

## **SHPING Token Sale Terms and Conditions (last updated 15 February 2018)**

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## 1 Important notices regarding Shping Coins

- (a) Shping Coins are not intended to constitute securities, a financial investment, interests in a managed investment scheme, or any other type of financial product in any jurisdiction. The Token Sale Documents do not constitute a prospectus, product disclosure statement or offer document of any kind and are not intended to constitute an offer of securities or solicitation of investment in securities or financial products in any jurisdiction.
- (b) The information in the Token Sale Documents is not financial product advice and does not take into account your objectives, financial situation or particular needs. The Token Sale Documents should not be construed as business, financial, securities, taxation, legal or other advice. You should seek your own advice from an appropriately qualified financial advisor, accountant, solicitor or other professional advisor before deciding whether to purchase Shping Coins.
- (c) The Shping Coin does not represent or confer:
  - (i) any interest, ownership right, share or security (or any equivalent right) in Shping, any property held by Shping, any other company or the Shping Platform;
  - (ii) any future right to receive an interest or revenue share in Shping, any property held by Shping, any other company or the Shping Platform;
  - (iii) any interest in any intellectual property rights relating to the Shping Platform or any future right to receive an interest in such rights; or
  - (iv) any other form of participation in or relating to Shping or the Shping Platform.

## 2 The Shping Token Sale Process

### 2.1 Amount of Shping Coin's created

- (a) Shping will create a total quantity of 10,000,000,000 (10 billion) Shping Coins in the Shping Token Sale.
- (b) Shping will never release Shping Coins outside of the Shping Token Sale.
- (c) Shping Coin's will be allocated and distributed in the proportions set out below.

Token Distribution	
<b>Purchasers</b>	5,000,000,000
<b>Bounties</b>	100,000,000
<b>Advisers</b>	500,000,000
<b>Shping Pool</b>	4,200,000,000
<b>Shping Team</b>	200,000,000

- (d) Shping will hold 4,200,000,000 Shping Coins in reserve which will be used to incentivise the expansion and adoption of the Shping Platform amongst users and brands.

### 2.2 How can you purchase Shping Coin's during the Shping Token

**Sale? Warning:** We will not request public contributions before the Pre-Sale Period. **Warning:** Shping will only sell Shping Coins through the Token Sale Website.

- (a) You will be able to purchase Shping Coins during the Shping Token Sale at the Token Sale Website using any Accepted Currency.
- (b) You will be required to register an account using an email address at the Token Sale Website to participate in the Shping Token Sale. Upon registering an account, you will be given access to a secured portal.
- (c) To purchase Shping Coin, you will need to transfer the Accepted Currency you would like to use to purchase Shping Coins in the Shping Token Sale to a Token Sale Wallet which is located in your secured portal.
- (d) After the Accepted Currency has been deposited into a Token Sale Wallet, you will be able to purchase Shping Coin in your secured portal.
- (e) You will only be able to purchase Shping Coin at the Token Sale Website, and at no other domains or portals.
- (f) The instructions for purchasing Shping Coin will be embedded and available for review at the Token Sale Website for the duration of the Shping Token Sale.

### **2.3 Pricing of Shping Coin**

The rate of USD to Shping Coin during the Shping Token Sale will be pegged at USD 0.01 per Shping Coin.

**Warning:** Cryptocurrencies are often subject to extreme fluctuations in price over short periods of time on a regular basis. The value of an Accepted Cryptocurrency to USD (and therefore to Shping Coin) may fluctuate during the Shping Token Sale

### **2.4 Pre-Sale**

- (a) Shping will conduct a Pre-Sale which will commence at midnight CET on 22 January 2018 and conclude at the earlier of:
  - (i) 11:59am CET on 31 January 2017; or
  - (ii) upon reaching the Pre-Sale Cap.
- (b) Any purchase or attempt of purchase of Shping Coins made after the Pre-Sale has been completed and prior to the commencement of the Crowdsale will be returned to the purchaser within a reasonable period of time.
- (c) Purchasers of the Shping Coin during the Pre-Sale will receive a percentage bonus of 40% additional Shping Coins.
- (d) The minimum purchase of Shping Coin during the Pre-Sale Period is 300,000 Shping Coin.

### **2.5 Crowdsale raised**

- (a) The Crowdsale will commence on the Commencement Date and will end on the earlier of either the:
  - (i) End Date; or
  - (ii) upon reaching the Hard Cap.
- (b) If the Hard Cap is not reached, after the End Date the remaining Shping Coins will be allocated to the Shping Pool where it be used for reward purposes as part of the Shping Platform.

### **2.6 Bonus Period**

If you purchase Shping Coin during the Bonus Period of the Crowdsale, you will receive an additional percentage amount of Shping Coin at the percentage allocation set out below, subject to clause 2.7 below.

Bonus Period	Percentage Bonus
Day 1	20%
Days 2 – 7	15%
Week 2	10%
Week 3	5%
Week 4	0%

## 2.7 Million+ Tier

- (a) Purchasers who Purchase at least 1,000,000 (1 million) Shping Coins (including across multiple transactions) during the Tokensale may elect to receive a 25% bonus of additional Shping Coins on purchases up to, over or above 1,000,000 Shping Coins, on the condition that:
- (i) the purchased Shping Coins are not distributed to the purchasers until 6 months following the completion of the Token Sale; and
  - (ii) purchasers who elect to receive this offer will not be eligible for any additional Shping Coins available during the Bonus Period under clause 2.6
- (the **Million+ Tier**).
- (b) The Million+ Tier offer (including the 6 month Shping Coin holdback) is only applicable to the individual transaction which reaches over or above the 1 million token threshold (whether the threshold is reached in a single purchase, or through multiple purchases), and will if elected only apply to that specific transaction (not any previous transactions which a purchaser has undertaken). Prior Bonus Period bonuses awarded at the time of purchase (if available) will still apply to previous purchases undertaken which:
- (i) do not meet the Million+ Tier threshold; or
  - (ii) where a purchaser has elected not receive the Million+ Tier.
- (c) Calculation of the 1 million token threshold does not include any bonuses to be awarded on the relevant transaction. Therefore, if a purchaser would only have or receive over 1 million Shping Coins due to a bonus awarded on that transaction, they will not be eligible for the Million+ Tier.

## 2.8 Distribution of the Shping Coins

Shping Coins you purchase in the Shping Token Sale will be available to be distributed to an Ethereum address of your choice that supports ERC20 tokens:

- (a) as soon as reasonably practicable after your purchase, except for purchases under clause 2.7; or
- (b) for purchasers who elect to receive the Million+ Tier under clause 2.7, 6 months following the completion of the Token Sale

Although we will endeavour to meet these timelines, we do not provide any warranty or guarantee that this distribution will occur within a given time period.

## **2.9 Referral Bonuses**

Other additional bonuses may be available to Purchasers in accordance with the Referral Program Terms and Conditions (available at <https://tokensale.shping.com/referral-terms-and-conditions.html>)

## **2.10 Disclosure of token sales**

Shping will use reasonable endeavours to disclose at the Token Sale Website in near real time the total token sales during the course of the Shping Token Sale so that you are able to track the total amount of Shping Coins purchased at the time you make your purchase.

## **2.11 No cooling off rights**

Cooling-off rights do not apply to purchases of the Shping Coin in the Shping Token Sale. This means that you cannot receive a refund of any of the Accepted Currencies that you have used to purchase the Shping Coin in the Shping Token Sale. Shping reserves the right to refuse or cancel any Shping Coin purchase requests at any time, in its sole discretion.

## **4 Shping Coin will only be available for purchase on the Token Sale Website**

**Warning:** Shping will only sell Shping Coin through the Token Sale Website.

To the extent that any third-party website or service holds out that it is selling Shping Coin during the Shping Token Sale, or facilitates the sale or transfer of Shping Coin in any way during the Shping Token Sale, such third-party websites or services are not sanctioned by Shping and have no relationship in any way with Shping.

## **5 Suspension or Termination of the Shping Token Sale**

- (a) Shping reserves the right, at any time, and at its absolute discretion, to suspend or terminate the Shping Token Sale for any reason, including for the effect of any applicable laws, orders, rules or regulations of any government or other competent authority.
- (b) In the event that Shping terminates the Shping Token Sale prior to the completion of the Token Sale due to any applicable laws, orders, rules or regulations in any government or other competent authority, Shping will arrange for the return of the Accepted Currencies to you, minus any fees attributable to the transfer, receipt or storage of the Accepted Currencies. Otherwise, as set out in clause 2.9, under no other circumstance will Shping arrange for the return of the Accepted Cryptocurrencies to you after your purchase of the Shping Coin.
- (c) By purchasing the Shping Coin, you acknowledge that you will be ineligible to claim for any loss, damage, cost or expense (including loss of interest or opportunity) if the Shping Token Sale is suspended or terminated.

## **6 Trusted sources**

You should only seek information on the Shping Official Communication Channels for accurate, reliable and updated information on the Shping Token Sale.

## **7 Security**

You are responsible for implementing your own measures for securing the account, wallet, vault or other storage mechanism that you use to receive and hold Shping Coins purchased from Shping, including, but not limited to, securing your private key(s) or other credentials necessary to access such storage mechanism(s). If your private key(s), account details or other access credentials are lost or stolen, you may lose access to your Shping Coin. Shping will not be responsible for any such loss.

## **8 Shping will not purchase Shping Coins during the Shping Token Sale**

Shping warrants that it will not purchase Shping Coin in the Shping Token Sale. This does not apply to Shping's affiliates, officers, directors, agents, joint ventures, employees, contractors or suppliers who may purchase Shping for their own personal use, provided their purchase is made during the Shping Token Sale through the Token Sale Website. Shping may acquire Shping Coins on the open market at a future date after the completion of the Shping Token Sale.

## **9 Accuracy, completeness and timeliness of information**

- (a) The information within the Token Sale Documents and all other documents and statements published by Shping is not comprehensive and is only intended to provide a summary of the subject matter covered. Whilst care has been taken to ensure that statements of facts made in the Token Sale Documents and all other documents and statements published by Shping are accurate, all estimates, projections, forecasts, prospects, expressions of opinion and other subjective judgments are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur.
- (b) No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in the Token Sale Documents and all other documents and statements published by Shping.
- (c) Any plans, projections or forecasts mentioned in the Token Sale Documents and all other documents and statements published by Shping may not be achieved due to multiple risk factors including without limitation defects in technology developments, legal or regulatory exposure, market volatility, sector volatility, corporate actions, or the unavailability of complete and accurate information.
- (d) Shping accepts no responsibility or liability in relation to the accuracy of the forecasts or whether they are achievable.
- (e) You should monitor any changes to the information contained on the Token Sale Website.

## **10 Disclosure regarding forward-looking statements**

- (a) The Token Sale Documents contain forward looking statements concerning the Shping's business, operations, plans, objectives and expectations for its business and operations. Any statements contained in these Terms that are not historical facts may be deemed to be forward looking statements. You can identify these statements by words such as 'aim', 'anticipate', 'assume', 'believe', 'could', 'due', 'estimate', 'expect', 'goal', 'intend', 'may', 'objective', 'plan', 'predict', 'potential', 'positioned', 'should', 'target', 'will', 'would' and other similar expressions that are predictions of or indicate future events and future trends.
- (b) These forward looking statements are based on current expectations and projections about Shping's business and the industry in which the Company operates and management's beliefs and assumptions. These forward looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond Shping's control. As a result, any or all of the forward looking statements in these Terms may turn out to be inaccurate. Shping may not undertake, and does not promise to perform, any or all of the goals, milestones, plans or other forward looking statements.

- (c) Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Schedule 1. Potential purchasers and other readers are urged to consider these factors carefully in evaluating the forward looking statements and are cautioned not to place undue reliance on the forward looking statements. These forward looking statements speak only as at the date of these Terms. Shping does not intend to publicly update or revise any forward looking statements to reflect new information, future events or otherwise.
- (d) Some numerical figures in these Terms have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

## **11 Shping Coin not available for purchase if to do so would be illegal**

It is your sole responsibility to determine if you can legally purchase the Shping Coin in accordance with the laws of your home or applicable jurisdiction, and you must not purchase the Shping Coin if you are not able to legally do so under the laws of your applicable jurisdiction.

Individuals, businesses, and other organisations should carefully weigh the risks, costs, and benefits of acquiring Shping Coin as set out in these Terms.

## **12 Taxation consequences of purchasing Shping Coin**

Shping makes no representations concerning the tax implications of the sale, possession or use of Shping Coin. The purchase of Shping Coin is exclusive of all applicable taxes. You bear the sole responsibility to determine what, if any, taxes apply to the purchase of Shping Coin by Accepted Currencies, or the ownership of Shping Coin, in your home or other applicable jurisdiction. To the extent permitted by law, you agree not to hold Shping liable for any tax liability or responsibility for withholding, collecting, reporting or remitting any sales, use, value added, or similar tax, associated with or arising from the purchase or holding of Shping Coin. It is your responsibility to withhold, collect, report and remit the correct taxes to the appropriate taxation authorities. Shping will not be held responsible for withholding, collecting, reporting or remitting any sales, use, value added or similar tax arising from your purchase of Shping Coin in any jurisdiction.

**Warning:** We suggest that you receive independent taxation advice before purchasing the Shping Coin.

## **13 Your personal information and privacy**

- (a) Shping may determine, in its sole discretion, that it is necessary to obtain certain information about you, in order to comply with applicable law or regulations (including any applicable anti-money laundering or 'Know Your Customer' requirements in any jurisdiction), in connection with selling Shping Coins to you.
- (b) You agree to provide Shping such information promptly upon request, and you acknowledge Shping may refuse to sell Shping Coin to you, until you provide such requested information.
- (c) We may collect personal information about you in order to facilitate your purchase of Shping Coin and for purposes otherwise set out in our Privacy Policy at <https://tokensale.shping.com/privacy-policy.html>.
- (d) We may disclose that information to third parties that help us deliver our services (including information technology suppliers, communication suppliers and our business partners) or as we are required to by law. If you do not provide this information, we may not be able to sell any Shping Coin to you.



- (e) Our Privacy Policy explains:
  - (i) how we store and use, and how you may access and correct your personal information;
  - (ii) how you can lodge a complaint regarding the handling of your personal information; and
  - (iii) how we will handle any complaint.

If you would like any further information about our privacy policies or practices, please contact us at [info@shping.com](mailto:info@shping.com).

- (f) By providing your personal information to us, you consent to the collection, use, storage and disclosure of that information as described in the Privacy Policy and these Terms.
- (g) Shping may contact you by email in relation to your purchase of Shping. Such emails will be informational only.

## **14 Release**

To the fullest extent permitted by law, you release Shping, its directors, officers, personnel and its related bodies corporate and its respective predecessors, successors and assigns from all claims, demands, actions, damages, losses, costs and expenses of every kind and nature, known and unknown (including, but not limited to, claims of negligence, actions for breach of warranty or actions for breach of contract), arising out of or otherwise in connection with:

- (a) your purchase or use of Shping Coin;
- (b) your participation in the Shping Token Sale;
- (c) your responsibilities or obligations under these Terms;
- (d) your violation of these Terms; or
- (e) your violation of any rights of any other person or entity in connection with the Shping Token Sale,

including in relation to or arising out of disputes between Shping and you or between you and other participants in the Shping Token Sale, and the acts or omissions of third parties. To the extent permitted by law, you expressly waive any rights you may have under any statute or common law principles that would otherwise limit the coverage of this release in any way.

## **15 Indemnification**

To the fullest extent permitted by law, including the Australian Consumer Law if applicable, you will indemnify, defend and hold harmless Shping, its directors, officers, personnel and its related bodies corporate (and its respective predecessors, successors and assigns from and against all claims, demands, actions, damages, losses, costs and expenses (including attorneys' fees) that arise out of or are otherwise connected with your breach of these Terms.

## **16 Representations and Warranties**

By purchasing Shping Coin, you represent and warrant as follows:

- (a) you are purchasing Shping Coin at your sole risk;
- (b) You have read, understand and agree to these Terms (including all Schedules that form a part of the Terms);
- (c) You acknowledge and agree that the Shping Coins do not constitute securities or a financial product in your jurisdiction, and that these Terms do not, and are

not intended to, constitute a prospectus, product disclosure statement or offer document of any sort. You acknowledge and agree that these Terms do not constitute an offer of securities or solicitation for investment in securities in your jurisdiction;

- (d) You have sufficient understanding of the functionality, usage, storage, transmission mechanisms and other material characteristics of cryptographic tokens, token storage mechanisms (such as digital wallets), blockchain technology and blockchain-based software systems to understand the Token Sale Documents and to appreciate the risks and implications of purchasing Shping Coin;
- (e) You have obtained sufficient information about Shping Coin from the Token Sale Documents to make an informed decision to purchase Shping Coin;
- (f) You have received independent legal, taxation and financial advice before purchasing Shping Coin;
- (g) You acknowledge that Shping Coin does not confer any rights of any form in or with respect to the Shping Platform or Shping, including, but not limited to, any voting, distribution, redemption, liquidation, proprietary (including in all forms of intellectual property), or other financial or legal rights;
- (h) You acknowledge that you are not purchasing Shping Coin for the purpose of making a financial investment or to manage a financial risk;
- (i) You are not purchasing or using Shping for any illegal purposes;
- (j) Your purchase of Shping Coin complies with your obligations under applicable law and regulation in your jurisdiction, including, but not limited to:
  - (i) legal capacity to enter into these Terms, or have received permission from a legal guardian who has reviewed and agreed to enter into these Terms on your behalf;
  - (ii) any foreign exchange or regulatory restrictions applicable to such purchase, and
  - (iii) any governmental or other consents that may need to be obtained; and
  - (iv) any other threshold requirements in your jurisdiction for purchasing and using Shping Coin in the Shping Platform;
- (k) You will comply with any applicable tax obligations in your jurisdiction arising from your purchase of Shping Coin;
- (l) If you are purchasing Shping Coin on behalf of any entity:
  - (i) such legal entity is duly organised and validly existing under the applicable laws of the jurisdiction of its organisation, and
  - (ii) you are duly authorized by such legal entity to act on its behalf;
- (m) You are not a resident or domiciliary of the United States of America, New Zealand or the People's Republic of China or purchasing Shping Coin from a location within the jurisdiction of the United States of America, New Zealand or the People's Republic of China;
- (n) You are not:
  - (i) a citizen or resident of a geographic area in which access to or ownership of Shping Coin is prohibited by applicable law, decree, regulation, treaty, or administrative act;

- (ii) a citizen or resident of, or located in, a geographic area that is subject to United States of America or other sovereign country sanctions or embargoes; or
  - (iii) an individual, or an individual employed by or associated with an entity, identified on the U.S. Department of Commerce's Denied Persons or Entity List, the U.S. Department of Treasury's Specially Designated Nationals or Blocked Persons Lists, or the U.S. Department of State's Debarred Parties List, or similar lists of other countries;
- (o) You understand and acknowledge that title to, and risk of loss of, Shping passes from Shping to you in Australia;
  - (p) You understand and will take sole responsibility for any restrictions and risks associated with the purchase of Shping Coin as set out in Schedule 1;
  - (q) If any of the representations you have agreed to in these Terms change, such that the representations are no longer accurate, that you will immediately cease holding Shping Coin; and
  - (r) All of the above representations and warranties are true, complete, accurate and non-misleading at the time of your purchase of any Shping Coins.

## **17 Disclaimer of Warranties by Shping**

To the fullest extent permitted by law, including the Australian Consumer Law if applicable, except as otherwise specified in writing by Shping, you expressly acknowledge and agree that:

- (a) Shping makes no warranties or representations as to the successful launch of the Shping Token Sale, or achievement of any other activities noted in the Token Sale Documents or any other documents released by Shping in respect of the Shping Token Sale, and disclaims any warranties implied by law or otherwise;
- (b) Shping is provided on an "as is" basis without warranties of any kind; either express or implied, including, but not limited to, warranties of title or implied warranties, merchantability or fitness for a particular purpose, title and noninfringement;
- (c) Shping makes no representation, warranty or undertaking that the information provided in the Token Sale Documents or any other documents produced by Shping in respect of the Shping Token Sale are truthful, accurate and complete;
- (d) the Token Sale Documents and all other documents released by Shping in respect of the Shping Token Sale have been prepared for information purposes only and are not a statement of future intent;
- (e) Shping disclaims all liability for any loss or damage of whatsoever kind (whether foreseeable or not) which may arise from any person acting on any information and opinions relating to Shping, the Shping Platform or the Shping Token Sale contained in the Token Sale Documents, any other documents released by Shping in respect of the Shping Token Sale, or any information which is made available in connection with any further enquiries, notwithstanding any negligence, default or lack of care;
- (f) Shping does not represent or warrant that Shping Coin are reliable, current or error-free, will meet your requirements, or that defects in Shping Coin will be corrected;
- (g) Shping cannot and does not represent or warrant that Shping Coin or the delivery mechanism for Shping Coin are free of viruses or other harmful or damaging components;

- (h) Shping will not be liable for delays, interruptions, service failures or other problems inherent in the use of the internet or electronic communications or other systems outside our control; and
- (i) Shping Coins are not intended to be structured or sold as securities or any other form of financial product, investment, financial service, or derivative . Accordingly, none of the information presented by Shping in respect of the Shping Coins is intended to form the basis for any investment decision, and no recommendations are intended. Shping expressly disclaims any and all responsibility for any direct, indirect or consequential loss, damage, cost or expense of any kind whatsoever arising directly or indirectly from, or otherwise in connection with:
  - (i) reliance on any information contained herein;
  - (ii) any change in Law or decision of a Government Agency which provides that the Shping Coins, or use of the Shping Coins in the manner set out in the White Paper, is a form of security, financial product, financial service, investment, derivative or managed investment scheme;
  - (iii) any error, omission or inaccuracy in any such information; or
  - (iv) any action resulting from such information.
- (j) without limiting the foregoing, Shping does not warrant that the process for purchasing Shping Coin will be uninterrupted or error-free.

## 18 Limitation of Liability

- (a) Shping will not be liable for any indirect, incidental, special, exemplary or consequential damages, including, but not limited to, for loss of profits, goodwill or data, or damages for business interruption, in any way whatsoever arising out of arising out of or related to the Shping Token Sale or your use or purchase of Shping Coins.
- (b) Shping's maximum liability to you under or in connection with these Terms (whether in breach of contract, tort or otherwise) will be limited to the USD amount that you may have paid to Shping for the purchase of Shping Coin (as calculated at the time of payment if paid in an Accepted Cryptocurrency).

## 19 Dispute Resolution

### 18.1 Negotiation

If there is a dispute of difference (**Dispute**) between you and Shping (the **Parties**) in connection with the sale and purchase of Shping Coins, then within five business days of a party notifying the other party of the Dispute, the Parties or their designated representative, must meet (including by electronic means) and use all reasonable endeavours acting in good faith to resolve the Dispute by joint discussions.

### 18.2 Mediation

- (a) If the Dispute is not settled within five business days of notification under clause 18.1, the Parties will, acting reasonably agree on a mediator to mediate the Dispute by mediation in accordance with the laws of Victoria, Australia.
- (b) In the event the Parties cannot mutually agree on a mediator, the mediator will be appointed by Shping.
- (c) Any mediation meetings and proceedings under this clause must be held in Melbourne Victoria.

- (d) All communications during the mediation are confidential and must be treated as made in the course of compromise and settlement negotiations for the purposes of the applicable rules of evidence and any professional secrecy protections provided by applicable law.

### **18.3 Arbitration**

- (a) If any Dispute is not settled by mediation within 28 days (or any other period agreed to in writing between the Parties) after the appointment of a mediator under clause 18.2, the Parties will, acting reasonably, agree on an arbitrator for resolution of the Dispute by arbitration in accordance with the laws of Victoria, Australia.
- (b) In the event the Parties cannot mutually agree on an arbitrator, the arbitrator will be appointed by Shping.
- (c) Any arbitration meetings and proceedings under this clause must be held in Melbourne, Australia.

## **19 Governing Law and Jurisdiction**

These Terms are governed by the laws of Victoria, Australia. In relation to them and related non contractual matters you irrevocably submit to the non exclusive jurisdiction of courts with jurisdiction there, and waive any right to object to the venue on any ground.

## **20 Severability**

Any provision of these Terms that is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of these Terms nor affect the validity or enforceability of that provision in any other jurisdiction.

## **21 No Waiver**

Shping's rights will not be waived except where a waiver is in writing signed by Shping. Shping's failure to exercise or a delay in exercising any right, power or remedy under these Terms does not operate as a waiver. A single or partial exercise or waiver of the exercise of any right, power or remedy by Shping does not preclude any other or further exercise of that or any other right, power or remedy.

## **22 Updates to these Terms**

Shping reserves the right, at any time, and at its sole discretion, to amend these Terms by posting the amended Terms on the Token Sale Website. We will endeavour to notify through our Shping Official Communications Channel of any changes to the Terms. You will be deemed to have accepted such changes by continuing to purchase Shping, regardless of whether you were notified of these changes. If at any point you do not agree to any portion of the updated version of the Terms, you should not purchase Shping.

## **23 Definitions and Interpretation**

### **23.1 Definitions**

The following definitions apply unless the context requires otherwise.

**Accepted Cryptocurrency** means Bitcoin, Ethereum, Bitcoin Cash, Ripple, Litecoin, Dash, NEO, Monero, NEM, Ethereum Classic, IOTA, Zcash, Tether, and Waves;

**Accepted Currency** means each Accepted Cryptocurrency and USD;

**Authenticateit** means Authenticateit Pty Ltd (ABN 30 155 162 253);

**Authenticateit Partnership Agreement** has the meaning given in Schedule 1; **Bonus Period** means the periods of the Crowdsale set out in clause 2.5; **Commencement Date** means 22 February 2018; **End Date** means 23 March 2018;

**Government Agency** means any governmental, semi-governmental, intergovernmental, supranational entity or administrative, fiscal, judicial or quasi-judicial body, department, commission, regulatory authority, tribunal, agency or entity.

**Hard Cap** means the sale of 5,000,000,000 Shping Coins during the Token Sale.

**Law** means any applicable statute, regulation, by-law, ordinance or subordinate legislation in force from time to time in Australia and any other relevant jurisdictions.

**Crowdsale** means the primary sale of Shping Coins commencing on the Commencement Date and completing on the earlier of the Hard Cap or the End Date.

**Pre-Sale** means the pre-sale of Shping Coins in accordance with clause 2.4;

**Pre-Sale Hardcap** means an amount of Accepted Cryptocurrency raised during the Pre-Sale equal to \$3,000,000 USD.

**Shping** means Shping Pty Ltd (ABN 89 621 124 338);

**Shping Coin** means the ERC20 token to be issued in the Shping Token Sale;

**Shping Development Roadmap** means the development roadmap for the Shping Platform set out in section 6 of the Shping White Paper;

**Shping Facebook Page** means

<https://www.facebook.com/shpingapp/>; **Shping LinkedIn Page** means

<https://www.linkedin.com/company/17959229>; **Shping Official**

**Communication Channels** means:

- (a) the Shping Website;
- (b) the Token Sale Website;
- (c) the Shping Facebook Page;
- (d) the Shping Twitter Account;
- (e) the Shping Telegram Account;
- (f) the Shping LinkedIn Page; and
- (g) posts by the Shping Coin account holder on the following Bitcoin Talk thread: <https://bitcointalk.org/index.php?topic=2365017.0>;

**Shping Platform** means the platform developed by Shping described in the Shping White Paper.

**Shping Telegram Group** means <https://t.me/ShpingTokenSale>;

**Shping Token Sale** means the sale of Shping Coins during the Pre-Sale and the Crowdsale.

**Shping Transit Account** means the transit account for Shping Coin deposits developed by Shping to minimise the incremental cost of micropayments between brands and individual users described in the Shping White Paper;

**Shping Twitter Account** means <https://twitter.com/shpingapp>;

**Shping Website** means [www.shping.com](http://www.shping.com);

**Shping Websites** means the Shping Website and the Token Sale Website;

**Shping White Paper** means the white paper dated December 2017 published on the

Token Sale Website by Shping for the Shping Token Sale; and

**Terms** means the terms and conditions of the Shping Token Sale contained in this document;

**Token Sale Documents** means these Terms and the Shping White Paper;

**Token Sale Wallet** means the virtual wallet in your secure portal that you will deposit Accepted Currency into;

**Token Sale Website** means [www.tokensale.shping.com](http://www.tokensale.shping.com); and

**USD** means United States Dollars.

## 23.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) The following rules apply unless the context requires otherwise.
  - (i) The singular includes the plural, and the converse also applies.
  - (ii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
  - (iii) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
  - (iv) A reference to a clause or Schedule is a reference to a clause of, or Schedule to these Terms.
  - (v) A reference to these Terms is to these Terms as amended, supplemented, novated or replaced, except to the extent prohibited by these Terms.
  - (vi) A reference to a party to these Terms includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
  - (vii) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
  - (viii) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
  - (ix) A reference to time, unless specified otherwise, is to time in Melbourne, Australia.
  - (x) A reference to an amount for which a person is contingently liable includes an amount that that person may become actually or contingently liable to pay if a contingency occurs, whether or not that liability actually arises.
  - (xi) A *month* means a calendar month.
  - (xii) A reference to year is a reference to each successive period of 12 months, commencing on the date of these Terms.

## Schedule 1

### Information Memorandum – Risk and Disclosures

#### 1 Company information

##### 1.1 Key shareholders

Gennady Volchek.

##### 1.2 Financial information, key assets and corporate structure

Shping Pty Ltd (ABN 89 621 124 338), is a privately-owned company, registered in Australia.

Shping has no substantial debts.

Shping was specially set up to mint and operate Shping Coins and will manage the Shping Token Sale.

Shping Pty Ltd will enter into an agreement with Authenticateit Pty Ltd (***Authenticateit***) in relation to the use and development of the Shping Platform (the ***Authenticateit Partnership Agreement***).

The Authenticateit Partnership Agreement will provide the following:

- (a) Authenticateit will facilitate the flow of Shping Coins from brands and other parties to Shping App users; and
- (b) Shping grants an exclusive licence to Authenticateit to use the Shping Coins in the Shping Coin incentive pool to fuel marketing and consumer engagement on the Shping Platform.
- (c) Authenticateit will develop the Shping Platform, and provide services from Shping Platform to brands and consumers.

Authenticateit owns or will have the right to use all intellectual property rights (excluding open source rights) in the technology comprising the Shping Platform, and is free to use, reproduce, modify and exploit that intellectual property.

##### 1.3 Directors and key managers

Please refer to section 7 of the Shping White Paper for background information on Shping's directors and key managers.

##### 1.4 Implementation of Shping Technology

The latest version of the Shping Platform is operational. It was launched in public beta on 30 June 2017 by Authenticateit.

The Shping Platform is already generating revenue. Since it was founded in 2012, Shping Platform ([www.shping.com](http://www.shping.com)) has evolved from Authenticateit ([www.authenticateit.com](http://www.authenticateit.com)) and currently has 24 brand partners (<http://authenticateit.com/partners/>).

Approximately 50,000 consumers have downloaded the Shping App. The Shping Platform has 5,000 active users. A marketing campaign to recruit new users has been commissioned and is ready to be activated with proceeds from the Shping Coin token sale.

Shping has offices in 4 major countries. It is headquartered in Melbourne, Australia and has three international offices in Singapore, Beijing (China) and Moscow (Russia). Each office participates in regional business development, educational seminars, onboarding participating businesses, local promotion, and marketing.



Shping currently employs 14 people, including 6 developers.

## 1.5 Important partnerships

Authenticateit has strategic alliances with a number of global partners:

- (a) Strategic Alliance Partners.
  - (i) GS1 Australia
  - (ii) GS1 Singapore
  - (iii) GSI1 Russia
  - (iv) GS1 Malta
  - (v) GS1 Azerbaijan
  - (vi) AssureQuality
  - (vii) Australian Certified Organic
  - (viii) EverLedger
- (b) Strategic Partners.
  - (i) Novagraaf
  - (ii) National Farmers Federation

## 1.6 Litigation

To the best of Shping's knowledge and belief, there is no pending or threatened material investigation, litigation, prosecution, mediation, arbitration or other proceeding between Shping and any other person.

## 2 Risks – Shping Token Sale and Shping Coin

### 2.1 General

There are risks associated with the use of blockchain technology for the Shping Token Sale process, and the purchase of Shping Coin generally.

**Warning:** Do not purchase Shping Coins if you are not an expert in dealing with cryptographic tokens and blockchain based software systems.

Purchases of Shping Coin should only be undertaken by individuals or entities that have significant experience with, and understanding of, the usage and intricacies of cryptographic tokens, like the Accepted Cryptocurrencies, and other blockchain based software systems. You should have functional understanding of storage and transmission mechanisms associated with other cryptographic tokens. While Shping may be available to assist in the purchase of Shping Coins during and after the sale, in no way is Shping offering advice and Shping will not be responsible for lost Accepted Cryptocurrencies or Shping Coin resulting from actions taken by, or omitted by you.

**Warning:** Purchasing Shping Coins is risky.

The purchase of Shping Coins carries with it a number of risks. You should carefully consider all risks involved, including, but not limited to, those listed below and, to the extent necessary, consult an appropriate lawyer, accountant, or tax professional. If any of the following risks are unacceptable to you, then you should not purchase Shping Coins.

To the extent permitted by law, you acknowledge and agree that there are risks associated with purchasing, holding and using Shping Coins. You expressly acknowledge and assume all risks

and agree not to hold Shping or any related party of Shping liable for any loss, damage, cost or expense (including or any special, incidental, or consequential damages) arising from, or in any way connected, to the sale of Shping Coins, including, but not limited to, any loss associated with the risks set out below. The order of the risks set out below is not intended to have any bearing on the likelihood of such risk arising, or importance of any such risk to any particular person.

## **2.2 Cryptographic Tokens May Experience Risk of Extreme Price Volatility**

Cryptographic tokens that possess value in public markets, such as Ether and Bitcoin, have demonstrated extreme fluctuations in price over short periods of time on a regular basis. You should be prepared to expect similar fluctuations, both down and up, in the price of Shping Coin denominated in Ether, Bitcoin or USD, or currencies of other jurisdictions. Such fluctuations are due to market forces and represent changes in the balance of supply and demand. As mentioned, exchanges are independent of and not operated by Shping, therefore use of exchanges is at your own risk and Shping cannot and does not guarantee market liquidity for:

- (a) Shping Coins on the Shping Platform; and
- (b) the exchange of Shping Coins for any other cryptocurrency,

and therefore there may be periods of time in which Shping Coins are difficult to buy or sell.

Additionally, due to different regulatory requirements in different jurisdictions and the inability of citizens of certain countries to open accounts at cryptocurrency exchanges located anywhere in the world, the liquidity of Shping Coins may be markedly different in different countries and this would likely be reflected in significant price discrepancies. By purchasing Shping Coins, you expressly acknowledge and represent that you fully understand that Shping Coins may experience volatility in pricing and will not seek to hold any of Shping, its directors, officers, agents and advisors liable for any losses or any special, incidental, or consequential damages arising from, or in any way connected to, the sale of Shping Coins. It is also possible that the value of the Accepted Cryptocurrencies will drop significantly in the future, depriving Shping of sufficient resources to continue to operate.

It is possible that a competing cryptographic token other than Shping Coins could have features that make it more desirable to a material portion of the cryptographic token user base, resulting in a reduction in demand for Shping Coins, which could have a negative impact on the use and price of Shping Coins generally. It is possible that a comparable product could become materially popular due to either a perceived or exposed shortcoming of the Shping Platform that is not immediately addressed by Shping, or a perceived advantage of a comparable product that includes features not incorporated into the Shping Platform. If this product obtains significant market share, it could have a negative impact on the demand for, and price of Shping Coins.

The Shping Platform is a new product, thus contributing to price volatility that could adversely affect the value of Shping Coins. There are many factors affecting the further development of the cryptographic token industry, as discussed throughout this section. These risks can include, but is not limited to, continued worldwide growth in the adoption and use of Shping Coins and other tokens; changes in consumer demographics, public tastes and preferences; general economic conditions; and the regulatory environment relating to the Shping Platform, Shping Coins and other tokens.

## **2.3 Risks Associated with the Development and Maintenance of the Shping Platform**

You recognise that the Shping Platform and the integration of Shping Coins into the Shping Platform is currently under development and may undergo significant changes before release and over time, including a change in direction at Shping's discretion. Although Shping intends for Shping Coins and the Shping Platform to function as set forth in the Shping White Paper, and

intends to take commercially reasonable steps toward those objectives, Shping may have to make changes to the functions of Shping Coins or the Shping Platform for any number of legitimate reasons including, but not limited to, a change in the design, implementation plans and execution of the implementation of the Shping Platform in order to meet the needs of the market. This could create the risk that the Shping Platform or Shping Coins, as further developed and maintained, may not meet your expectations at the time of purchase of the Shping Coin. Furthermore, despite Shping's efforts to develop and maintain the Shping Platform, it is still possible that the Shping Platform will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Shping Platform and Shping Coins.

You understand that while Shping will make reasonable efforts to integrate the Shping Coin in the Shping Platform, however due to circumstances beyond Shping's control it is possible that a limited release occurs or, in the worst case, a functioning operational Shping Platform with Shping Coin integrated may not be released at all.

## **2.4 Risks of Losing Access to Shping Coin Due to Loss of Private Key(s)**

Shping Coins may be stored in a ERC20 compliant wallet, which can only be accessed with a password selected by you. The wallet will hold a private key, or a combination of private keys, required to control and dispose of the Shping Coins stored in your digital wallet. Any loss of requisite private key(s) associated with your digital wallet storing Shping Coins, will result in loss of such Shping Coins. If you do not maintain an accurate record of your private key or password used to access your private key, this may lead to the loss of your Shping Coins. You must safely store your password in one or more backup locations that are well separated from the primary location. If you do not have such experience or expertise, then you should not participate or purchase Shping Coins.

Any third party that gains access to your private key may be able to gain access to your Shping Coins. You must take care not to respond to any inquiry regarding your purchase of Shping Coins, including but not limited to, email requests purportedly coming from the Shping Websites or a similar-looking domain.

The loss, destruction, loss of access or data loss relating to a private key used to access the Shping Coin, may be irreversible and could adversely affect the value of the Shping Platform and overall Shping Coins. Shping disclaims all responsibility for loss, destruction, loss of access or data loss relating to a private key or its related Shping Coin.

As set out in the Shping White Paper, Shping will create and manage a Shping Transit Account to minimise the incremental cost of micropayments between brands and individual users. Although Shping will use best endeavours to protect access to the Shping Transit Account, the loss, destruction, hacks, loss of access or data loss relating to a private key used to access the Shping Transit Account, may be irreversible and could adversely affect the value of the Shping Platform and overall Shping Coins.

## **2.5 Risks Associated with the Ethereum Protocol**

As Shping Coin and the Shping Platform are based on the Ethereum protocol, any malfunction, unexpected functioning, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on Shping Coin or the Shping Platform, including, but not limited to, impacting your ability to transfer or securely hold Shping Coin. Such impact could adversely affect the value of Shping Coin.

Advances in cryptography, or technical advances such as the development of quantum computing, could present risks to Shping Coin and the Shping Platform by rendering ineffective the cryptographic consensus mechanism, that underpins the Ethereum protocol.

## **2.6 Risk of technology used for the platform building of the Shping Platform (including mining attacks)**

As with other decentralized ERC20 cryptographic tokens based on the Ethereum protocol under the proof of work mechanism, Shping Coins and by extension the Shping Platform are susceptible to many known and still unknown risks, including attacks by miners in the course of validating Shping Coin transactions on the Ethereum blockchain. Any successful attacks present a risk to the Shping Platform and Shping Coins, including, but not limited to, accurate execution, recording of transactions involving Shping Coins and expected proper payment operations.

It is also possible that a "hard fork" occurs in the Ethereum network, where the underlying blockchain splits. If this occurs, Shping will follow the blockchain returning a state of the Shping Platform at the state of a past timestamp. As a result, any transactions and changes in the Shping Platform after the timestamp will not be recorded.

## **2.7 Risk of Hacking, Cyber Threats and Security Weaknesses**

Hackers, individuals, other malicious groups or organizations may attempt to interfere with the Shping Platform or Shping Coins in a variety of ways

Hackers, individuals, other groups or organizations may attempt to steal Accepted Cryptocurrencies from the Shping Token Sale, thus potentially impacting the ability of Shping to promote the Shping Platform. To account for this risk, Shping will be using Coinpayments platform to manage collected funds. Coinpayments use the following security measures:

- (a) Implemented TREZOR login.
- (b) Two factor authentication (2FA) via Email or Google Authenticator.
- (c) System emails from CoinPayments are PGP signed.
- (d) All passwords are stored as a uniquely salted script hash, which is then AES encrypted.
- (e) All sensitive and checkout information such as first and last name, shipping addresses, item names, cryptocurrency payout addresses, etc., are stored under AES encryption.
- (f) TLS encryption between the user and Coinpayments servers to protect against eavesdroppers.
- (g) Account lockouts to prevent brute force password guessing.
- (h) Protection against cross-site scripting (XSS) and SQL Injection attacks.
- (i) Immediate payouts means there are minimal Accepted Cryptocurrencies on the payment server at any one time, reducing hacking incentive.
- (j) The Coinpayments hot wallet is secured by BitGo™.

Advances in code cracking, or technical advances such as the development of quantum computers, could present risks to cryptographic tokens and the Shping Platform, which could result in the theft or loss of Shping Coins. To the extent possible, Shping intends to update the protocol underlying the Shping Platform to account for any advances in cryptography and to incorporate additional security measures, but it cannot predict the future of cryptography or the success of any future security updates.

## **2.8 Risks Associated with Markets for Shping Coin**

The Shping Coins are intended to be used solely within the Shping Platform. As Shping is using the ERC20 protocol, Shping cannot control the actions of purchasers of Shping Coins. Even if secondary trading of Shping Coins is facilitated by third party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to

fraud or manipulation. Furthermore, to the extent that third parties do ascribe an external exchange value to Shping Coins (e.g. as denominated in a cryptocurrency or fiat currency), such value may be extremely volatile and diminish to zero. If you chose to use Shping Coins on exchanges it is at your own risk. Exchanges are independent of and not operated by Shping.

## **2.9 Risk of Cryptocurrency Exchanges**

Cryptocurrency exchanges on which Shping Coins may trade may be relatively new and largely unregulated and may therefore be more exposed to fraud and failure than established regulated exchanges. To the extent that the cryptocurrency exchanges representing a substantial portion of the volume in Shping Coin trading are involved in fraud or experience security failures or other operational issues, such cryptocurrency exchange failures may result in a reduction in the price and can adversely affect the value of Shping Coins. A lack of stability in the cryptocurrency exchanges and the closure or temporary shutdown of cryptocurrency exchanges due to fraud, business failure, hackers or malware, or government-mandated regulation may reduce confidence in the Shping Platform and result in greater volatility in the price of Shping Coins.

## **2.10 Risk of Lack of Insurance and Transaction Losses**

Unlike cash reserves held in bank accounts or accounts at some other financial institutions, Shping Coins are uninsured unless you specifically obtain private insurance to insure those held by you. In the event of loss or loss of utility value, there is no public insurer or private insurance arranged by Shping to offer recourse to you.

Shping Coin transactions are irrevocable. If Shping Coins are stolen or incorrectly transferred, such transfer may be irreversible. As a result, any incorrectly executed Shping Coin transactions could adversely affect the value of Shping Coins. Cryptographic token transactions are not reversible without the consent and active participation of the recipient of the transaction or, in theory, control or consent of a majority of the processing power on the host blockchain platform. Once a transaction has been verified and recorded in a datablock that is added to the blockchain, an incorrect transfer of a Shping Coin or a theft of a Shping Coin generally will not be reversible and there Shping will not provide compensation for any such transfer or theft. Such loss could adversely affect the value of Shping Coins generally.

## **2.11 Risks Associated with Uncertain Regulations, Enforcement Actions and Geopolitical Events**

The regulatory status of the cryptographic tokens, blockchain and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to such technology and its applications, including the Shping Platform and Shping Coins. It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to law and regulation affecting blockchain and distributed ledger technology and its applications, including the Shping Platform and Shping Coins. Regulatory actions could negatively impact the Shping Platform and Shping Coins in various ways, including, for purposes of illustration only, through a determination that Shping Coins are a regulated financial product or instrument that attracts registration or licensing requirements.

Shping may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction. The Shping Platform and Shping could be impacted by one or more regulatory enquiries or regulatory action, which could impede or limit the ability of Shping to continue to develop the Shping Platform.

Political or economic crises may motivate large-scale sales of Shping Coins, which could result in a reduction in the price and adversely affect the value of Shping Coin. Cryptographic tokens such as Shping Coins, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralised means of transacting, and it is unclear how such supply and demand will be impacted by geopolitical events. Large-scale sales of Shping Coins would result in a reduction in the liquidity of such tokens.

#### **2.12 Risks Arising from Taxation**

The tax characterization of Shping Coins is uncertain in many jurisdictions. You must seek your own tax advice in connection with purchasing Shping Coins, which may result in adverse tax consequences to you, including but not limited to withholding taxes, income taxes and tax reporting requirements. You bear the sole responsibility for any taxation requirements, in purchasing, using and holding Shping Coins.

#### **2.13 Risk of Alternative Platforms**

It is possible that alternative platforms could be established that utilize the same open source code and protocol underlying the Shping Platform and attempt to facilitate services that are materially similar to those intended to be delivered through the Shping Platform. The Shping Platform may be in competition with these alternative platforms, which could negatively impact the Shping Platform and Shping Coins.

#### **2.14 Risk of Insufficient Interest in the Shping Platform**

It is possible that the Shping Platform will not be used by a large number of external businesses, individuals, and other organisations and that there will be limited public interest in the use of Shping Coins for marketing campaigns, loyalty and use within the Shping Platform. Such a lack of interest could impact the development of the Shping Platform for global release. Shping cannot predict the success of its own marketing efforts or the efforts of other third parties.

#### **2.15 Risk of Insufficient Interest in the Shping Token Sale**

There is no guarantee of a successful Shping Token Sale resulting from the marketing activities of Shping. It is possible that, due to any number of reasons, including without limitation, the failure of business relationships or marketing strategies, that the Shping Platform and all subsequent marketing of the sale of Shping Coins from Shping, may fail to achieve success.

#### **2.16 Risk of an Unfavourable Fluctuation of Ether and Other Currency Value**

Shping intends to use the proceeds from selling Shping Coins to fund the maintenance and development of the Shping Platform. The proceeds of the Shping Token Sale will be denominated in the Accepted Currencies, and can be converted into other cryptographic and fiat currencies. If the value of the Accepted Currencies fluctuates unfavourably during or after the Shping Token Sale, Shping may not be able to fund development, or may not be able to develop or maintain the Shping Platform in the manner that it intended.

#### **2.17 Risk of Dissolution of Shping**

It is possible, due to any number of reasons including, but not limited to, an unfavourable fluctuation in the value of the Accepted Currencies (or other cryptographic and fiat currencies), decrease in the Shping Platform's utility, the failure of commercial relationships, or intellectual property ownership challenges, that the Shping Platform may no longer be viable to operate and Shping may dissolve or be wound up or face an uncertain or changing regulatory regime.

## **2.18 Risks Arising from Lack of Governance Rights**

As ownership of a Shping Coin confers no governance rights of any kind with respect to the Shping Platform or Shping, all decisions involving the Shping Platform or Shping will be made by Shping at its sole discretion, including, but not limited to, decisions to discontinue the Shping Platform, to create and sell more Shping Coins for use in the Shping Platform, or to sell or liquidate Shping. These decisions could adversely affect the Shping Platform and any Shping Coins you hold.

## **2.19 Risks Involving Cloud Storage**

As Shping uses a distributed cloud storage service (with clusters and storage located in Australia, China and Russia) to host the Shping Platform and related applications, the Shping Platform is susceptible to a number of risks related to the storage of data in the cloud. While Shping does not have access to the contents of the data stored through the operation of the Shping Platform, such data may include large amounts of sensitive and or proprietary information, which may be compromised in the event of a cyber attack or other malicious activity. Similarly, the Shping Platform may be interrupted and files may become temporarily unavailable in the event of such an attack or malicious activity. As users can use a variety of hardware and software that may interface with the Shping Platform, there is the risk that the Shping Platform may become unavailable or interrupted, based on a failure of interoperability or an inability to integrate these third-party systems and devices that Shping does not control with the Shping Platform. The risk that the Shping Platform may face increasing interruptions and additional security vulnerabilities could adversely affect the Shping Platform, and therefore the future utility of any Shping Coins that you hold.

## **2.20 Risks of Intellectual Property Rights Claims**

Intellectual property rights claims may adversely affect the operation of the Shping Platform. Third parties may assert intellectual property ownership claims relating to the holding and transfer of cryptographic tokens and their source code. Regardless of the merit of any intellectual property claim or other legal action, any threatened action that reduces confidence in the Shping Platform's long-term viability or the ability of end-users to hold and transfer Shping Coins, may adversely affect the value of Shping Coin. Additionally, a meritorious intellectual property claim could prevent you from accessing the Shping Platform, holding or transferring your Shping Coins.

## **2.21 Unanticipated Risks**

Cryptographic tokens such as the Shping Coins are a new and relatively untested technology. In addition to the risks noted above, there are other risks associated with your purchase, holding and use of Shping Coins that Shping cannot anticipate. Such risks may further materialise as unanticipated variations or combinations of the risks set out above.