

# ASSET TOKEN OFFERING TERMS

## TREE and TXC Token Creation / Asset Token Offering Terms and Explanatory Note [1]

### 1. General Principles and Definitions

#### 1.1 Definitions

#### 1.2 Global TREE Project and STO

1. Company intends to conduct a security token offering as described within these terms (STO). The Global TREE Project as such is described in the Global TREE Project Whitepaper. The description in the Whitepaper is not binding and may be adapted at Company's sole discretion. The present STO Terms govern the allocation of Company's two cryptographic tokens as well as the Contributions to Company. Based on the Contribution made and as defined in these Terms, several so-called TREE and TXC shall be allocated to Contributor. For a detailed description of the legal nature of TREE and TXC please see below, para. 12et seq. and para. 30et seq.

2. Company is active in the field of consulting, sourcing, developing, financing, staffing, planning, realizing, promoting and participating in ecologically sustainable projects. A dominating but not exclusive focus is set on the promotion and development of the Global TREE Project and the Global TREE Platform.

3. The Contributor understands and accepts that while the individuals and entities assigned to this task will make reasonable efforts to further develop and operate the Global TREE Project, it is possible that such development may fail and that the Global TREE Project, the Global TREE Platform, any TREE and/or any TXCs will become valueless due to commercial, technical, regulatory or any other reasons (see also section 10 regarding Risks). The Contributor is aware that the Global TREE Project and the Global TREE Platform are still under development and that – in particular due to commercial and regulatory reasons – their concept and functionality may undergo substantial changes and modifications in the future.

4. The Contributor is also aware of the risk that even if all or parts of the Global TREE Project and the Global TREE Platform are successfully developed and operated, due to a lack of public interest (in particular in the wood generated and/or the TXC as a mean of payment), the Global TREE Project and/or the Global TREE Platform could be fully or partially abandoned, remain commercially unsuccessful, or shut down for lack of interest or other reasons. The Contributor therefore understands and accepts that the Contribution to the Company and/or the allocation, use and ownership of

TREE and TXC carries significant business, financial, and/or regulatory risks (including the complete loss of value (if any) of TREE, TXC and attributed features)

5. Finally, Contributor understands and accepts that the TREE, the TXC, the TREE Wallet and the Global TREE Platform are based upon a third-party platform, the Ardor platform (<https://ardorplatform.org>), using its hard-coded Smart-Contracts. The Company is not involved in the development and maintenance of this platform and/or underlying blockchain and does not assume any liability deriving from technical failures or the inaccessibility of this platform and/or underlying blockchain.

### 1.3 Applicability and Scope of Terms

6. In the course of the Registration Process as described in section 4.3 below, Contributor must explicitly agree to the present Terms and to offer towards the Company to enter into an agreement based on the conditions defined within these Terms. Whether Company accepts this offer and enters into a contractual relationship with the Contributor lies in the sole discretion of the Company. By providing the Contributor with the required payment information and/or by creating a TREE Wallet for Contributor, Company accepts the offer made. By accepting the Terms and making the aforementioned offer to the Company, the Contributor expressly agrees to all of the terms and conditions set forth in the Terms and the Contributor further confirms to have carefully reviewed the Terms and fully understands the risks and costs of contributing to the Company.

7. By agreeing to the present Terms, the Contributor understands and accepts that the Contributions transferred to the Company for the allocation of TREE and TXC will be used to develop and promote the Global TREE Project. This in particular, but not conclusively, involves funding for the acquisition of land, its afforestation, the management of the forests as well as the sale of the wood generated. The information contained in the Whitepaper and on the Global TREE Project website ([www.treecycle.ch](http://www.treecycle.ch)) are of a descriptive nature only, are not binding and do not form part of the Terms as set forth hereinafter.

8. The creation of TREE and TXC, the final allocation of TREE and TXC, the assignment of the further operation and development of the Global TREE Project and the Global TREE Platform to Company as well as the relationship between the TREE, respectively TXC holders and Company will be governed by these Terms. No other document or communication may modify or add any additional obligations to the Company, the developer of the Global TREE Platform or any of its technical features including the TREE, respectively TXC, and/or any other persons and affiliates involved with the setting up of the Global Tree Project beyond those set forth in these Terms.

9. This document does not constitute a prospectus of any sort but is a description of the Global TREE Project and the contribution process.

10. The underlying rights of TREE are represented in the form of uncertificated securities according to art. 973c CO. Neither TREE, any related uncertificated

securities, nor TXC, have been or will be registered under any US federal or state securities laws. Neither TREE nor TXC (i) may be offered and sold in the United States and (ii) may be offered and sold outside the United States only to non-US persons (as defined in Regulation S under the US Securities Act of 1933, as amended, in compliance with Regulation S).

## 2. Functionality of TREE and Synchronization to Underlying Right

### 2.1 General Principle

11. The TREE qualifies as Asset Token under the FINMA ICO Guidelines.

12. TREE do not directly embody a right but are a proof of ownership and entitlement to an Underlying Right in the form of an uncertificated security registered in the Smart-Contract. The legal concept for transferring TREE is based on the transfer agreement (Vertragsübernahme). The transfer agreement is a contractual agreement which is concluded between the Company, all Contributors and all succeeding persons or entities creating a TREE Wallet and thus agreeing to the Terms.

13. A TREE represents an entitlement to an uncertificated security (Wertrecht) according to art. 973c CO. The uncertificated security contains a claim to a fraction of the Net-Proceeds of the Company related to the Global TREE Project (see section 2.3 below). Thereby, every TREE shall represent a separate Underlying Right in the form of an uncertificated security and every such Underlying Right is part of a separate contractual relationship between the relevant Contributor and the Company.

14. Contributor understands and agrees that the only way to dispose over the Underlying Right is by transferring the TREE within the designated Smart Contract to another whitelisted TREE Wallet. TREE can only be transferred to whitelisted TREE Wallets according to para. 46 et seq. below. Contributor is not allowed to dispose over its TREE, respectively the Underlying Right in any other way and such a disposal would be treated as being invalid.

### 2.2 Transfer Agreement

15. As part of the transfer agreement between the Company, the Contributors and all succeeding persons or entities creating a TREE Wallet, the Contributor agrees, that any transfer of a TREE as described herein, is deemed to be not only a transfer of the Underlying Right, but of the entire contractual relationship between the Company and the Contributor.

16. By transferring a TREE, the Contributor as current TREE holder (and counterparty to the Company) agrees to the transfer of the entire contractual relationship to the succeeding TREE holder respectively to the recipient of the TREE.

17. The Contributor as recipient of the TREE accepts this transfer by not returning the TREE to the sender, asserting any claims based on the Underlying Right or further transferring the TREE. In general, Contributor as recipient of a TREE herewith explicitly agrees to accept the corresponding transfer of the contractual relationship in case, he/she receives a TREE.

18. The Company, which via its onboarding process (see section. 4.3) controls who may send and who may receive TREE, herewith explicitly agrees to any such transfer of the contractual relationship from the sender of the TREE to the recipient of the TREE and accepts the fact that the later will become its creditor. Further, the Company authorizes every TREE holder transferring a TREE to act as its representative and to consent to the transfer of the contractual relationship on behalf of the Company by transferring the TREE.

19. Due to the novelty of the synchronization of a distributed-ledger-technology-based token with an underlying right, there is a risk that a transfer of the Underlying Right via a transfer agreement will not be qualified by a competent court as being sufficient and thus the transfer of the token does not lead to a transfer of the Underlying Right. For such a case, the Contributor authorizes the Company to dispose over his/her Underlying Right, respectively the uncertificated security, in his/her name by written assignment to the then current holder of the respective TREE.

## 2.3 Underlying Right

20. The only function of the TREE is to represent the entitlement to the Underlying Right and to enable the transfer of the contractual relationship towards the Company from the sender to the recipient of the TREE. All further entitlements of the Contributors, respectively future TREE holders are based on the Underlying Right. These Underlying rights are issued in the form of uncertificated securities, which come into existence with the registration of the obligations towards the Contributors in the uncertificated securities registry (Wertrechtbuch) of the Company. This uncertificated securities registry consists of information on the Ardor blockchain, respectively within the Smart-Contracts, which contains the first allocation of TREE towards the TREE Wallets of the identified Contributors.

21. The uncertificated securities contain the rights of the Contributors to a proportional part of the Net-Proceeds. All uncertificated securities represented by TREE jointly confer a right to receive 40% of these annual Net-Proceeds of the Company. The remaining 60% of the annual Net-Proceeds shall be reinvested into the Global TREE Project (acquisition of land and afforestation, 50%) and be used to support social projects (10%). If in the future, due to any reasons (e.g. scarcity of land available for reforestation etc.) no new land is acquired and afforested, the 50%

of the Net-Proceeds, which are reserved for such reinvestment, can also be allocated to the Contributors, respectively the succeeding TREE holders. The assessment and decision of (i) whether no new land can be acquired and afforested and (ii) whether all or a part of the 50% of the Net-Proceeds reserved for this purpose shall be allocated to the respective TREE holders, lies in the sole discretion of the Company.

22. The 40% participation in the Net-Proceeds will be paid directly to Contributors in the payment medium of their choice, namely, in the form of established digital currencies, fiat currencies, or TXC to the TREE Wallets of the Contributors, in proportion to the number of TREE held within the individual TREE Wallet.

23. The exchange rate between the Net-Proceeds, denominated in the currency as accrued and the chosen payment medium, is calculated by Company based on the sources as defined in para. 39 at the moment of the transfer to the TREE Wallets of the Contributors.

24. Banking transfer fees related to Net-Profit participation payments made in fiat currencies will be borne entirely by Contributors.

**25. There will only be a participation in the Net-Proceeds, if Company has made a net profit from the Global TREE Project. Contributor therefore explicitly understands and accepts that he/she has no entitlement to regular payments. Further, Contributor explicitly understands and accepts that due to nature of the Global TREE Project, the earliest possible moment where Net-Proceeds (if any) could be generated, is 5 years from the end of the STO.**

26. Contributor further understands and accepts that TREE do not represent or constitute any ownership rights or stake, shares or security or equivalent rights nor any rights to receive future revenues, shares or any other form of participation or governance rights in or relating to the Global TREE Project, the Global TREE Platform and/or the Company, other than defined in para. 12 et. seq. above. TREE do not create or confer any enforceable contractual or other obligations against any party (including Company or other developers, auditors, contractors or founders associated with the TREE, the Global TREE Project and/or Company), except the ones defined above in para. 12 et. seq.

27. In addition, the Contributor understands and accepts that he/she has no right to claim as holder of TREE any intellectual property rights, equity or equivalent rights or any other form of participation in or relating to the Global TREE Project, the Global TREE Platform and/or Company, other than defined in para. 12 et. seq. above.

## 2.5 Possible Future Modification of Synchronization Mechanism

28. The Contributor understands and expressly accepts that in case of a change of law or legal practice in Switzerland, which enables other possibilities to synchronize the TREE to the Underlying Right than those mentioned in para. 12 et. seq. above (e.g. if distributed-ledger-technology-based uncertificated securities can be

transferred directly without a written form requirement), Company may at its own discretion modify the mechanism of synchronisation. Unchangeable is only that a TREE holder shall be entitled to the Underlying Right as defined in section 2.3 above and that the TREE holders shall be able to dispose over these rights by transferring their TREE.

### 3. Functionality of the TXC

29. The TXC qualifies as Payment Token under the FINMA ICO Guidelines.

30. TXC are only for use in connection with the Global TREE Project under the terms of the Smart Contracts and only constitute a transferable representation of attributed functions specified in the Smart Contracts. The TXC has the functionality of an application settlement token and is required for transactions between the users of the Global TREE Platform. The intention is to establish an ecosystem within which TXC serve as a mean of payment.

31. In particular, the Contributor understands and accepts that TXC do not represent or constitute any ownership rights or stake, shares or security or equivalent rights nor any rights to receive future revenues, shares or any other form of participation or governance rights in or relating to the Global TREE Project, the Global TREE Platform and/or Company. The TXC does not create or confer any enforceable contractual or other obligations against any party (including Company or other developers, auditors, contractors or founders associated with Company and/or the Global TREE Project). Consequently, no synchronization between the TXC and any underlying right is required.

32. In addition, the Contributor understands and accepts that he/she has no right to claim as holder of TXC any intellectual property rights, equity or equivalent rights or any other form of participation in or relating to the Global TREE Project, the Global TREE Platform and/or Company.

### 4. Contribution Procedure

#### 4.1 General Provisions

33. **Qualification:** Any Contribution made to Company during the Contribution Periods as described below is qualified as a non-refundable payment in return for TREE according to the pricing schedule as set forth below (see para. 39).

34. **Initial Contribution Period:** The Initial Contribution Period starts on October 31, 2019, 00:00 CET and lasts until March 31, 2020, 23:59 CET.

35. **Ongoing Contribution Period:** The Ongoing Contribution Period starts on April 1st, 2020, 00:00 CET and continues for an indefinite time period until terminated by the Company.

**36. Accepted Funds:** The TREE and TXC are allocated by the Company to the TREE Wallet of the relevant Contributor. The Company accepts Contributions in BTC, ETH, CHF, EUR in exchange for the TREE and TXCs. Contributions to the Company made in BTC/ETH will be limited to a maximum per Contributor in the equivalent of 11 TREE (231 EUR). This limit will not apply to further Contributions made by the same Contributor using other accepted methods of payment (BTC, ETH, EUR, CHF).

**37. Contribution Freeze / Abort:** During any of the Contribution Periods, Company may at any time stop the contribution process for security reasons. As long as such contribution freeze is upheld or if the Contribution Periods are aborted, no further Contribution will be possible.

## 4.2 Structure of Contribution Process / Contribution Requirements

**38. Contribution Phases:** Within the Initial Contribution Period and the Ongoing Contribution Period, the contribution process is subdivided in five (any early contributions made, will not be considered for the calculation of the phases below and the calculation continues after the end of the Initial Contribution Period). From October 1st 2021, contribution phase 5 will apply:

- **Fifth Phase:** The fifth phase until the end of the Ongoing Contribution Period. During the fifth phase a Minimal Contribution Amount in the equivalent of EUR 105 (calculated as defined in para. 41 below) is required and Contributors, whose Contribution is part of the fifth phase will receive 5 TXC/purchased TREE without any other bonus TXC allocation.

**39. Pricing:** One TREE shall be allocated to the Contributor in return for a Contribution of the equivalent of EUR 21. The EUR prices indicated are related to the relevant exchange rate (EUR, BTC/EUR, ETH/EUR, CHF/EUR and USD/EUR) at the moment of the Contribution and as calculated by Company on a best effort basis using information deriving from <https://coinmarketcap.com/> (for ETH, BTC) as well as <https://www.finanzen.ch/waehrungsrechner> (for CHF and EUR). In addition to the TREE, Contributor receives together with every TREE a set amount of TXC and (if applicable) a bonus amount of TXC as defined in para. 38 above. In general, the Company generates 100 TXCs for every TREE, but only a set amount of TXCs will be allocated to the Contributor (as defined in para. 38 above.). The remaining TXCs will be retained by the Company and shall be used for the further development of the Global TREE Project, bug bounty and marketing expenses, TXC bonus allocations as well as an allocation to the founders of the Global TREE project (maximum 4% of the TXC created and not transferred to the founders for a duration of 5 years starting with the end of the STO). If a bonus allocation of TXC applies, the required TXC will be provided by the Company out of the TXC it retains.

**40. Early Contributions:** Before the start of the STO, the Company has already signed several early contribution agreements. These early Contributors shall receive a

special bonus regarding the amount of TREE and TXC allocated to them, as a remuneration for their early participation.

**41. Minimal Contribution Amount:** The minimal contribution amount per Contributor differs for the different phases and is defined in para. 38 above. In case a smaller Contribution is made, the Company rejects the Contribution and all corresponding costs must be borne by the transferring person.

**42. No Fragmentation of TREE:** Due to the synchronization of the TREE with the Underlying Right and the contractual relationship between the Contributor and Company, TREE cannot be fragmented. Therefore, only Contributions in the equivalent of EUR 21 or a multiple of 21 will be accepted (e.g. 42, 63 etc.). Any amount above the equivalent of EUR 21, respectively of a multiple of 21 will not be accepted by the Company and the exceeding part returned to the Contributor. All corresponding costs must be borne by the Contributor.

**43. No Refund:** The Contributor understands and accepts that all Contributions are final and may not be reversed. Contributions for TREE and TXCs are non-refundable. There are no claims for refunds of the Contributors, neither against Company, nor any other third-party. Subject to the above, by contributing to the Company, the Contributor acknowledges that he has no right to request a refund for any reason, and that he will not receive money or other compensation for any Contribution that is not used or remains unused.

**44. Wallet and Bank Account Requirements:** Company shall not be liable for any losses caused by the Contributor attempting to contribute from an exchange, smart contract or other non-standard single access address. Only wallet addresses and bank accounts which have been identified within the Registration as well as KYC/AML Process (see section 4.3) can be used to contribute to the Company. All transfers from non-identified wallet addresses and bank accounts are rejected (all corresponding transfer costs (e.g.) must be borne by transferring person).

### 4.3 Contributor Registration / Whitelisting of Wallets

**45. Regulatory Qualification:** Company qualifies as a financial intermediary according to the Swiss AMLA. Consequently, a registration process of the Contributors must be conducted which is in line with the AMLA requirements.

**46. Contributor Registration:** Each Contributor who intends to contribute during any of the Contribution Periods must complete a Registration Process before being able to participate. To conduct the Registration Process, the Company may charge a non-refundable processing fee to be paid by the Contributor independent of the result of the Registration Process. Upon successful registration and completion of the KYC/AML Process, the relevant ETH or BTC wallet address or the relevant bank account of the Contributor, which shall be used for the Contribution, is identified. Further, a TREE Wallet will be created for the Contributor which shall receive the

allocation of TREE and TXC and which is also linked to the identity of the Contributor (whitelisted TREE Wallet).

**47. Registration Process:** The access and general conduct of the Registration Process will be made by the Company. The registration process details and requirements are fully at the discretion of the Company. These details and requirements will be set out on [www.treecycle.ch](http://www.treecycle.ch). The registration will be done on a first come first served basis.

**48. KYC/AML Partner / KYC/AML Process:** During the registration process conducted by the Company, also a KYC/AML Process must be completed, which is conducted by the Company and Intrum AG, with legal seat in 8603 Schwerzenbach (KYC/AML Partner). Before the KYC/AML Process has been successfully completed, no Contribution can be made by the respective Contributor, nor can a TREE Wallet be created. The KYC/AML Process details and requirements are fully at the discretion of the KYC/AML Partner and Company. These details and requirements will be set out on [www.treecycle.ch](http://www.treecycle.ch). Company and/or KYC/AML Partner reserve the right to exclude specific jurisdictions from the KYC/AML Process.

**49. Finalisation of Registration and KYC/AML Process / Use of Data:** Upon successful completion of the Registration and KYC/AML Process, the Contributor will be able to initiate the contribution process via the wallet address or bank account that has been identified and linked to his/her identity. The Contributor acknowledges and understands that the Registration and KYC/AML Process is laborious, and it may take time to process the Contributor's registration. The Contributor understands and accepts that due to the duration of the KYC/AML process it might be that his/her Contribution does not lead to a bonus allocation of TXC as defined in para. 39 above. Further, the Contributor understands and accepts that the personal information provided for the Registration, as well as the KYC/AML Process will be assessed by Company as well as the KYC/AML Partner and that Contributions may be rejected. Company and/or KYC/AML Partner may act at their own discretion and have no obligation to explain or justify any rejection of a Contribution. Company and/or KYC/AML Partner will not accept any anonymous accounts. The records used to identify the Contributors will be retained according to the legal requirements (see also general data privacy statement under section 11 below).

**50. Compliance with regulatory requirements:** To comply with regulatory requirements in accordance to applicable laws, the Company reserves the right to, at its sole discretion, exclude specific jurisdictions from the KYC/AML Process, to request additional information from Contributors, to amend these Terms and/or to limit in other ways the access to registrations and/or the possibilities to provide Contributions. Such amendments may lead to separate and/or additional applicable Terms for particular jurisdictions, which may deviate with regard to both legal and/or commercial content from the terms and conditions set forth in these Terms.

## 5. TREE and TXC Allocation

51. **Maximal amount of TREE Token:** There is no predefined maximum amount.

52. **Allocation of TREE and TXC for Contributions made in the Initial Contribution Period:** The TREE and TXC will be allocated after the end of the Initial Contribution Period by the Company to the whitelisted TREE Wallet of the Contributors and based on the pricing as defined in para. 39 above. An allocation to a non-whitelisted TREE Wallet is excluded.

53. **Allocation of TREE and TXC for Contributions made in the Ongoing Contribution Period:** The TREE and TXC will be allocated by the Company to the whitelisted TREE Wallet of the Contributors and based on the pricing as defined in para. 39 above within 10 (ten) days after the Contribution from the Contributor has been received by the Company. An allocation to a non-whitelisted TREE Wallet is excluded.

54. **Limited Transferability of TREE, respectively TXCs:** TREE and TXCs will become transferable upon their allocation by the Company. However, it must be noted that they can only be transferred by the Contributors to whitelisted TREE Wallets. Any person which would like to obtain TREE, respectively TXCs from an existing TREE holder, respectively TXC holder, must obtain first a whitelisted TREE Wallet and undergo the Registration Process as outlined in section 4.3 above. Further, TREE cannot be split and must be transferred as a whole.

## 6. TREE Wallet and Control over Private Keys

55. The Contributor understands that if his private key is lost or stolen, the TREE, respectively TXCs associated with the Contributor's TREE Wallet will be unrecoverable and will be permanently lost. Furthermore, the Contributor understands that there are no recovery mechanisms for lost keys, so no entity will be able to assist the Contributor retrieve or reconstruct a lost private key or provide the Contributor with access to any lost TREE, respectively TXCs.

## 7. Global TREE Project Status / Further Project Execution

56. All Contributions made to the Company made in crypto assets will be held for security reasons in multisignature wallets, whose keys will be controlled by authorized officers of the Company. Contributions made in FIAT will be held on bank accounts of the Company. It lies in the sole discretion of the Company whether it holds the Contributions received in their original form or exchanges them.

57. All Contributions made to the Company will be used in order to further develop the Global TREE Project. The Company is free to engage subcontractors, agents or any other form of partners for the operation of its business activities deriving from

the Global TREE Project. The choice of these partners is made by the Company at its sole discretion.

58. The Contributor understands and accepts that he may not have any expectation of influence over governance of the Company, in particular, there are no voting rights for TREE holders.

## 8. Representations and Warranties of Contributor

59. The Contributor understands and accepts that neither the TREE, nor the TXC represent or constitute any ownership right or stake, share or security or equivalent right in or relating to Company, the Global TREE Project, the Global TREE Platform and/or any software, any public or private company, corporation, entity or property, except as defined in para. 12 et. seq. above.

60. By contributing to the Company and/or by receiving, using and holding of TREE, respectively TXC, the Contributor represents and warrants that:

- a. the Contributor is not a citizen or resident of the United States of America, nor a person subject to US taxation based on the Foreign Account Tax Compliance Act (FATCA), nor of any country, whose legislation conflicts with the present allocation of TREE, respectively TXC and/or the Global TREE Project in general.
- b. the Contributor confirms not to be resident of, citizen of or located in a geographic area that is subject to UN-, US-, EU-, Swiss or any other sovereign country sanctions or embargoes.
- c. the Contributor 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.
- d. the Contributor confirms that any funds used for the Contribution are: (a) good, clean, clear and are of non-criminal origin; (b) completely free and clear of any liens or encumbrances of any kind of any rights of third-party interests; and (c) have no origins that may be connected to any breach of money laundering regulations whatsoever, as defined in the jurisdiction of origin, or internationally.
- e. the Contributor confirms that all information provided within any Registration Process linked to his Contribution is true and accurate and the Contributor is making a Contribution and is being allocated the TREE, respectively the corresponding Underlying Rights and/or TXC, not as a nominee or agent, and not with a view to, or for reallocation in connection with, the distribution thereof, and the Contributor has no present intention of reallocating, granting any participation in, or otherwise distributing the same; and

- f. the Contributor understands and agrees that he is not entitled to sell, donate, pledge or transfer in any other way TREE, respectively TXC to persons as defined in para. 60 (a-c) above.
- g. the Contributor has a deep understanding of the functionality, usage, storage, transmission mechanisms and intricacies associated with cryptographic tokens, like bitcoin (BTC) and ether (ETH), and blockchain-based software systems.
- h. the Contributor has such knowledge and experience in financial and business matters that the Contributor is capable of evaluating the merits and risks of making a Contribution and being allocated the TREE, respectively TXC, respectively the corresponding Underlying Rights, is able to incur a complete loss of the Contribution without impairing the Contributor's financial condition and is able to bear the economic risks associated therewith for an indefinite period of time.
- i. the Contributor is legally permitted to receive and hold and make use of TREE, respectively TXC in the Contributor's jurisdiction, the Contributor is legally permitted to receive software, to contribute to the Company and to become entitled to the Underlying Rights.
- j. the Contributor is of a sufficient age to legally obtain TREE, respectively TXC.
- k. the Contributor will take sole responsibility for any restrictions and risks associated with the receiving and holding of TREE, respectively TXC.
- l. the Contributor is not contributing to Company to obtain TREE, respectively TXC for the purpose of speculative investment.
- m. the Contributor is not obtaining or using TREE, respectively TXC for any illegal purposes.
- n. the Contributor understands and accepts that participation in the Contribution does not involve the purchase of ownership rights or stake, shares or security or equivalent rights nor any rights to receive future revenues, shares or any other form of participation or governance rights in or relating to the Global TREE Project, the Global TREE Platform and/or the Company, other than defined in para 12 et. seq. above. TREE, respectively TXC do not create or confer any enforceable contractual or other obligations against any party (including Company or other developers, auditors, contractors or founders associated with the TREE, respectively TXC, the Global TREE Project and/or the Company), except the ones defined above in para. 12et. seq.
- o. the Contributor understands that submitting Contributions to the Company, the allocation and distribution of TREE, respectively TXC and the development of the Global TREE Project carries significant financial, regulatory and reputational risks as further set forth in section 10.
- p. the Contributor understands that the Contributor has no right against any party to request any refund of Contributions submitted the Company for the allocation of the TREE, respectively TXC under any circumstance.
- q. the Contributor waives the right to participate in a class action lawsuit or a class wide arbitration against any entity or individual involved with the Contribution to the Company, with the allocation of TREE, respectively TXC

and with the operation of the Global TREE Project and the Global TREE Platform.

- r. the Contributor understands and accepts that the business model and the operative activities of the Global TREE Project, the Global TREE Platform and the related business concept of the Company may need to go through substantial adaptations in the future as part of which it may become subject of significant conceptual, commercial and technical changes.
- s. The Contributor understands and expressly accepts that there is no warranty whatsoever on TREE, respectively TXC and/or the success of the Global TREE Project, the Global TREE Platform as well as Company, expressed or implied, to the extent permitted by law, and that TREE, respectively TXC is created and obtained at the sole risk of the Contributor on an “as is” 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.
- t. the Contributor understands and expressly accepts that the Contributor has no entitlement to regular payments, that there might be no distributable Net-Proceeds at the end of a business year and that – due to nature of the Global TREE Project – the earliest possible moment where Net-Proceeds (if any) could be generated is 5 years from the end of the STO.
- u. the Contributor understands and accept that regarding TREE, respectively TXC no access to exchanges, nor market liquidity may be guaranteed and that the value of TREE, respectively TXC over time (if any) may experience extreme volatility or depreciate in full. In particular, the Contributor understands and accepts that there is no guarantee that the TREE, respectively TXC will be listed on an exchange.
- v. the Contributor acknowledges and understands that Company may at its discretion at any time change the name of TREE and/or TXC and/or its symbol. The Company shall use all reasonable efforts to ensure that such change of name and/or symbol will not adversely affect the rights of the Contributor or the TREE, respectively TXC held by the Contributor.
- w. the Contributor understands that the Contributor bears the sole responsibility to determine if:
  - the Contribution to Company;
  - the allocation, use or ownership of TREE, its Underlying Right and/or TXC;
  - the potential appreciation or depreciation in the value of TREE, its Underlying Right and/or TXC over time (if any);
  - the sale and purchase of TREE and/or the TXC;
  - the receipt of a part of the Net-Proceeds; and/or
  - any other action or transaction related to the Global TREE Project, respectively the Global TREE Platform; have tax implications.
- x. By contributing to the Company and/or by receiving, using or holding TREE, respectively TXC, respectively the Underlying Right, and to the extent permitted by law, the Contributor agrees not to hold any associated party (including developers, auditors, contractors or founders) liable for any tax liability associated with or arising from the Contribution to the Company, the

allocation, use or ownership of TREE, respectively the Underlying Right, TXC or any other action or transaction related to the Company and the Global TREE Project.

## 9. Audit of the Smart Contract System

61. The Smart Contracts have been, on a reasonable effort basis, audited and approved by technical experts regarding their functionality. The technical experts have further confirmed that the Smart Contracts have, regarding both accuracy and security, been programmed according to the current state of the art.

62. However, the Contributor understands and accepts that the used software and 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 raises the level of security and accuracy, the Contributor understands and accepts that the audit does not amount to any form of warranty, including direct or indirect warranties that the Smart Contracts are fit for a particular purpose or do not contain any weaknesses, vulnerabilities or bugs which could cause, inter alia, the complete loss of the Contribution made and/or TREE, respectively TXC.

## 10. Risks

63. The Contributor understands and accepts the risks in connection with the Contribution to the Company, and/or with the allocation, use and ownership of TREE, respectively the Underlying Right and/or the TXC, as exemplary set forth above and hereinafter. In particular, but not concluding, the Contributor understands the inherent risks listed hereinafter:

- Operational and Environmental Project Risks: The Contributor understands and accepts that the Global TREE Project is subject to various operational risks which may prevent the generation of any Net-Proceeds from the Global TREE Project. In particular, but not conclusively force majeure events (such as, but not limited to, fires, explosions, earthquakes, cyclones, hurricanes, floods, droughts or such other extreme weather or environmental conditions), plant diseases, climate changes, temporarily or permanently insufficient workforce, temporary or permanent unavailability of proper infrastructure, theft of machinery, equipment and/or wood.
- Market Related Project Risks: The Contributor understands and accepts that the Global TREE Project is subject to various market related risks which may prevent the generation of any Net-Proceeds from the Global TREE Project. In particular, but not conclusively volatility of wood prices, collapse of the wood market, lack of demand regarding the wood as generated.

- **Political Project Risks:** The Contributor understands and accepts that the Global TREE Project is subject to various political risks. In particular, but not conclusively political opposition, expropriations, industrial actions, unrest, war, hostilities (whether war be declared or not), invasion, act of foreign enemies, mobilisation, requisition, embargo, rebellion, revolution, insurrection, or military or usurped power, civil war, any acts or threats of terrorism.
- **Legal and Regulatory Project Risks:** The Contributor understands and accepts that the Global TREE Project is subject to various legal and regulatory risks. In particular, but not conclusively, regulations in land ownership, forestation, environmental protection and timber trade.
- **Risk of abandonment / lack of success:** The Contributor understands and accepts that the Global TREE Project as well as the Global TREE Platform may be abandoned for several reasons including, but not limited to, lack of interest from the public, lack of funding, or lack of commercial success or prospects (e.g. caused by competing projects). The Contributor therefore understands that there are no assurances, even if the Global TREE Project is fully or partially developed and operative, that the Contributor will receive any benefits through the TREE (respectively deriving from the Underlying Right) and/or TXC held.
- **Risk of withdrawing partners:** The Contributor understands and accepts that the STO and the feasibility of the Global TREE Project as a whole depends strongly on the collaboration of local partners in Paraguay, banks and other crucial partners of Company, especially the users of the Global TREE Platform. The Contributor therefore understands that there is no assurance that the STO will take place as foreseen and that the Global TREE Project and/or the Global TREE Platform as a whole and/or the business model of Company will be successfully executed.
- **Risk of software weaknesses:** The Contributor understands and accepts that the underlying software application and software platform, the Global TREE Platform, any Software used for the contribution process and other involved software, technology, technical concepts and theories are still in an early development stage and unproven, why there is no warranty that the process for receiving, use and ownership of TREE, respectively TXC will be uninterrupted or error-free and why there is an inherent risk that the software, related technologies and theories could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of TREE, respectively potential loss of access to the Underlying Right and/or TXC.
- **Regulatory risk:** The Contributor understands and accepts that the blockchain technology allows new forms of interaction. There is a

possibility that certain jurisdictions will apply existing regulations, or introduce new regulations addressing blockchain technology based applications, which may be contrary to the current legal and/or technical set-up and which may, inter alia, result in substantial modifications of the Global TREE Platform, the Global TREE Project, the setup or execution of the Contribution process and/or the business model of the Company, including its termination and the loss of the TREE, respectively devaluation of the Underlying Rights and/or TXC for the Contributor.

- Risk of legal qualification: The Contributor understands and accepts that the legal structure of asset tokens is relatively new, and no relevant prejudices are available. Therefore, the risk remains that a court may come to the conclusion that the Underlying Right cannot be transferred validly by transfer of the TREE alone. In this case Company would try to implement alternative solutions. However, this will be made on a best effort basis and success cannot be guaranteed.
- Third party risks: Company will use third parties as service providers for certain aspects of the contribution process (e.g. KYC/AML Provider), as well as the TREE Wallet, TREE, TXC and Global TREE platform technology (Ardor blockchain). Company has no visibility into, or possibility to control, the software or mechanisms used by such third party, and cannot verify or guarantee the proper functionality of the third-party software or operations.
- Risk of loss of private key: TREE, respectively TXC can only be accessed by using a whitelisted TREE Wallet with a combination of Contributor's account information (public address) and private key. The Contributor understands and accepts that if his/her private key file or password were lost or stolen, the allocated TREE, respectively TXC associated with the Contributor's account (public address) would be unrecoverable and would be permanently lost. Company has no control over the TREE, respectively TXC; therefore, the Contributor shall have no recourse to seek any refunds, recovery or replacements from Company in the event that TREE, respectively TXC are lost or stolen.
- Risk of theft: The Contributor understands and accepts that the underlying software application and software platform, the Global TREE Platform, the Contribution Software, other involved software, other technology components and/or platforms may be exposed to attacks by hackers or other individuals that could result in theft or loss of TREE and/or TXC, or the theft or loss of contributed funds, impacting the ability to develop and maintain the Global Tree Project.
- Risk of Insufficient Token Liquidity / Loss of Value: The Contributor understands that regarding the TREE and/or TXC no access to exchanges or market liquidity may be guaranteed and that the value (if any) of the

tokens over time may experience extreme volatility or depreciate resulting in loss that will be borne exclusively by the Contributor.

## 11. Data Privacy Policy

64. This Privacy Policy applies to information collected by Company and/or KYC/AML Partner or any other person or entity assigned by Company to collect such data from Contributors, users of the website at [www.treecycle.ch](http://www.treecycle.ch), online services (especially those of the KYC/AML Partner), recipients of emails, or when otherwise interacting with the Company.

65. By voluntarily providing personal data to the Company and/or KYC/AML Partner or any other person or entity assigned by Company to collect such data, the Contributors are consenting to the use of it in accordance with this Privacy Policy and the applicable data protection laws. Contributors providing personal data to Company and/or KYC/AML Partner or any other person or entity assigned by Company to collect such data, acknowledge and agree that such personal data may be transferred from their current location to the offices and servers of the Company and the authorized third parties, some of whom may be located outside the Contributors country. As far as necessary for the fulfilment of regulatory and compliance obligations, contributor's personal data may be transmitted to third parties, e.g. to KYC/AML Partner, Banks etc. The Company will only transfer personal data to countries for which the EU Commission or the Federal Data Protection and Information Commissioner (FDPIC) has decided that they have an appropriate level of data protection, or the Company will implement measures to ensure that all recipients comply with an appropriate level of data protection.

66. Company and/or the KYC/AML Partner or any other person or entity assigned by Company to collect such data may collect information that is provided by Contributors, including in particular but not conclusively:

- first name and last name respectively company name, email address, bank account details, wallet address, mobile phone number, tax identification number or other government-issued ID number, date of birth, physical address, country of residence and citizenship / legal seat, tax residence, contact persons (if Contributor is a legal entity), currency preference, information on financial background (range of income/assets) such as when an account has been created, a profile completed or a request for support submitted, to Company and all further data deriving from the identification documents that have to be provided, such as passport/ID copies, extracts from commercial register, video files of the onboarding interview for the purpose of identification, etc.;
- KYC background check reports as well as blockchain analysis reports of the used wallets by KYC/AML Partner;

- information about transactions Contributor completes using the services of the Company and/or KYC/AML Partner, including the amount of funds associated with a transaction, the type of transaction executed, source of funds/source of wealth and other related information.

67. Company and/or the KYC/AML Partner or any other person or entity assigned by Company to collect such data uses reasonable physical, electronic, organizational and procedural safeguards to protect the personal information obtained from Contributors from loss, misuse, and unauthorized access, disclosure, alteration, and destruction. Please note that Company and/or the KYC/AML Partner or any other person or entity assigned by Company to collect such data are not responsible for the security of any data transmitted over the Internet, or any data stored, posted, or provided directly to a third party's website, which is governed by that party's policies. Please note that no method of transmission over the Internet or method of electronic storage is 100% secure.

68. The time periods for which Company retains personal data depends on the purposes for which it is used. Company and/or the KYC/AML Partner or any other person or entity assigned by Company to collect such data may retain information about Contributors in their databases for as long as Contributors registration and whitelisted TREE Wallet address is active or as needed to provide the described services and in accordance with applicable laws. The retention and use of personal information by Company and/or the KYC/AML Partner or any other person or entity assigned by Company to collect such data will be as necessary to comply with legal obligations, resolve disputes, and enforce agreements. The retention period may extend beyond the end of the relationship between the parties, but it will be only as long as it is necessary for Company to have sufficient information to respond to any issues that may arise later. For example, Company and/or the KYC/AML Partner or any other person or entity assigned by Company to collect such data may need or be required to retain certain information to prevent fraudulent activity, protection against liability, permit itself to pursue available remedies or limit any damages that the Company and/or the KYC/AML Partners or any other person or entity assigned by the Company to collect such data may sustain, or if a law, regulation, rule or guideline requires it.

69. The Company will respond to a request for access to information collected about Contributors within the time frame required by applicable law. Any such requests shall be made exclusively to:

*Global TREE Project AG, Rothusstrasse 23, 6331 Hünenberg, CH, support@treecycle.ch*

## 12. Taxation

70. The Contributor bears the sole responsibility to determine if his Contribution to the Company, the allocation, use or ownership of TREE, respectively the Underlying Right, the TXC the potential appreciation or depreciation in the value of TREE, respectively the Underlying Right and/or TXC over time (if any), the sale and

purchase of TREE, respectively the Underlying Right, the receipt of payments based on this Underlying Right, TXC and/or any other action or transaction related to the Global TREE Platform have tax implications for him.

71. The Company has obtained a tax ruling from the Federal Tax Authorities in Switzerland regarding the corresponding tax consequences of Contributions and agreed pay-outs of Net Proceeds. It was confirmed that Contributions to the Company based on the STO are not be subject to Swiss Stamp Duty (Emissionsabgabe) or Swiss VAT. In addition, agreed pay-outs of Net-Proceeds to TREE holders based on the Underlying Right are not subject to Swiss VAT or, under certain conditions, are not subject to Swiss Withholding Tax (withholding tax).

72. However, if the shareholders of the company hold more than 50% of the TREE Tokens at the time of the pay-out, there is a risk that such payments would be subject to 35% Swiss Withholding Tax according to the current practice of the Federal Tax Authorities. In particular but not conclusively, the Contributor accepts and understands that in such case, the Withholding Tax would be withheld by the Company from the gross amount and be paid to the Swiss Federal Tax Authorities. The Withholding Tax would be refundable in full to an individual Swiss resident who receives a payment if such resident is the beneficial owner of the payment and duly reports the gross amount received on his personal tax return. The Withholding tax would also be refundable in full to a legal entity resident in Switzerland if such entity is the beneficial owner of the payment and duly records the income. Non-resident TREE holders may be entitled to partial refund of the Withholding Tax according to applicable double tax treaties and subject to respective procedures and formalities.

73. The company confirms that there shall be a shareholder agreement put in place which prevents that shareholders of the company hold collectively more than 50% of the TREE Tokens at any time.

## 13. No Liability

74. The Contributor acknowledges and agrees that, to the fullest extent permitted by any applicable law, the Contributor will not hold Company, the Global TREE Project team, any developers, auditors, contractors or founders of the Global TREE Project, the Company and/or the Global TREE Platform liable for any and all damages or injury whatsoever caused by or related to the use of, or the inability to use, the Contribution Software, the TREE and/or TXC, the Global TREE Platform or the lack of profits of the Global TREE Project 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 the Global TREE Project team, developers, auditors, contractors or founders of the Contribution Software, the TREE and/or the TXC or the Global TREE Platform, as well as the owners, directors, officers, employees and independent service providers of the Company 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 the Contribution Software, the TREE, the TXC, the Global TREE Platform or the lack of profits of the Global TREE Project.

75. The Contributor further specifically acknowledges that developers, auditors, contractors or founders of the Contribution Software, the TREE, the TXC or the Global TREE Platform, as well as the Global TREE team, the owners, directors, officers, employees of Company and independent service providers are not liable, and the Contributor agrees not to seek to hold them liable, for the conduct of third parties, including other creators of TREE and/or TXC, and that the risk of creating, holding and using TREE and/or TXC rests entirely with the Contributor.

76. By receiving, holding or using TREE and/or TXC, and to the extent permitted by law, the Contributor agrees not to hold any third party (including Global TREE Project team, developers, auditors, contractors or founders) liable for any regulatory implications or liability associated with or arising from the allocation, ownership or use of TREE, TXC or any other action or transaction related to the Global TREE Project.

## 14. Miscellaneous

77. The Contributor 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.

78. The Terms govern the Contributions to the Company as well as the allocation, use and holding of TREE, respectively TXC and supersede any public statements about the launch of the Global TREE Project, the business model of Company and/or the TREE, respectively TXC made by anyone in the past, present and future.

79. By accepting these Terms, the Contributor agrees to future amendments made on their content which are, in the view of the Company, required to comply with regulatory obligations.

80. The applicable law is Swiss law. Any dispute arising out of or in connection with the creation of the TREE, TXC and the development and execution of the Global TREE Project, as well as arising out of the Underlying Right, shall be exclusively and finally settled by the ordinary courts of Zug.

[1] Any and all (intellectual property) rights, in particular copyright, relating to these Terms, both in whole and in part are the exclusive property of Company.