STR Creation and STRIM Network Contribution Terms and Explanatory Note

## 1.	Principles

1	By transferring Ether ("ETH") to the Smart Contract System and the Smart Contract System creating STRIM Network Token ("STR"), the User understands and accepts that the User makes a contribution into a Smart Contract System (hereinafter also "SCS") for the development of the STRIM network, as described in the STRIM Whitepaper which is available on https://www.strim.me

2	STRIM promotes and aims to develop new technologies and applications, especially in the fields of new open and decentralized software architectures. A dominating, but not exclusive focus is set on the promotion and development of the so-called STRIM Network and the related technologies, as well as the promotion and support of applications using such protocol. STRIM Network will be the first and aims to be the main network on the Ethereum blockchain that will provide a mean to live stream videos between interested parties and provide raw sensor data from anywhere in the world where an IoT device is located and connected to the network. STR is the first network token and default reserve-currency for the STRIM network.

3	Please find a more detailed description in the STRIM Network Whitepaper ("STRIM Network" / "the Whitepaper"). For the Whitepaper and/or further information on the STRIM Network, visit: https://strim.me/. The information contained in the Whitepaper and on the website are of descriptive nature only, are not binding and do – unless explicitly referred to herein – not form part of the Terms as set forth under para. 7 below.

4	The User understands and accepts that while the individuals and entities, including STRIM, assigned to this task will make reasonable efforts to develop and complete the STRIM Network, **it is possible that such development may fail and User's STR become useless and/or valueless due to technical, commercial, regulatory or any other reasons** (see also Section 5 regarding Risks).

5	The User is also aware of the risk that even if all or parts of the STRIM Network are successfully developed and released in full or in parts, due to a lack of public interest, the STRIM Network could be fully or partially abandoned, remain commercially unsuccessful or shut down for lack of interest, regulatory or other reasons. **The User therefore understands and accepts that the transfer of ETH to the Smart Contract System and the creation of STR by the Smart Contract System carry significant financial, regulatory and/or reputational risks (including the complete loss of value of created STR if any, and attributed features of the STRIM Network)**.

6	The User furthermore understands and accepts that - as the creation of the STR as well as the contribution to STRIM are smart contract based - the terms and conditions applicable thereon are set forth in the Smart Contract System Code, consisting of interconnected software codes, existing on the Ethereum blockchain at the addresses specified on https://strim.me/.
To the extent the terms contained herein or in any other document or communication contradict to the ones set forth in the Smart Contract System, the terms of the Smart Contract System prevail. Furthermore, neither this document nor any other document or

communication may modify or add any additional obligations to STRIM or publisher of these terms or developer of the Smart Contract System and/or any other person, STRIM and/or affiliates involved with the deployment of the Smart Contract System and the setting up of the STRIM Network beyond those set forth in the Smart Contract System.

7   By transferring ETH to the Smart Contract System, the User expressly agrees to the terms and conditions set forth in Smart Contract System Code existing on the Ethereum blockchain (at the addresses specified on https://strim.me/ and in this document (together the "Terms")), which is incorporated by reference herein. **The User further confirms to have carefully reviewed the Smart Contract System Code, its functions and the terms and conditions set forth in this document and to fully understand the risks and costs of creating STR and contributing into a Smart Contract System for the development of the STRIM Network.**

8   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 a description of the functionality of a Smart Contract System.

9   By transferring ETH to the Smart Contract System and/or receiving STR, no form of partnership, joint venture or any similar relationship between the Users and STRIM and/or other individuals or entities involved with the deployment of the Smart Contract System and the setting up of the STRIM Network is created.

10 The contribution into the Smart Contract System will not involve any fiat currencies and will strictly be done in cryptocurrencies (ETH).

2.   STR Creation Function

2.1   Usage License; No Ownership, Revenue or Governance Rights

11 **Usage License:** Ownership of STR carries no rights, whether express or implied, other than a limited right (license) to use the STRIM Network.

12 **No Ownership, Revenue or Governance Rights**: In particular, User understands and accepts that **STR do not represent or constitute any ownership right or stake, share or security or equivalent rights nor any right to receive future revenues, shares or any other form of participation or governance right in or relating to the STRIM Network and/or STRIM.**

2.2   Creation Procedure

13 **Creation Periods**: There is only one Creation Period which will be limited in time.

14 **Creation Timeframe:** The Creation Timeframe starts on August 30, 2017, at 14:00 GMT and lasts for a maximal duration of 30 days ("Duration of Creation Period").

15 **Token Pools:** During the Creation Period, a non-limited amount of STR will be created by the Smart Contract System, all of equal value and functionality, however, divided by the Smart Contract System into two different pools.

    ✎   **Pool A -** intended to be created by the Smart Contract System during the **Creation Period** for Users having made Contributions up until the ETH equivalent of $3 million is reached.

    ✎   **Pool B -** intended to be created by the Smart Contract System after the ETH equivalent of $3 million is reached and will last until the Creation period ends.

16 **STR Creation Rate / Pricing:** The STR Creation Rate during the Creation Period will be **2000 STR allocated for every ether (ETH)** contributed for **Pool A** and **1000 STR for every ether (ETH) for Pool B.**

17 **Creation and Allocation of STR:** The creation and allocation of STR by the Smart Contract System are initiated by the User sending an amount of ETH to the Smart Contract System, located on the Ethereum blockchain at the addresses specified on https://strim.me/, which triggers a smart contract operation. The Smart Contract System creates and allocates the corresponding STR to the User's wallet address, from where the ETH were sent from. **User therefore shall assure to make his contribution using an ETH address to which the Smart Contract System can send back STR and/or ETH to** (e.g. not an address of a currency exchange or a provider such as Coinbase). Issuance of STR (meaning that respective entries of the Public Key (PUK) of User) are made by the Smart Contract System on the blockchain according to the allocation information in the Smart Contract System.

18 **No Refund:** The User understands and accepts that all Contributions are final and may not be reversed. Contributions are non-refundable. By contributing to STRIM, the User acknowledges that he has no right to request a refund for any reason.

19 **Make sure to use the original Smart Contracts**: Only the Smart Contract(s) existing at the addresses specified on https://strim.me/ will issue STR during the Creation Periods. Access to this Smart Contract will be available through https://www.strim.me. To the extent that any third-party website, service or smart-contract offers STR during the Creation Period or facilitates the allocation or transfer of STR in any way during the Creation Period or at any time up to the release of the Genesis Block, such third-party websites or services are, unless explicitly mentioned on https://www.strim.me, **not authorised** by STRIM and have **no relationship in any way** with STRIM Network.

20 **Transferability of STR during the Creation Period:** STR will remain untransferable during the Creation Period

2.3   Post-Allocation of STR

21 The User understands and accepts that an additional 50% of the Total tokens created during the Creation Period, will be created and allocated to the STRIM developers as set forth below:

- **66% Developers**.

- **34% Mining pool** – to be distributed to the sensor miners in order to incentivize network usage and data gathering.

2.4 STR Usage Function

22 **STR Usage Function:** STR are only for use in connection with the STRIM Network under the terms of the Smart Contract System and under the terms of the STRIM Network (to be released), and only constitute a transferable representation of attributed functions specified in the Smart Contract System.

23 **No Ownership, Revenue or Governance Rights**: Ownership of STR carries no rights express or implied other than the right to use STR as a mean to enable usage of and interaction with and within the STRIM Network, if successfully completed and deployed (see Section 3). Beyond this, ownership of STR carries no rights express or implied. In particular, User understands and accepts that he has no right to claim as holder of STR any intellectual property rights, equity or equivalent rights or any other form of participation in or relating to the STRIM Network and/or STRIM.

2.5 Representation and Warranties of User

24 By transferring ETH to the Smart Contract System and creating STR, the User represents and warrants that:

- the user is not a citizen or resident of a country, whose legislation conflicts with the present allocation of STR and/or the STRIM Network in general;

- the user is not a citizen or resident of the United States of America (USA);

- the User 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;

- the User understands and accepts that there is no warranty or assurance that the network of miners will allocate the STR to the Users as proposed by these Terms.

- the User has carefully reviewed the code of the Smart Contract System located on the Ethereum blockchain at the addresses specified on https://strim.me/ and fully understands and accepts the functions implemented therein;

- the User is legally permitted to transfer ETH to the Smart Contract System, create, liquidate and obtain STR in the User's jurisdiction;

- User will contribute ETH from a wallet or wallet service provider that technically supports the STR. User understands and accepts, that failure to assure this may have the result that User will not gain access to his STR;

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

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

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

- the User is not submitting ETH to the Smart Contract System to obtain STR for the purpose of speculative investment;

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

- the User is obtaining the functionality of the STR issued by the Smart Contract System primarily to support the development, testing, deployment and operation of the STRIM Network, being aware of the commercial risks associated with the STRIM Network;

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

- the User understands the creation of STR does not involve the purchase of shares or any equivalent in any existing or future public or private company, corporation or other entity in any jurisdiction;

- the User understands that the transfer of ETH to the Smart Contract System, the creation of STR and the development of the STRIM Network carries significant financial, regulatory and reputational risks as further set forth in the Terms;

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

- the User understands that the User has no right against any other party to request any refund of the ETH submitted to the Smart Contract System for the creation of the STR under any circumstance.

- the User understands that the value of STR over time may experience extreme volatility or depreciate in full;

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

25 As part of the creation process the User will use own account (address) on the Ethereum network, with a private key associated to this address and password. The password is used to encrypt the User's private key. Following the creation of STR by the Smart Contract System, the STR will be transferred to the User's address by the Smart Contract System. The User understands that the User must keep his password and private key safe and that the User may not share them with anybody. The User further understands that if his private key and/or password is lost or stolen, the User will not be able to generate a new password or recover his private key, and if the User also loses his

private keys and/or password, the STR associated with the User's account (address) will be unrecoverable and will be permanently lost. Furthermore, the User understands that there is no recovery mechanism for lost keys and passwords, so no one will be able to help the User retrieve or reconstruct a lost password and private keys and provide the User with access to any lost STR.

3.   STRIM Contribution Function

26 The User understands and accepts that for the purpose of the development and execution of the STRIM Network, the Smart Contract System transfers 100% of ETH collected during the Creation Period to STRIM as a donation. STRIM shall use the funds, together with the STR allocated to STRIM network, only for the purpose of the development and execution of the STRIM network and has the right to engage subcontractors to perform the entire or partial development of the STRIM Network and Project. The scope of the development work will be triggered by the amount of contributions received.

27 It remains at STRIM team's sole discretion to decide how to allocate the Contributions received in order to develop and execute the STRIM Network.

28 The User understands and accepts that he has no influence on the governance and decisions of STRIM.

29 The User understands and accepts that the STRIM Network will need to go through substantial development works as part of which it may become subject of significant conceptual, technical and commercial changes before release.

4.   Audit of the Smart Contract System

30 The Smart Contract System has been, on a reasonable effort basis, audited and approved by technical experts. The technical experts have confirmed that the Smart Contract System has, with regard to both accuracy and security, been programmed according to the current state of the art.

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

5.   Risks

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

   ✎ **Risk of software weaknesses**: The User understands and accepts that the Smart Contract System concept, the underlying software application and software platform (i.e. the Ethereum blockchain) is still in an early development stage and unproven, why there is no warranty that the process for creating STR will be uninterrupted or error-free and why there is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of ETH and/or STR.

- **Regulatory risk**: The User understands and accepts that the blockchain technology allows new forms of interaction and that it is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, blockchain technology based applications, which may be contrary to the current setup of the Smart Contract System and which may, inter alia, result in substantial modifications of the Smart Contract System and/or the STRIM Network, including its termination and the loss of STR for the User.

- **Risk of abandonment / lack of success**: The User understands and accepts that the creation of the STR and the development of the STRIM Network may be abandoned for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects (e.g. caused by competing projects). The User therefore understands that there is no assurance that, even if the STRIM Network is partially or fully developed and launched, the User will receive any benefits through the STR held by him.

- **Risk associated with other applications**: The User understands and accepts that the STRIM Network may give rise to other, alternative projects, promoted by unaffiliated third parties, under which STR will have no intrinsic value.

- **Risk of loss of private key**: STR can only be accessed by using an Ethereum wallet with a combination of User's account information (address), private key and password. The private key is encrypted with a password. The User understands and accepts that if his private key file or password respectively got lost or stolen, the obtained STR associated with the User's account (address) or password will be unrecoverable and will be permanently lost.

- **Risk of theft**: The User understands and accepts that the Smart Contract System concept, the underlying software application and software platform (i.e. the Ethereum blockchain) may be exposed to attacks by hackers or other individuals that could result in theft or loss of STR or ETH, impacting the ability to develop the STRIM Network.

- **Risk of Ethereum mining attacks**: The User understands and accepts that, as with other cryptocurrencies, the blockchain used for the Smart Contract System is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attacks present a risk to the Smart Contract System, expected proper execution and sequencing of STR transactions, and expected proper execution and sequencing of contract computations.

- **Risk of incompatible Wallet service:** The User understands and accepts, that the wallet or wallet service provider used for the contribution, has to be technically compatible with the STR. The failure to assure this may have the result that User will not gain access to his STR.

6.   Taxation

33 The User bears the sole responsibility to determine if his contribution into the Smart Contract System for the development of the STRIM Network, the transfer of ETH, the creation, ownership, use or liquidation of STR, the potential appreciation or depreciation in the value of STR over time (if any), the allocation of STR and/or any other action or transaction related to the STRIM Network have tax implications for him.

34 By creating, holding, using or liquidating STR, and to the extent permitted by law, the User agrees not to hold any third party (including developers, auditors, contractors or founders) liable for any tax

liability associated with or arising from the creation, ownership, use or liquidation of STR or any other action or transaction related to the STRIM Network.

7. No Liability

35 The User acknowledges and agrees that, to the fullest extent permitted by any applicable law, the User will not hold any developers, auditors contractors or founders of the STR, the Smart Contract System and/or STRIM network liable for any and all damages or injury whatsoever caused by or related to the use of, or the inability to use, STR, the Smart Contract System and/or the STRIM Network 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 developers, auditors contractors or founders of the Smart Contract System, the STR and/or the STRIM Network shall not be liable for any indirect, incidental, special, exemplary or consequential damages, including for loss of profits, goodwill or data, in any way whatsoever arising out of the use of, or the inability to use of the Smart Contract System, the STRIM Network and/or STR.

36 The User further specifically acknowledges that developers, auditors, contractors or founders of the STR, Smart Contract System and/or the STRIM Network are not liable, and the User agrees not to seek to hold them liable, for the conduct of third parties, including other creators of STR, and that the risk of creating, holding, using and liquidating STR rests entirely with the User.

37 By creating, holding, using or liquidating STR, and to the extent permitted by law, the User agrees not to hold any third party (including developers, auditors, contractors or founders) liable for any regulatory implications or liability associated with or arising from the creation, ownership, use or liquidation of STR or any other action or transaction related to the STRIM Network.

8. Miscellaneous

38 The User understands and accepts that the network of miners will be ultimately in control of the Smart Contract System. The User understands that a majority of these miners could agree at any point to make changes to the official Smart Contract System and to run the new version of the Smart Contract System. Such a scenario could lead to STR losing intrinsic value.

39 The Smart Contract System is located in Alderney. Consequently, the STR creation, allocation and liquidation, and the contribution to STRIM are considered to be executed in Alderney.

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

41 The Terms govern the creation, ownership, use and liquidation of STR and supersede any public statements about the launch of STR and/or the Smart Contract System made by anyone in the past, present and future.

42 Any dispute arising out of or in connection with the creation of the STR and the development and execution of the STRIM Network shall be finally settled by the ordinary courts of the registered domicile of the defendant.