

## Terms and Conditions

The following Terms and Conditions govern the sale of a cryptographic token by the name of Protex Token (PTX) which is intended to be used as an integral part of the Protex Platform.

- ❖ **BEFORE PURCHASING ANY PTX WE RECOMMEND CONSULTING THE LAWS AND REGULATIONS FOR INVESTING IN YOUR JURISDICTION.**
- ❖ **DO NOT PURCHASE PTX IF YOU ARE NOT AN EXPERT IN DEALING WITH CRYPTOGRAPHIC TOKENS AND BLOCKCHAIN-BASED SOFTWARE SYSTEMS.**

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

Persons interested in purchasing PTX in the token sale are supporting the development of the Protex Platform, and to prepare for their eventual use on the Protex Platform when it is launched. Individuals, businesses and other organizations should carefully weigh the risks, costs, and benefits of acquiring PTX early in the token sale versus waiting until the entire Protex Platform is fully established, registered and regulated where this is required.

Ownership of PTX carries no rights expressed or implied. Purchases of PTX are non-refundable. Purchasers should have no expectation of influence over governance of the platform. By participating in the PTX token sale, you expressly acknowledge and represent that you have carefully reviewed the Terms and Conditions and fully understand the costs and benefits of purchasing PTX and agree to be bound by what is stated. You further represent and warrant that, to the extent permitted by law, you are authorized to purchase PTX in your relevant jurisdiction, are of a legal age to be bound by these Terms and Conditions, and will not hold Protex, LLC, its parent and affiliates, and the officers, directors, agents, joint ventures, employees and suppliers of PTX, now or in the future and any other member of the Protex Team liable for any losses or any special, incidental, or consequential damages arising out of, or in any way connected to the sale of PTX.

Purchasers must understand and accept that while the individuals and entities, including Protex, assigned to this task will make efforts to develop and complete the Protex platform, it is possible that such development may fail and purchased PTX become useless and/or valueless due to technical, commercial, regulatory or any other reasons (see also **Risks** section below). The purchaser is also aware of the risk that even if all or parts of the Protex Platform are successfully developed and released in full or in parts, due to a lack of public interest, the Protex Platform could be fully or partially abandoned, remain commercially unsuccessful or shut down for lack of interest, regulatory or other reasons.

Purchases of PTX should be undertaken only by individuals, entities, or companies that have significant experience with, and understanding of, the usage and intricacies of cryptographic tokens and blockchain-based software systems. Purchasers should have functional understanding of storage and transmission mechanisms associated with other cryptographic tokens. While members of the Protex Team will be available to assist purchasers of PTX during the token sale and subsequent sales, the Protex Team will not be responsible in any way for loss of BTC, ETH, or PTX resulting from actions taken by, or

omitted by purchasers. If you do not have such experience or expertise, then you should not purchase PTX or participate in the sale of PTX.

Prior to purchasing PTX, purchasers should carefully consider the terms listed above and, to the extent necessary, consult an appropriate lawyer, accountant, tax professional or technology consultant. If any of the stated terms are unacceptable to purchaser, they should not purchase PTX. By purchasing PTX, and to the extent permitted by law, purchasers are agreeing not to hold any member of the Protex Team liable for any losses or any special, incidental, or consequential damages arising from, or in any way connected, to the sale of PTX, including losses associated with the terms set.

## **Risks**

While Protex's model is intended to mitigate risk, buying, holding and storing virtual currencies still involves a degree of risk including technology, cybersecurity and legal risk. You should consider carefully the risks and uncertainties described below before deciding whether to purchase Protex tokens. The risks and uncertainties described below are not an exhaustive list. If any of the following risks actually occurs, the business, financial condition, results of operations, and future prospects could be materially and adversely affected. In that event, the market price of Protex tokens could decline. Some significant risks include:

- Action by governments in one or multiple jurisdictions that affects the use of virtual currencies, including subjecting virtual currencies to laws and regulations not currently proposed or in effect.
- The volatility of virtual currency prices which could lead to a rapid change in the value of PTX, including a sharp decline in value.
- The potential failure to attract and retain users of PTX thus restricting volume, and potentially, price.
- Unexpected transfer restrictions resulting from new laws and regulations not currently proposed or in effect.
- The tax characterization of PTX is uncertain. This may result in adverse tax consequences to anyone who purchases and holds PTX tokens, including withholding taxes, income taxes and tax reporting requirements. Anyone who purchases or holds PTX tokens must seek their own tax advice.
- No guarantee that PTX will be tradeable on any exchange which is not part of the Protex Token sale.
- Restricted, limited or no liquidity for Protex which would affect the value of PTX, including a sharp decline in value.
- The technology underpinning digital assets, exchanges and wallets is recent and still developing. Cybersecurity breaches could occur and result in a complete loss of digital assets including PTX.

- A private key, or a combination of private keys, is necessary to control and dispose of PTX tokens stored in your digital wallet. Accordingly, loss of requisite private key(s) associated with your digital wallet will result in loss of PTX.
- Hackers or other malicious groups or organizations may attempt to interfere with Protex in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing.
- The malfunction, breakdown and/or abandonment of blockchain, Bitcoin or Ethereum protocols which underpin PTX will have an impact on PTX which is not quantifiable but could include the complete loss of PTX. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to PTX and the Protex business.
- As with other decentralized cryptographic tokens based on the Ethereum protocol, PTX are susceptible to attacks by miners in the course of validating 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 PTX token, including, but not limited to, accurate execution and recording of transactions involving PTX tokens.