shall represent and warrant that he/she is not a USA resident or citizen, and all the representations as laid out in section 9.3. are true and accurate.

12. Cancellation and Refund Policy

12.1. Mothership shall not be required to provide a refund for any reason, and the Participant shall not receive money or other compensation in lieu of a refund.

12.2. The Participant shall not have a right to withdraw from the Crowdsale between the Launch Date and End Date, or after the End Date.

12.3. All Purchases of MSP Tokens are final and non-refundable, unless the amount of 50'000'000 MSP Tokens shall not be reached at the End Date.

12.4. If fewer than 50'000'000 MSP Tokens are distributed to the Participants by End Date, the Crowdsale will be deemed unsuccessful, the Participant shall have a right for Refund. For Refund, the Participant must call refund function on Mothership Smart Contract, after that that the respective amount of ETH shall be automatically

transferred back to the Participant and respective amount of MSP Tokens shall be destroyed. Using refund is optional and not mandatory for Participant.

12.5. All costs connected with the Refund transactions shall be borne by respective Participant.

13. Exclusion of Liability

13.1. Mothership shall not be liable (whether in an action in negligence, contract or tort based on a warranty or otherwise) for any Loss even if Mothership or its representatives are advised of the possibility of such Loss, howsoever caused as a result, directly or indirectly, of or arising from or in connection with:

13.1.1. the Participant's participation in the Crowdsale, receiving and holding MSP Tokens;

13.1.2. any access, the use of, or inability to access or use, the Website and/or the Mothership Smart Contract;

13.1.3. the Participant's reliance on or use of or inability to use the content and information of the Website and/or the Mothership Smart Contract or any linked website;

13.1.4. any failure of performance, error, omission, interruption, defect, delay in operation or transmission, computer virus or line or system failure of the Website and/or the Mothership Smart Contract or any linked website;

13.1.5. the cost of procurement of substitute goods and services resulting from any goods, data, information or services purchased or obtained or messages received or transactions entered into through or from the Website and/or the Mothership Smart Contract;

13.1.6. unauthorised access to or alteration of the Participant's transmissions or data;

13.1.7. statements or conduct of any third party on the Website and/or the Mothership Smart Contract; or

13.1.8. any other matter relating to the Website and/or the Mothership Smart Contract.

14. No Waiver

14.1. The failure of Mothership to require or enforce strict performance of any provision of the Terms and Conditions or Mothership's failure to exercise any right under the Terms and Conditions shall not be construed as a waiver or relinquishment of Mothership's right to assert or rely upon any such provision or right (or any other provision and/or right contained this document in its entirety, as the case may be) in that or any other instance. The express waiver by Mothership of any provision, condition, or requirement of the Terms and Conditions shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement. Except as expressly and specifically set out in the Terms and Conditions, no representations, statements, consents, waivers, or other acts or omissions by Mothership shall be deemed a modification of the Terms and Conditions or be legally binding.

15.   Taxation

15.1.   Mothership shall not make any representations concerning tax implications of participating in the Crowdsale, purchasing MSP Tokens, or receiving and holding MSP Tokens.

15.2.   The Participant shall bear the sole responsibility for determining or assessing the tax implications of his/her participation in the Crowdsale, purchasing MSP Tokens, or receiving and holding MSP Tokens in all respects and in any relevant jurisdiction, and bear all relevant tax costs

15.3.   By participating in the Crowdsale, purchasing MSP Tokens, or receiving and holding MSP Tokens, to the extent permitted by applicable law, the Participant shall agree that no other party (including, without limitation, Mothership) may be held liable for any Loss arising out of, or in any way connected to, any tax liability the Participant may incur in connection with your participation in the Crowdsale, purchasing MSP Tokens, or receiving and holding MSP Tokens.

16.   "Know Your Customer" and Anti-Money Laundering Provisions

16.1.   Mothership shall reserve the right to conduct "Know Your Customer" and/or anti-money laundering checks and procedures on the Participant as required by the applicable laws.

16.2.   The Participant undertakes to submit to such checks and procedures, and provide all the information and confirmations requested by Mothership to that end. Should the Participant fail or refuse to provide the necessary information and confirmations requested by Mothership within the specified timeframe, Mothership may terminate the Participant's right to use the Website and provide services to that Participant.

17.   Force Majeure

17.1.   Mothership shall not be liable in any way for failure to perform due to any Force Majeure Event. By participating in the Crowdsale, purchasing MSP Tokens, or receiving and holding MSP Tokens, to the extent permitted by applicable law, the Participant shall agree that no other party (including, without limitation, Mothership) shall not be held liable for any Loss arising out of, or in any way connected to, any Force Majeure Event.

18.   Severability

18.1.   If any provision of the Terms and Conditions 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, which shall continue in full force and effect.

19.   Applicable Law and Jurisdiction

19.1.   The law of Republic of Estonia shall apply to these Terms and Conditions.

19.2.   All disputes resulting from these Terms and Conditions will be settled by the negotiations of the Parties. If the disputes resulting from these Terms and Conditions could not be settled by the negotiations of the Parties, the disputes will be finally solved in the Arbitration Court of the Estonian Chamber of Commerce and Industry in Tallinn (hereinafter "Arbitration Court") on the basis of the regulation of the Arbitration Court. The dispute will be settled proceeding from the Estonian law. The arbitral tribunal will be conducted in English.

20.   Miscellaneous

20.1.   If the Terms and Conditions are in conflict with the information provided on the Website or any other document, including, but not limited to the Mothership White Paper, the Terms and Conditions shall prevail.

20.2.   The Terms and Conditions, Website, or other documents may be translated into other languages. In case of a conflict between the English and translated version of the respected document, the English version shall prevail.

<div align="center">

ANNEX 1
Certain Risks Relating to Purchase, Sale, and Use of MSP Tokens

</div>

Important Note: As noted elsewhere in these Terms and Conditions, the MSP Tokens are not structured or sold as securities or any other form of investment product. Accordingly, none of the information presented in this Annex 1 is intended to form a basis for any investment decision, and no specific recommendations are intended. Mothership expressly disclaims any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from: (i) reliance on any information contained in this Annex 1, (ii) any error, omission or inaccuracy in any such information or (iii) any action resulting from such information.

By purchasing, owning, and using Tokens, you expressly acknowledge and assume the following risks:

1. **Risk of Losing Access to Tokens Due to Loss of Private Key(s), Custodial Error or your Error**

A private key, or a combination of private keys, is necessary to control and dispose of MSP Tokens stored in your digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your digital wallet or vault storing MSP Tokens will result in loss of such MSP Tokens. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet service you use, may be able to

misappropriate your MSP Tokens. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive and store MSP Tokens, including your own failure to properly maintain or use such digital wallet or vault, may also result in the loss of your MSP Tokens. Additionally, your failure to precisely follow the procedures set forth in for buying and receiving MSP Tokens, including, for instance, if you provide an incorrect personal wallet address, or provides an address that is not ERC-20 compatible, may result in the loss of your MSP Tokens.

2. **Risks Associated with the Ethereum Protocol**

Because MSP Tokens, Mothership Smart Contract and Mothership Products are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on the Mothership Products or MSP Tokens. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the MSP Tokens and the Mothership Products, including the utility of the MSP Tokens for obtaining Mothership Products, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol.

3. **Risk of Mining Attacks**

As with other decentralized cryptographic tokens based on the Ethereum protocol, the MSP Tokens are susceptible to attacks by miners in the course of validating MSP Token transactions on the Ethereum blockchain, including, but not limited, to double-spend attacks, majority mining power attacks, and selfish-mining attacks. Any successful attacks present a risk to the Mothership Products and the MSP Tokens, including, but not limited to, accurate execution and recording of transactions involving MSP Tokens.

4. **Risk of Hacking and Security Weaknesses**

Hackers or other malicious groups or organisations may attempt to interfere with Mothership Products, Mothership Smart Contract, Website or MSP Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because Mothership Smart Contract is based on open-source software, there is a risk that a third party or a member of the Mothership team may intentionally or unintentionally introduce weaknesses into the core infrastructure of Mothership Smart Contract, which could negatively affect Mothership Products, Mothership Smart Contract and the MSP Tokens.

5. **Risks Associated with Markets for MSP Tokens**

The MSP Tokens could be used for any secondary trading or external valuation of MSP Tokens since from the End Date. If secondary trading of MSP 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 third parties do ascribe an external exchange value to MSP Tokens (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile and diminish to zero.

6. **Risk of Uninsured Losses**

Unlike bank accounts or accounts at some other financial institutions, MSP 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 Mothership, to offer recourse to you.

7. **Risks Associated with Uncertain Regulations and Enforcement Actions**

The regulatory status of the MSP Tokens and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to such technology and its applications, including the Mothership Smart Contract, Mothership Products and the MSP Tokens. It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to law and regulation affecting distributed ledger technology and its applications. Regulatory actions could negatively impact the Mothership Smart Contract, Mothership Products and the MSP Tokens in various ways, including, for purposes of illustration only, through a determination that the purchase, sale and delivery of the MSP Tokens constitutes unlawful activity or that the MSP Tokens are a regulated instrument that require registration or licensing of those instruments or some or all of the parties involved in the purchase, sale and delivery thereof. Mothership 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.

8. **Risks Arising from Taxation**

Tax treatment of MSP Tokens is uncertain. You must seek your own tax advice in connection with purchasing MSP Tokens, which may result in adverse tax consequences to you, including withholding taxes, income taxes, indirect taxes and tax reporting requirements.

9. **Risks Associated with the Development and Maintenance of Mothership Products**

Mothership Products is still under development and may undergo significant changes over time. Although Mothership intends for the MSP Tokens and Mothership Products to function as described in Mothership Whitepaper, and intends to take commercially reasonable steps toward those ends, Mothership may have to make changes to the specifications of the MSP Tokens or Mothership Products for any number of legitimate reasons. Moreover, we have no control over how other participants will use the MSP Tokens, what products or services will be offered through Mothership Products by third parties, or how third-party products and services will utilise MSP Tokens (if at all). This could create a risk that MSP Tokens or Mothership Products, as further developed and maintained, may not meet your expectations at the time of purchase. Furthermore, despite our good faith efforts to develop Mothership Products, it is still possible that Mothership Products will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact Mothership Products and MSP Tokens, and the potential utility of MSP Tokens.

10. **Risk of an Unfavourable Fluctuation of ETH Value**

If the value of ETH fluctuates unfavourably during or after the Crowdsale, we may not be able to fund development, or may not be able to develop or maintain Mothership Products in the

manner that it intended. In addition to the usual market forces, there are several potential events which could exacerbate the risk of unfavourable fluctuation in the value of ETH, including uncertainties created by the lack of resolution to the bitcoin scaling debate, the possibility of a so-called "Hard Fork" of bitcoin if one of the competing camps in the scaling debate decides to force the issue; another "DAO-like" attack on the Ethereum network; or significant security incidents or market irregularities at one or more of the major cryptocurrency exchanges.

11. **Risks Arising from Lack of Governance Rights**

Because MSP Tokens confer no governance rights of any kind with respect to the Mothership, all decisions involving Mothership Products or Mothership itself will be made by Mothership at its sole discretion, including but not limited to, decisions to discontinue Mothership Products, to create and sell more MSP Tokens for use in Mothership Products, or to sell or liquidate Mothership. These decisions could adversely affect Mothership Products and the utility of any MSP Tokens you own.

12. **Risks Arising from the Identity Verification Market**

The identity verification industry, and by extension Mothership Products, is subject to a variety of state and international laws and regulations, including those with respect to Know Your Customer and/or Anti-Money Laundering 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 Mothership Products could be enacted, which could impact the utility of the MSP Tokens. Additionally, Mothership Products users are subject to industry specific laws and regulations or licensing requirements. If any of these parties fails to comply with any of these licensing requirements or other applicable laws or regulations, or if such laws and regulations or licensing requirements become more stringent or are otherwise expanded, it could adversely impact Mothership Products and the MSP Tokens.

13. **Unanticipated Risks**

Cryptographic tokens such as MSP Tokens are a new and untested technology. In addition to the risks included in this Annex 1, there are other risks associated with your purchase, possession, and use of the MSP Tokens, including unanticipated risks. Such risks may further materialise as unanticipated variations or combinations of the risks discussed in this Annex 1.