

## Grooveup Project Agreement.

**THIS AGREEMENT** is made on the \_\_\_\_\_  
\_\_\_\_\_ 2022

**BETWEEN:** \_\_\_\_\_

And Grooveup Inc., a Company incorporated in Dubai United Arab Emirates, with its registered office at Suite 2401, Burlington Towers Business Bay Dubai United Arab Emirates.

### **WHEREAS:**

- The Company is proposing to develop Grooveup DAO (the “Grooveup **Ecosystem**”), and to generate GROOVE tokens known as the “GROOVE COIN” (the “**Token**” or “**Tokens**”) using a smart contract-based contract system, which Tokens will be utilised within the Grooveup Ecosystem.
- The Parties wish to enter into this Agreement for the sale and purchase of Tokens pursuant to the terms and conditions set out in this Agreement (including the Token Sale Terms and Conditions attached as **Schedule 2** to this Agreement (“**Terms of Sale**”).

### **NOW IT IS HEREBY AGREED AS FOLLOWS:-**

#### 1. INTERPRETATION

Unless otherwise provided herein, all defined terms used in this Agreement shall be deemed to have the same meaning as attributed to such defined term under the Terms of Sale.

#### 2. INCORPORATION OF TERMS OF SALE

The Terms of Sale are hereby expressly incorporated into this Agreement. References to “this **Agreement**” shall be deemed to refer to this Agreement and including the Terms of Sale (as the context may require).

#### 3. AGREEMENT TO SELL AND PURCHASE TOKENS

Subject to the terms and conditions of this Agreement, the Company hereby agrees to sell and the Purchaser agrees to buy such number of Tokens (“**Purchased Tokens**”) and at such price as set out in **Schedule 1** of this Agreement (the “**Purchase Price**”). In the event of any conflict or inconsistency between this Agreement and the Terms of Sale, the Pur-

chaser acknowledges, understands and agrees to be bound by the following documents in the following order of precedence:  
(a) this Agreement; and (b) the Terms of Sale.

#### 4. COMPLETION AND PAYMENT

1. The Purchase Price shall be payable by the Purchaser to the Company within 24 hours from the time of signing this Agreement (the “**Completion Date**”).
2. The Purchaser shall make payment of the Purchase Price to the Company Account by the method specified in Schedule 1.

#### 3. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter herein described, and supersedes any prior or simultaneous communications, representations or agreements with respect hereto, whether oral or written. Additions and amendments to this Agreement shall only be valid if made in writing and duly signed by the Parties. This requirement of written form can only be waived in writing specifically stating the intent to amend this Agreement.

#### 4. NOTICES

Unless otherwise expressly stated herein, all communications under this Agreement will be in writing and may be made by letter or email. Any notice required or permitted by this Agreement will be deemed sufficient when delivered personally or by overnight courier or sent by email to the relevant address listed on the signature page, or 48 hours after being deposited in the mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party’s address listed on the signature page, as subsequently modified by written notice.

#### 5. ASSIGNMENT

None of the Parties may transfer or assign this Agreement or individual rights or obligations thereof to a third party without the prior written consent of the other Party.

#### 6. SEVERABILITY

If any provision of this Agreement is held fully or partially invalid, or should the Agreement contain gaps, the remaining provisions shall continue to be

in full force and effect. The Parties undertake to replace the invalid or missing provision or parts thereof by a new provision which will approximate as closely as possible the result intended by the Parties.

## 7. COUNTERPARTS

This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts together shall constitute one agreement.

**IN WITNESS WHEREOF** this Agreement has been duly executed by the Parties. **The Purchaser:**

Name of Purchaser: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

### **The Company:**

Name of Signatory: Sabah Younis

Title of Signatory: Chief Executive Officer (CEO)

Signature:  \_\_\_\_\_

## 1. Definitions

### **TOKEN SALE TERMS & CONDITIONS**

1.1. In these Terms of Sale, unless the context otherwise requires, the following expressions shall have the following meanings:

- 1.1.1. “**Additional Terms**” means any additional terms, conditions or policies besides these Terms of Sale that the use of the Grooveup Ecosystem

may be subject to;

- 1.1.2. “**Company Account**” means the Company’s virtual wallet address or bank account as specified in a Sale Agreement, to which Payment must be made;
- 1.1.3. “**Sale Agreement**” means such separate agreement between You and the Company for the sale and purchase of the Tokens pursuant to a Token Sale;
- 1.1.4. “**Company**” means **Grooveup Inc.**, a company incorporated in Dubai, UAE.
- 1.1.5. “**Company Materials**” means any material (including databases, text, graphics, photographs, animations, audio, music, video, links or other content) provided or made available by the Company;
- 1.1.6. “**Representatives**” means the officers, directors, business partners, licensors, agents and employees of any member of the Company Group;
- 1.1.7. “**Payment**” means payment by You to the Company for the purchase of the Tokens;
- 1.1.8. “**Personal Data**” means all data which is defined to be “personal data” under any applicable legislation;
- 1.1.9. “**Purchaser Wallet**” means such digital wallet possessing technical infrastructure compatible with the Underlying Blockchain Protocol and which allows the receipt, storage and transfer of the Tokens, as may be prescribed by the Company and notified to You in writing (or via the Website), and to which Your Tokens will be delivered in accordance with these Terms of Sale.
- 1.1.10. “**Terms of Sale**” means these terms and conditions of sale of Tokens, as may be amended by the Company from time to time;

- 1.1.11. **“Token(s)”** or **“Tokens”** means such digital utility and governance token(s) known as the “GROOVEUP” Token(s);
- 1.1.12. **“Token Price”** means the price in fiat currency or cryptocurrency, as the case may be, at which the Tokens will be sold, as determined by the Company;
- 1.1.13. **“Token Sale”** means an early sale of the Tokens to selected purchasers or crowd sale of the Tokens generally (as the case may be);
- 1.1.14. **“Trademarks”** means the trademarks, logos and service marks of the Company;
- 1.1.15. **“Website”** means the website located at [www.grooveup.com](http://www.grooveup.com);
- 1.1.16. **“Grooveup Ecosystem”** shall be as described in Clause 2.1;
- 1.1.17. **“Whitepaper”** means the Whitepaper prepared by the Company in connection with the proposed Grooveup Ecosystem, the Tokens and the Company, a copy of which can be found at the Website; and

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- 1.1.18. **“You”** or **“Your”**, as the case may be, refers to a purchaser of the Tokens.
- 1.1.19. **“Underlying Blockchain”** or **“Underlying Blockchain Protocol”** means such third- party block-chain or block-chain protocol on which the Grooveup Ecosystem will be based, as may be determined by the Company.

## 2. Grooveup Ecosystem

2.1. The Grooveup Ecosystem is a decentralized blockchain based platform which enables its users to access music streaming services. The Tokens are generated using a smart contract system based on the Underlying Blockchain Protocol and are intended to facilitate the provision and receipt of services that will be offered within the Grooveup Ecosystem.

### **3. Applicability of these Terms of Sale**

- 3.1. The Sale Agreement and these Terms of Sale shall apply to Your purchase of Tokens from the Company to the exclusion of any other terms and conditions that is accepted or purported to be accepted by the Company. By purchasing the Tokens, You are deemed to agreeing to these Terms of Sale. You agree that You have read and understood these Terms of Sale.
- 3.2. No variation to the Sale Agreement or these Terms of Sale shall be binding unless agreed to in writing between You and the Company.

### **4. Scope of Terms**

- 4.1. These Terms of Sale shall govern only the Sale of the Tokens. Any potential future use of specific aspects of the Grooveup Ecosystem or the use of the Tokens and/or more comprehensive or updated versions of the Grooveup Ecosystem or the Tokens will be subject to Additional Terms. Such Additional Terms will be made available in the Grooveup Ecosystem to users, if and when the Grooveup Ecosystem is developed and implemented.
- 4.2. The Company reserves the right to amend or modify these Terms of Sale at any time for any reason. You agree that if You purchase any Tokens after such change, you will be deemed to have agreed to these Terms as amended or modified.

### **5. Disclaimers**

- 5.1. These Terms of Sale are not intended to and do not constitute a prospectus of any sort, are not a solicitation for investment and do not pertain in any way to an offering of securities in UAE or any other jurisdiction.
- 5.2. Ownership of the Token carries no rights, whether express or implied, other than a limited potential future right or expectation to use and interact with the Grooveup Ecosystem as specified in the Tokenomics Sheet as may be made available from time to time, if and to the extent the Grooveup Ecosystem is developed and deployed. Any potential future right or expectation relating to the provision and receipt of services on the Grooveup Ecosystem will be subject to Additional Terms.

- 5.3. You acknowledge and agree that the purchasing or holding of the Tokens does not grant you any right to participate in any pooled profits, income or other payments or returns in the Company or any right to receive future revenue shares, intellectual property rights or any other form of participation in or relating to the Grooveup Ecosystem, except as stated in the Tokenomics Sheet and Whitepaper. You further acknowledge that the Tokens are not necessarily otherwise tradeable outside the Grooveup Ecosystem, and they do not necessarily have any other use or value.

## **6. Underlying Blockchain Protocol**

6.1. The Company reserves the right to determine the Underlying Blockchain Protocol for the Tokens

and to migrate the Tokens to a different blockchain protocol should the Company determine, in its reasonable discretion, that doing so is necessary or desirable for the operation of the Grooveup Ecosystem.

6.2. Upon the Company's request, you agree to take any and all actions reasonably necessary to effectuate the migration of Your Tokens to a different blockchain protocol identified by the Company. If You fail to effectuate such migration, the Tokens may not be compatible with the Grooveup Ecosystem going forward. Notwithstanding any other provision of these Terms of Sale, the Company shall not be responsible or liable for any damages, losses, costs, fines, penalties or expenses of whatever nature, whether or not reasonably foreseeable, which You may suffer, sustain or incur, arising out of or relating to Your failure to effectuate such migration of Your Tokens to a different blockchain protocol determined by the Company.

## **7. Whitepaper**

- 7.1. Except as otherwise agreed in these Terms of Sale, all information contained in the Whitepaper are for information purposes only, are not binding and do not form part of these Terms of Sale. Furthermore and without prejudice to the foregoing, all information contained in the Whitepaper are based on assumptions regarding the Company's business and environment held by the Company on the date the Whitepaper were last updated. The Company's assumptions, views, and intentions may change in view of future events, and so may the Whitepaper.
- 7.2. In the Whitepaper, statements preceded by, followed by or which include words and expressions similar to "developing", "believes", "will", "fulfilment", "available", "enable", "expected", "planned" and all descriptions of the Company are forward-looking statements, and due to risks, uncertainties, and future events, plans discussed in the Whitepaper may not occur

as the Company expects, or at all.

## 8. Token Sale

- 8.1. The Company intends to issue such maximum number of 2,000,000,000 GROOVEUP Tokens as specified in the Tokenomics Sheet.
- 8.2. Such number of GROOVEUP Tokens as are specified in the Tokenomics Sheet will be made available for the Token Sale (“**Available Tokens**”) initially, provided that the Company may in its discretion make available additional Tokens for sale, in which case “Available Tokens” when used in these Terms, shall, where the context requires, be deemed to include such additional Tokens from time to time made available for sale by the Company.
- 8.3. The Company may conduct one or more Token Sales commencing from January 2022, until the Available Tokens are fully sold.
- 8.4. The Company reserves the right to change the date and time for the conduct of the Token Sale and/or to cancel or terminate any Token Sale at any time due to market conditions without the need to give prior notice of such changes.
- 8.5. The Company may sell any of the reserved Tokens from time to time and without prior notice.

## 9. Payment

- 9.1. The Tokens will be sold and payable in fiat currency or cryptocurrency as determined by the Company at its sole discretion.
- 9.2. Subject to the Sale Agreement, you must pay the full Token Price immediately at the time of Your purchase of the Tokens by transferring the amount of fiat currency or cryptocurrency to the Company Wallet.
- 9.3. You are solely responsible for ensuring that: (i) the Payment is transferred to the correct Company Account without errors; (ii) You transfer sufficient Payment to purchase the number of the Tokens



You wish to purchase; and (iii) where Payment is made via cryptocurrency, that such Payment is made from a digital wallet for which You control the private key. You shall bear any third party transaction fees that may be incurred in connection with the Payment. The Company may reject any Payment for any reason, including where any Payment made using cryptocurrency is made from a cryptocurrency exchange or hosted wallet connected to fraud.

- 9.4. Unless otherwise stated herein, the Payment is final, irreversible and non-refundable unless this Agreement is terminated in accordance with Clause 17.1.2 and Clause 17.1.3 before Tokens are issued to You.
- 9.5. The Company reserves the right to refuse or cancel any purchase of the Tokens or the Payment at any time in its sole discretion.
- 9.6. Any amount that You pay for the Tokens is exclusive of all applicable taxes. You are solely responsible for determining what, if any, taxes apply to Your purchase of the Tokens and the Company bears no responsibility or liability with respect to any tax consequences to You arising from Your purchase of the Tokens.

## **10. Distribution of Tokens**

- 10.1. Upon confirmation by the Company of receipt of the Payment, the Company shall ensure that the applicable number of the Tokens will be distributed to the Purchaser Wallet at such times as stipulated into the Sale Agreement and Tokenomics Sheet provided that the Company reserves the right to extend the Token distribution deadline if necessary to address any unanticipated technical difficulties.
- 10.2. You are responsible for implementing all reasonable and appropriate measures for securing the Purchaser Wallet and any other wallet, vault or other storage mechanism You use to receive and hold the Tokens purchased from Company, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If Your private key(s) or other access credentials are lost, you may lose access to Your Tokens. The Company shall not be responsible or liable for any damages, loss or expense, including direct, indirect, special, or consequential damage, or economic loss, arising from or in connection with: (i) Your failure to implement reasonable measures to secure the wallet, vault or other storage mechanism You use to receive and hold the Tokens or the relevant access credentials; or (ii) the loss of or unauthorized use of any of Your access credentials.

## **11. Transferability**

11.1. Following Your purchase of the Tokens, you may transfer or sell the Tokens to any third-party wallet compatible with the Underlying Blockchain Protocol, subject to the terms specified in the Tokenomics Sheet.

## **12. Risk disclosure**

12.1. You acknowledge and agree that there are risks associated with the purchase, sale, use, creation and/or distribution of Cryptocurrencies and the operation and/or the development of the Grooveup Ecosystem including as disclosed and explained. By purchasing, holding or using the Tokens, You expressly acknowledge and assume these risks.

## **13. Representations and warranties**

13.1. You represent and warrant that:

- 13.1.1. You have carefully reviewed and understood these Terms of Sale (including all Schedules which are a part of these Terms of Sale) and have full power, authority and capacity to comply with these Terms of Sale;
- 13.1.2. You have sufficient understanding of technical and business matters (including those that relate to the Grooveup Ecosystem), cryptographic tokens, token storage mechanisms (such as token wallets), and blockchain technology to understand these Terms of Sale and to appreciate the risks and implications of purchasing the Tokens;

13.1.3. Your purchase of the Tokens complies with applicable laws and regulations in Your jurisdiction including: (i) legal capacity and any other threshold requirements in Your jurisdiction for the purchase of the Tokens; (ii) any foreign exchange or regulatory restrictions applicable to such purchase; and (iii) any governmental or other consents that may need to be obtained;

13.1.4.

- 13.1.5. You are not a Resident of any state or jurisdiction that requires the Company to obtain a money services business, money transmitter or virtual currency business license or registration. You confirm that you are entering into the Sale Agreement and these Terms of Sale on an unsolicited basis and are not aware of and are in no way relying on, and did not become aware of the Tokens through or as a result of, from or in any Restricted Territory pursuant to any form of general solicitation or general advertising including, without limitation, any article, notice, advertisement or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or electronic mail over the internet, and you are not entering into this Sale Agreement and Terms of Sale and did not become aware of the Tokens through or as a result of, in

any Restricted Territory, any seminar or meeting to which you were invited by, or any solicitation of a subscription by, any person.

- 13.1.6. You understand, acknowledge and accept the risks set out in Schedule 1, and You are fully aware of all restrictions and risks associated with the purchase, sale, use, creation and/or distribution of the Tokens and the operation and/or the development of the Grooveup Ecosystem;
- 13.1.7. You have obtained sufficient information about the Tokens, the Token Sale and the Grooveup Ecosystem to make an informed decision to purchase the Tokens;
- 13.1.8. You understand and accept that purchase, ownership, receipt, or possession of the Tokens carries no rights, express or implied, other than as expressly set out in these Terms of Sale, and does not represent or confers any ownership right or stake, share, security, or equivalent rights, or any right to receive future revenue shares, intellectual property rights or any other form of participation in or relating to the Grooveup Ecosystem and/or the Company and its related corporations;
- 13.1.9. You are not a citizen or resident of a geographic area in which the purchase, acceptance of delivery of the Tokens or use of the Tokens for the services in the Grooveup Ecosystem is prohibited by applicable laws or regulations;
- 13.1.10. the cryptocurrency assets You use to purchase the Tokens are not derived from or related to any unlawful activities, including money laundering or terrorist financing, and You will not use the Tokens to finance, engage in, or otherwise support any unlawful activities;
- 13.1.11. You understand and accept that if You lose control of Your private key associated the Purchaser Wallet or Your other wallet(s), any cryptocurrency or Tokens associated with

You (i) are not a citizen or entity of; (ii) was not formed in; (iii) does not reside in; (iv) is not located in; (v) does not have a place of business in; and (vi) is not conducting business in (any of which makes You a “**Resident**”), the United States of America, or any of the following; Afghanistan, Bosnia and Herzegovina, Central African Republic, Cuba, Democratic Republic of the Congo, Democratic People's Republic of Korea (North Korea), Eritrea, Ethiopia, Guinea Bissau, Iran, Iraq, Libya, Lebanon, Somalia, South Sudan, Sudan, Syria, Uganda, Vanuatu,

Yemen and the Crimea region or any of their respective states, provinces, territories and possessions or any other nation subject to countrywide or territory wide sanctions authorised by the United Nations (each a

**“Restricted Territory”**).

- 13.2. You undertake and agree to notify the Company immediately if any of the representations and warranties set out in Clause 13.1 becomes untrue, incomplete, invalid or misleading in any respect.
- 13.3. The Company reserves the rights to deny and invalidate the Payments made by, and/or withhold the distribution or activation of the Tokens from, You or any other purchaser of the Tokens who has, in the opinion of the Company, made a false, incomplete or misleading representation.

#### **14. No warranty**

14.1. No warranty of any kind, implied, express or statutory, is given in conjunction with the Tokens, the Token Sale, the Grooveup Ecosystem or any information and materials provided to You other than as exactly and expressly set out under these Terms of Sale.

#### **15. Limitation of liability**

- 15.1. In the event that the Company is found liable to You in connection with the Tokens, the Token Sale and/or the Grooveup Ecosystem, the Company’s total aggregate liability to You, regardless whether such liability arises out of contract, tort (including negligence), product liability, indemnity, contribution, strict liability or any other legal theory whatsoever, shall be limited to an amount equivalent to the price paid by You for the purchase of the Tokens.
- 15.2. Notwithstanding Clause 15.1, the Company shall have no liability whatsoever towards You in respect of any loss of anticipated profits, use or revenue, or any similar loss, arising from or in connection with: (i) the Tokens, the Token Sale and/or the Grooveup Ecosystem; (ii) any images, services, products, information, data or other material made available by the Company, regardless whether such liability arises out of breach of

contract or warranty, tort (including negligence), product liability, indemnity, contribution, strict liability or any other legal theory whatsoever.

## **16. Indemnities**

16.1. You agree to indemnify and hold harmless the Company, and any of its Representatives, from and against any and all claims, actions, proceedings, suits, liabilities, damages, settlements, penalties, fines, costs or expenses (including legal fees) arising out of or relating to:

- 16.1.1. Your purchase or use of the Tokens and/or Your use of the Grooveup Ecosystem;
- 16.1.2. Your responsibilities or obligations under these Terms of Sale; or
- 16.1.3. Your violation of any applicable law or any rights of the other person or entity.

## **17. Termination**

17.1. Notwithstanding anything else contained herein, the Company may, upon giving You notice, terminate the Agreement with immediate effect if:

17.1.1. You commit a breach of any terms and conditions of these Terms of Sale;

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- 17.1.2. the Company reasonably considers it is required to do so by applicable laws or regulations or by any government or authority; or
- 17.1.3. the Company determines that performing its obligations under these Terms of Sale is no longer commercially viable.

## **18. Personal data**

- 18.1. You agree that Your Personal Data may be collected, used and disclosed by the Company and its Representatives for purposes reasonably required by the Company and/or its Representatives to enable them to facilitate the purchase, sale, distribution and use of the Tokens and the services in the Grooveup Ecosystem.

- 18.2. The Company respects the rights You have under relevant data protection law. The Company may collect, use and disclose Your Personal Data for purposes as notified to You or as permitted by law.
- 18.3. If You have any enquiries, comments or suggestions about the Company's collection or use of Your Personal Data or this statement, please send them to the Company's Data Protection Officer by email at [hello@grooveup.com](mailto:hello@grooveup.com)
- 18.4. If You would like to receive information about the Personal Data that the Company has in relation to You, to update such Personal Data or to withdraw any consent You have provided to the Company previously, please contact the Company's Data Protection Officer at the email address as stated in Clause 18.3 above.

## **19. Intellectual property**

19.1. All copyright and other intellectual property and proprietary rights in any information and/or any other Company Materials belong to the Company or its licensors unless otherwise indicated. You may shall not copy, reproduce, distribute, modify, transmit, reuse, re-post, or use the Company Materials without the Company's prior written permission. The Trademarks displayed on the Website are registered and unregistered Trademarks of the Company or where applicable, other third party proprietors. No right or license is given to any party accessing the Website to reproduce or use any of such Trademarks.

## **20. Force majeure**

20.1. The Company shall not be liable for any non-performance, error, interruption or delay in the performance of its obligations, if due, in whole or in part, directly or indirectly to an event or failure which is beyond its reasonable control (including acts of God, natural disasters, epidemics, acts of war or terrorism, acts of any government or authority, power failures, acts or defaults of the Underlying Blockchain and/or any telecommunications network operator or carriers).

## **21. Amendments to these Terms of Sale**

21.1. The Company may impose such further terms and conditions and make such amendments to these Terms of Sale as the Company may in its discretion deem fit from time to time. The Company will notify You of such amendments by posting the amendments on the Website or such other method of notification as may be designated by the Company (such as via email or other forms of electronic communications), which You agree shall be sufficient notice for the purpose of this Clause. You agree that if You continue to make the Payment and/or

to hold and/or use the Tokens after being notified of such amendments to these Terms of Sale, such Payment, hold and/or use shall constitute an affirmative: (a) acknowledgement by You of these Terms of Sale and its amendments as forming a part of the Agreement; and (b) agreement by You to abide and be bound by these Terms of Sale and its amendments as part of the Agreement.

## **22. Notice**

22.1. Any notice or other communication to You in connection with the Agreement or these Terms of Sale may be given:

- 22.1.1. personally, by post or electronically if sent to the address or then most recently notified by You to the Company, and, if given personally, will be deemed to have been received upon delivery;
- 22.1.2. by post, which will be deemed to have been received on the second day following posting; or
- 22.1.3. electronically, which will be deemed to have been received upon delivery (and a delivery report received by the Company will be conclusive evidence of delivery even if the communication is not opened by You).

22.2. All notices to the Company in connection with the Agreement or these Terms of Sale shall be directed to: [hello@grooveup.com](mailto:hello@grooveup.com) Such notice will be deemed to have been received upon being opened by us.

## **23. Assignment**

- 23.1. The Agreement and all the rights and obligations of the Company under it may be assigned, transferred, notated or otherwise dealt with by the Company and will inure to the benefit of the successors and assigns of the Company, and You shall do all things necessary to facilitate such assignment, transfer, novation or dealing.
- 23.2. Unless otherwise stated herein, you may not assign Your rights under the Agreement without the Company's prior written consent.

## **24. Severability**

24.1. If any provision of these Terms of Sale, which form a part of the Agreement, is held to be invalid, illegal or unenforceable (whether in whole or in part), such provision shall be struck and severed from these Terms of Sale and the remaining provisions of these Terms of Sale shall not be affected thereby.

## **25. Waiver**

25.1. No failure or delay to exercise the Company's rights under the Agreement shall operate as a waiver thereof nor shall such failure or delay affect the Company's right to enforce its rights under the Agreement.

## **26. Language**

26.1. If the Agreement and/or these Terms of Sale is translated into a language other than English, the English text shall prevail.

## **27. Rights of Third Parties**

- 27.1. No person or entity who is not a party to the Agreement shall have any right under any laws to enforce any term of the Agreement or these Terms of Sale, regardless of whether such person or entity has been identified by name, as a member of a class or as answering a particular description. For the avoidance of doubt, this shall not affect the rights of any permitted assignee or transferee of the Agreement.
- 27.2. Without prejudice to the generality of Clause 27.1 above, the Company's right to vary, amend or rescind the Agreement in accordance with these Terms of Sale may be exercised without the consent of any person or entity who is not a party to the Agreement.

## **28. Miscellaneous**

29.1. You acknowledge and agree that the Company's records and any records of the communications, transactions, instructions or operations made or performed, processed or effected through the Grooveup Ecosystem by You or any person purporting to be the You, acting on Your behalf or purportedly acting on Your behalf, with or without Your consent, or any record of communications, transactions, instructions or operations relating to the operation of the Grooveup Ecosystem and any record of any communications, transactions, instructions or operations maintained by the Company or by any relevant person authorized by the Company relating to or connected with the Grooveup Ecosystem and/or Service shall be binding on You for all purposes whatsoever and shall be conclusive evidence of such communications, transactions, instructions or operations.

## **Risks**



By purchasing, holding and using the Tokens, You expressly acknowledge and assume the risks set out in this Schedule 1. If any of these risks, or other additional risks presently regarded to be immaterial actually materialize, the commercial viability of the Grooveup Ecosystem may be materially and adversely affected, and could result in the failure of the Token Sale, the destruction of the Tokens and/or the termination of the development or operation of the Grooveup Ecosystem.

## **1. Risk associated with the development and operation of the Groove-Project Ecosystem**

- **1.1. The Grooveup Ecosystem is still under development and may undergo significant changes before they are released or implemented. While the Company intends for the Tokens and the Grooveup Ecosystem to function as described in the Whitepaper, the Company may have to make changes to various features or specifications of the Tokens or the Grooveup Ecosystem.**
- **1.2. The Grooveup Ecosystem may fail to be adequately developed or maintained or may encounter difficulties during development or operation, including financial, resourcing and technical difficulties. This may create the risk that the Tokens or the Grooveup Ecosystem may not meet Your expectations at the time of the Payment and may negatively impact the Grooveup Ecosystem and the Tokens, and the potential utility of the Tokens.**
- **1.3. The creation of the Tokens and the development of the Grooveup Ecosystem may fail, be abandoned or be delayed for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects (e.g. caused by competing projects).**

## **2. Risk associated with the Underlying Blockchain**

- **2.1. The Tokens, the Token Sale and/or the Grooveup Ecosystem are based on the Underlying Blockchain which is still in an early development stage and unproven. Any malfunction, flaws, breakdown or abandonment of the Underlying Blockchain may have a material adverse effect on the Tokens, the Token Sale and/or the Grooveup Ecosystem. Furthermore, developments in cryptographic technologies and techniques or changes in con-**

**sensus protocol or algorithms could present risks to the Tokens, the Token Sale and/or the Grooveup Ecosystem, including the utility of the Tokens for obtaining the services in the Grooveup Ecosystem, by rendering ineffective the cryptographic consensus mechanism that underpins the Underlying Blockchain.**

- **2.2. As with other cryptocurrencies, the Underlying Blockchain is susceptible to mining attacks, including double-spend attacks, majority mining power attacks, “selfish-mining” attacks, and race condition attacks. Any successful attacks present a risk to the Tokens, the Token Sale and/or the Grooveup Ecosystem, including proper execution and sequencing of transactions involving the Tokens.**
- **2.3. The Underlying Blockchain may be exposed to attacks by hackers or other individuals that could result in theft or loss of the Tokens, impacting the ability to develop the Grooveup Ecosystem.**
- **2.4. It is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, blockchain technology, which may be contrary to the Token and/or the Grooveup Ecosystem and which may, inter alia, result in substantial modifications of the Grooveup Ecosystem, including termination and the loss of the Tokens.**
- **2.5. The Grooveup Ecosystem may give rise to other alternative projects promoted by unaffiliated third parties, under which the Tokens will have no intrinsic value.**
- **2.6. The Tokens may only be accessed with a combination of private key and password. The private key is encrypted with a password. Loss of requisite private key(s) associated with Your digital wallet or vault storing the Tokens will result in loss of such Tokens which will be unrecoverable and permanently lost.**
- **2.7. The Tokens, the Token Sale, the Grooveup Ecosystem (if and when developed) and the Company may be targeted by hackers or malicious groups or organisations who may attempt to interfere with the Grooveup Ecosystem or the Tokens and/or the Token Sale or steal the Tokens in**

various ways, including malware attacks, distributed denial of service, consensus-based attacks, Sybil attacks, phishing, surfing and hacking. Furthermore, there is a risk that a third party or a member of the Company may intentionally or unintentionally introduce weaknesses into the core infrastructure of the Grooveup Ecosystem, which could negatively affect the Grooveup Ecosystem, the Tokens and/or the Token Sale, including the utility of the Tokens for obtaining services in the Grooveup Ecosystem.

- 2.8. The tax treatment and accounting of the Tokens is uncertain and may vary amongst jurisdictions. You must seek independent tax advice in connection with purchasing the Tokens, which may result in adverse tax consequences to You.
- 2.9. The value of the Tokens may fluctuate significantly over a short period of time as a result of various factors including market dynamics, regulatory changes, technical advancements, and economic and political factors. Due to such volatility, the Company may not be able to fund development of the Grooveup Ecosystem, or may not be able to maintain the Project Seed Ecosystem in the manner that it intended.
- 2.10. The Tokens are intended to represent a new capability on emerging technology that is not fully proven in use. As the technology matures, new capabilities may dramatically alter the usefulness of the Tokens or the ability to use or sell them. The functionality of the Tokens is complex, will require enhancements and product support over time, and full functionality may take longer than expected. The full functionality of the Tokens is not yet complete and no assurance can be provided of such completion.