

**OTOY INTERNATIONAL SEZC**

**TERMS OF NFT SALE FOR**

**FRIEZE ART FAIR**

**OTOY INTERNATIONAL SEZC TERMS OF TOKEN SALE**

**Last Updated: June \_\_, 2021**

PLEASE READ THESE TERMS OF NFT SALE CAREFULLY. NOTE THAT SECTION 15 CONTAINS A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER, WHICH, IF APPLICABLE TO YOU, AFFECT YOUR LEGAL RIGHTS. IF YOU DO NOT AGREE TO THESE TERMS OF SALE, DO NOT PURCHASE TOKENS.

Your purchase of one or more non fungible tokens (“**NFTs**”) from OTOY International SEZC (“**Company**,” “**we**,” or “**us**”) at the Frieze Art Fair sponsored by Frieze Events, Inc. (“**Frieze**”) is subject to these Terms of Sale (“**Terms**”). Each of you and Company is a “**Party**,” and together the “**Parties**.”

By purchasing NFTs from us, you will be bound by these Terms and all terms incorporated by reference. If you have any questions regarding these Terms, please contact us at [info@rendertoken.com](mailto:info@rendertoken.com).

You and Company agree as follows:

**1. Purpose and Use of NFTs**

- (a) NFTs are blockchain-based non-fungible tokens designed to enable unique ownership of collectible digital objects (collectively, the “**NFT Utility**”).
- (bc) Purchase, ownership, receipt or possession of an NFT carries no rights, express or implied, other than ownership of the digital object represented by the NFT. You understand and

accept that NFTs do not represent or confer any ownership right or stake, share or security or equivalent rights in Company. NFTs are not intended to be a digital currency, security, commodity or any other kind of financial instrument, and accordingly, these Terms do not constitute any invitation (to the public in the Cayman Islands or otherwise) to subscribe for any securities.

## **2. Eligibility**

In order to be eligible to purchase NFTs, you must:

- (a) Be at least 18 years of age;
- (b) Comply with all the terms and conditions set forth in these Terms;
- (c) Complete the Registration process, as described in more detail in **Exhibit B**. The Registration process is mandatory and requires you to (i) provide all information we request during the Registration process (“**Registration Information**”) and (ii) have an ERC20-compatible Ethereum wallet (a “**Purchaser Wallet**”);
- (d) Receive a confirmation email from us that, based on our review of your Registration Information, you have been approved to purchase NFTs; and
- (e) Pay the Purchase Price
- (f) Wait for the mandatory two week waiting period from the time you tender payment for Company to confirm your eligibility before ownership is transferred to you.

## **3. Scope of Terms**

Unless otherwise stated herein, these Terms govern only your purchase of NFTs from us. Company will have no responsibility for the use or resale of NFTs after the NFTs are sold.

## **4. Cancellation; Refusal of Purchase Requests**

Your purchase of NFTs from us is final, and there are no refunds or cancellations except as may be required by applicable law or regulation. We reserve the right to refuse or cancel NFT purchase requests at any time in our sole discretion.

## **5. Procedures and Specifications**

Important information about the procedures and material specifications applicable to your purchase is provided in **Exhibit A**. By purchasing NFTs, you acknowledge that you have read and understand **Exhibit A**.

## **6. Acknowledgment and Assumption of Risks**

You acknowledge and agree that there are risks associated with purchasing NFTs, owning NFTs, and using NFTs in connection with NFT Utility, as disclosed and explained in **Exhibit B**. If you have any questions regarding these risks, please contact us at [info@rendertoken.com](mailto:info@rendertoken.com). BY PURCHASING NFTs, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THESE RISKS.

## **7. Security**

You will implement and be responsible for implementing reasonable measures for securing your Purchaser Wallet and any other wallet or vault you use to hold NFTs you purchase from us, including any requisite private keys or other credentials necessary to access such Purchaser Wallet or other wallet or vault. Notwithstanding any other provision of these Terms, we will not be responsible or liable for any damages, losses, costs, penalties, fines or expenses arising out of or relating to (i) your failure to implement reasonable measures to secure your Purchaser Wallet or any other wallet or vault you use to hold NFTs or the relevant access credentials, (ii) the loss of, tampering with, circumventing or unauthorized use of any of the access credentials to your Purchaser Wallet or any other wallet or vault you use to hold NFTs, (iii) any security breach affecting the security of your Purchaser Wallet or any other wallet or vault you use to hold NFTs or (iv) the loss of NFTs from your Purchaser Wallet or any other wallet or vault you use to hold NFTs.

## **8. Registration Information; Privacy Policy**

Please refer to our Privacy Policy at <http://www.rendertoken.com/privacypolicy.html> for information about how we collect, use and disclose your Registration Information and other

information collected through [www.rendertoken.com](http://www.rendertoken.com).

## **9. Taxes**

Any amounts that you pay for NFTs are exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase and/or sale of NFTs, including, for example, sales, use, value added, and similar taxes. It is your responsibility to withhold, collect, report and remit the correct taxes to the appropriate tax authorities. We are not responsible for withholding, collecting, reporting, or remitting any sales, use, value added, or similar tax arising from your purchase of NFTs.

## **10. Representations and Warranties**

You represent and warrant that:

- (a) You have a sufficient technical understanding of cryptographic tokens (including NFTs and Ether), Ethereum-based protocols, distributed networks, token storage mechanisms (including your Purchaser Wallet), and blockchain technology in general to understand these Terms and to appreciate the risks and implications of purchasing NFTs;
- (b) You have read and understand the terms and conditions of these Terms (including all exhibits which are part of these Terms);
- (c) You have obtained sufficient information about NFTs to make an informed decision to purchase NFTs;
- (d) You understand, acknowledge and assume the restrictions and risks associated with the purchase, holding and use of NFTs as set forth herein, including, but not limited to, the risks explained and disclosed in Section 6 and **Exhibit C**;
- (e) You understand that NFTs are intended to be used only in connection with NFT Utility, and confer no rights of any form with respect to Company or its corporate affiliates, including, but not limited to, any ownership, voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights;

- (f) You are purchasing NFTs solely for use in connection with NFT Utility and are not purchasing NFTs for any other purposes, including, but not limited to, any investment, speculative or other financial purposes;
- (g) You understand and acknowledge that the Company is not registered with or licensed by any financial regulatory authority in the Cayman Islands or elsewhere. Accordingly, no Cayman Islands or other financial regulatory authority has passed upon the contents of these Terms or the merits of purchasing NFTs, nor have these Terms been filed with, or reviewed by, any Cayman Islands or other financial regulatory authority;
- (h) You understand and acknowledge that these Terms shall not be construed as an invitation (to the public in the Cayman Islands or otherwise) to subscribe for any securities, and you understand and acknowledge that no actions of, or documentation issued by the Company, shall be construed as such;
- (i) All Registration Information you have provided is complete and accurate;
- (j) You are at least 18 years of age;
- (k) Your purchase of NFTs complies with applicable laws and regulations in your jurisdiction, including, but not limited to, (i) legal capacity and any other applicable legal requirements in your jurisdiction for purchasing NFTs, using NFTs, and entering into contracts with us, (ii) any foreign exchange or regulatory or import/export restrictions applicable to such purchase, and (iii) any governmental or other consents that may need to be obtained;
- (l) You hereby certify that you are not (i) a citizen or resident of a geographic area in which purchase, holding or use of NFTs 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 U.S. or other applicable 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 List, the U.S. Department of State's Debarred Parties List or other applicable sanctions lists. You hereby represent and agree that if your country of residence or other circumstances change such that the above representations are no longer

accurate, you will immediately notify Company and cease using NFTs. You agree that you will not knowingly sell or otherwise transfer NFTs to a party subject to U.S. or other applicable sanctions;

- (m) You are not resident or domiciled in the People's Republic of China or purchasing NFTs from a location in the People's Republic of China, the Cayman Islands;
- (n) If you are purchasing NFTs on behalf of any entity, (i) you are authorized to accept these Terms and to act on such entity's behalf, (ii) such entity will be responsible for breach of these Terms by you or any other employee or agent of such entity (references to "you" in these Terms refer to you and such entity, jointly), and (iii) such entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization;
- (o) You will not use NFTs or the Company's Network in connection with any activity that violates applicable laws in any relevant jurisdiction, including, but not limited to, use of NFTs or the Company's Network in connection with transactions that violate U.S. federal or state securities or commodity laws;
- (p) You will at all times maintain control of your Purchaser Wallet, and you will not share or disclose the account credentials associated with your Purchaser Wallet with any other party. If you transfer NFTs from your Purchaser Wallet into another wallet or vault, you will likewise at all times maintain control of such other wallet or vault, and you will not share or disclose the account credentials associated with such other wallet or vault with any other party;
- (q) You will comply with any applicable tax obligations in your jurisdiction arising from your purchase of NFTs; and
- (r) You understand and acknowledge that title to, and risk of loss of, NFTs you purchase from Company passes from Company to you in the Cayman Islands.

## **11. Indemnification**

- (a) To the fullest extent permitted by applicable law, you will indemnify, defend and hold harmless Company and our respective past, present and future employees, officers, directors, contractors, consultants, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns, the creator of the underlying artwork on which the NFT is based and Frieze Events, Inc. (the “**Company Parties**”) from and against all claims, demands, actions, damages, losses, costs and expenses (including attorneys’ fees) that arise from or relate to: (i) your purchase or use of NFTs, (ii) your responsibilities or obligations under these Terms, (iii) any breach by you of these Terms, or (iv) any infringement or violation by you of any rights of, or laws or regulations applicable to, any other person or entity.
- (b) Company reserves the right to exercise sole control over the defense, at your expense, of any claim subject to indemnification under Section 11(a). This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between you and Company.

## **12. Disclaimers**

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS OTHERWISE SPECIFIED IN A WRITING BY US, (A) NFTs ARE SOLD ON AN “AS IS” AND “AS AVAILABLE” BASIS WITHOUT WARRANTIES OF ANY KIND, AND WE EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES AS TO NFTs, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT; (B) WE DO NOT REPRESENT OR WARRANT THAT NFTs ARE RELIABLE, CURRENT OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN NFTs WILL BE CORRECTED; AND (C) WE CANNOT AND DO NOT REPRESENT OR WARRANT THAT NFTs OR THE DELIVERY MECHANISM FOR NFTs ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS.

Some jurisdictions do not allow the exclusion of certain warranties or disclaimer of implied terms in contracts with consumers, so some or all of the exclusions of warranties and disclaimers in this Section 12 may not apply to you.

### **13. Limitation of Liability**

(A) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW: (I) IN NO EVENT WILL COMPANY OR ANY OF THE COMPANY PARTIES BE LIABLE FOR LOSS OF PROFITS OR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHER LOSS OF ANY KIND (INCLUDING, BUT NOT LIMITED TO, WHERE RELATED TO LOSS OF REVENUE, INCOME OR PROFITS, LOSS OF USE OR DATA, OR LOSS FOR BUSINESS INTERRUPTION) ARISING OUT OF OR IN ANY WAY RELATED TO THE SALE OR USE OF NFTs OR OTHERWISE RELATED TO THESE TERMS, REGARDLESS OF THE FORM OR CAUSE OF ACTION, WHETHER BASED IN CONTRACT, TORT, OR ANY OTHER LEGAL OR EQUITABLE THEORY (EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER SUCH LOSS WERE FORESEEABLE); AND (II) IN NO EVENT WILL THE AGGREGATE LIABILITY OF COMPANY AND THE COMPANY PARTIES (JOINTLY) FOR ANY LOSS ARISING OUT OF OR RELATING TO THESE TERMS OR THE USE OF OR INABILITY TO USE NFTs, EXCEED THE AMOUNT YOU PAY TO US FOR THE NFTs.

(B) THE LIMITATIONS SET FORTH IN SECTION 13(A) WILL NOT LIMIT OR EXCLUDE LIABILITY FOR FRAUD OR WILLFUL DEFAULT OF COMPANY.

### **14. Release**

To the fullest extent permitted by applicable law, you release Company and the other Company Parties from responsibility, liability, claims, demands and damages (actual and consequential) of every kind and nature, known and unknown (including, but not limited to, claims of negligence), arising out of or related to disputes between users and the acts or omissions of third parties. **You expressly waive any rights you may have under California Civil Code § 1542 as well as any other statute or common law principles that would otherwise limit the coverage of this release (including similar laws in other applicable jurisdictions) to include only those claims which you may know or suspect to exist in your favor at the time of agreeing to this release.**

### **15. Dispute Resolution; Arbitration**

PLEASE READ THE FOLLOWING SECTION CAREFULLY BECAUSE IT CONTAINS



ADDITIONAL PROVISIONS APPLICABLE ONLY TO INDIVIDUALS RESIDENT OR DOMICILED IN THE UNITED STATES. IF YOU ARE RESIDENT OR DOMICILED IN THE UNITED STATES, THIS SECTION REQUIRES YOU TO ARBITRATE CERTAIN DISPUTES AND CLAIMS WITH COMPANY AND LIMITS THE MANNER IN WHICH YOU CAN SEEK RELIEF FROM US. IF YOU ARE RESIDENT OR DOMICILED OUTSIDE THE UNITED STATES, THIS SECTION DOES NOT APPLY TO YOU AT ALL AND FORMS NO PART OF OUR AGREEMENT WITH YOU.

- . (a) ***Binding Arbitration***. Except for any disputes, claims, suits, actions, causes of action, demands or proceedings (collectively, “**Disputes**”) in which either Party seeks injunctive or other equitable relief for the alleged unlawful use of intellectual property, including, without limitation, copyrights, trademarks, trade names, logos, trade secrets or patents, you and Company (i) waive your and Company’s respective rights to have any and all Disputes arising from or related to these Terms resolved in a court, and (ii) waive your and Company’s respective rights to a jury trial. Instead, you and Company will arbitrate Disputes through binding arbitration (which is the referral of a Dispute to one or more persons charged with reviewing the Dispute and making a final and binding determination to resolve it instead of having the Dispute decided by a judge or jury in court).
  
- . (b) ***No Class Arbitrations, Class Actions or Representative Actions***. Any Dispute arising out of or related to these Terms is personal to you and Company and will be resolved solely through individual arbitration and will not be brought as a class arbitration, class action or any other type of representative proceeding. There will be no class arbitration or arbitration in which an individual attempts to resolve a Dispute as a representative of another individual or group of individuals. Further, a Dispute cannot be brought as a class or other type of representative action, whether within or outside of arbitration, or on behalf of any other individual or group of individuals.
  
- . (c) ***Federal Arbitration Act***. These Terms affect interstate commerce and the enforceability of this Section 15 will be both substantively and procedurally governed by and construed and enforced in accordance with the Federal Arbitration Act, 9 U.S.C. § 1 et seq. (the

“*FAA*”), to the maximum extent permitted by applicable law.

- . (d) **Notice; Informal Dispute Resolution.** Each Party will notify the other Party in writing of any Dispute within 30 days of the date it arises, so that the Parties can attempt in good faith to resolve the Dispute informally. Notice to Company shall be sent by e-mail to Company at info@rendertoken.com. We may provide notice to you via email to the email address you provide in connection with Registration. Your notice must include (i) your name, postal address, email address and telephone number, (ii) a description in reasonable detail of the nature or basis of the Dispute, and (iii) the specific relief that you are seeking. If you and Company cannot agree how to resolve the Dispute within 30 days after the date notice is received by the applicable Party, then either you or Company may, as appropriate and in accordance with this Section 15, commence an arbitration proceeding or, to the extent specifically provided for in Section 15(a), file a claim in court.
  
- . (e) Any arbitration will occur in Los Angeles County, California. Arbitration will be conducted confidentially by a single arbitrator in accordance with the rules of the Judicial Arbitration and Mediation Services (“*JAMS*”), which are hereby incorporated by reference. The state and federal courts located Los Angeles County, California will have exclusive jurisdiction over any appeals and the enforcement of an arbitration award. You may also litigate a Dispute in the small claims court located in the county where you reside if the Dispute meets the requirements to be heard in small claims court.
  
- . (f) **Authority of Arbitrator.** As limited by the FAA, these Terms and the applicable JAMS rules, the arbitrator will have (i) the exclusive authority and jurisdiction to make all procedural and substantive decisions regarding a Dispute, including the determination of whether a Dispute is arbitrable, and (ii) the authority to grant any remedy that would otherwise be available in court; provided, however, that the arbitrator does not have the authority to conduct a class arbitration or a representative action, which is prohibited by these Terms. The arbitrator may only conduct an individual arbitration and may not consolidate more than one individual’s claims, preside over any type of class or representative proceeding or preside over any proceeding involving more than one

individual.

- . (g) **Rules of JAMS.** The rules of JAMS and additional information about JAMS are available on the JAMS website. By agreeing to be bound by these Terms, you either (i) acknowledge and agree that you have read and understand the rules of JAMS, or (ii) waive your opportunity to read the rules of JAMS and any claim that the rules of JAMS are unfair or should not apply for any reason.
- . (h) **Severability of Dispute Resolution; Arbitration.** If any term, clause or provision of this Section 15 is held invalid or unenforceable, it will be so held to the minimum extent required by law, and all other terms, clauses and provisions of this Section 15 will remain valid and enforceable. Further, the waivers set forth in Section 15(b) are severable from the other provisions of these Terms and will remain valid and enforceable, except as prohibited by applicable law.

## **16. Governing Law and Venue**

These Terms will be governed by and construed and enforced in accordance with the laws of the Cayman Islands, without regard to conflict of law rules or principles (whether of the Cayman Islands or any other jurisdiction) that would cause the application of the laws of any other jurisdiction. Any Dispute between the Parties arising out or relating to these Terms or its subject matter or formation (including non-contractual Disputes of claims) will be resolved in the courts of the Cayman Islands, except where Section 15 applies to you because you are resident or domiciled in the United States in which case any such dispute must be resolved in accordance with Section 15.

## **17. Severability**

If any term, clause or provision of these Terms is held unlawful, void or unenforceable, then that term, clause or provision will be severable from these Terms and will not affect the validity or enforceability of any remaining part of that term, clause or provision, or any other term, clause or provision of these Terms.

## **18. Disruption Event**

In the event of a Disruption Event, we have the right to suspend or terminate this Agreement. A “**Disruption Event**” means (i) any event or occurrence that causes a disruption in the functionality of the Ethereum blockchain, and such disruption has an adverse effect on the processing time for Ethereum blockchain transactions, (ii) any event or occurrence that causes a disruption in the functionality of the smart contracts or other software used in connection with NFTs and such disruption has an adverse effect on the implementation of the this Agreement, (iii) a change in the price of Ether of 20% or more in any 24- hour period, or (iv) any compromise of security that has or in our sole good faith determination may have an adverse impact on this Agreement.

## **19. Modification of Terms**

We have the right to modify these Terms if we reasonably believe that such modifications are necessary to comply with applicable laws or regulations or to address technical or factual inaccuracies. If we make changes, we notify you and update the “Last Updated” date above. We may also provide notice to you via email to the email address you provide during Registration. The amended Terms will be effective immediately, and your continued use or holding of NFTs, shall constitute your acceptance of the modified Terms.

## **20. Miscellaneous**

These Terms constitute the entire agreement between you and us relating to your purchase of NFTs from us. Our failure to exercise or enforce any right or provision of these Terms will not operate as a waiver of such right or provision. We will not be liable for any delay or failure to perform any obligation under these Terms where the delay or failure results from any cause beyond our reasonable control. We may assign our rights and obligations under these Terms.

Purchasing NFTs from us does not create any form of partnership, joint venture or any other similar relationship between you and us. Except as otherwise provided in herein, these Terms are intended solely for the benefit of you and us and are not intended to confer third-party beneficiary rights upon any other person or entity. You agree and acknowledge that all agreements, notices, disclosures, and other communications that we provide to you, including these Terms, may be provided in electronic form.

\*\*\*\*\*

## **Exhibit A**

### **Procedures and Specifications**

#### ***1. Registration Procedures***

To purchase NFTs, you must have (i) completed a registration process (“**Registration**”) when made available by us at <https://register.rendertoken.com/> or through direct communication with you and (ii) received a confirmation email from us that, based on our review of the Registration Information you provide during Registration, you have been approved to purchase NFTs. We reserve the right to request additional Registration Information, and to deny or revoke approvals to purchase NFTs, at our sole and absolute discretion.

Before purchasing NFTs, you will be required to review, agree to, and comply with these Terms.

#### ***2. Purchase and Delivery of NFTs***

The NFT smart contract address will only send NFTs to verified ERC-20 compatible Purchaser Wallets belonging to persons who have completed Registration.

Although NFTs will be delivered to Purchaser Wallets two weeks following the time of purchase, the NFT smart contract may restrict subsequent transfers of such NFTs for up to 21 calendar days after the sale.

The NFT smart contract will be deployed by Company from the Cayman Islands. As such, you acknowledge that title to, and risk of loss of, NFTs delivered by the smart contract passes from Company to you in the Cayman Islands.

#### ***3. Use of Proceeds from NFT Sale***

There are no restrictions on how the Company may use the proceeds of your purchase.

## **Exhibit B**

### **NFT RISK FACTORS**

**Important Note:** *NFTs are not being designed or sold as securities or any other form of investment product. Accordingly, none of the information presented in this **Exhibit B** is intended to form the basis for any investment decision, and no specific recommendations are intended. OTOY and Frieze expressly disclaim any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from: (i) reliance on any information contained in this **Exhibit B**, (ii) any error, omission or inaccuracy in any such information or (iii) any action resulting from such information.*

**By participating in the NFT portion of the Art Fair, you expressly acknowledge and assume the following risks:**

#### **1. Risk of Losing Access to Wallets Due to Loss of Private Key(s), Custodial Error or Purchasers Error**

A private key, or a combination of private keys, is necessary to control and dispose of NFTs and cryptocurrency stored in a digital wallet or vault. Accordingly, loss of requisite private key(s) associated with any wallet or vault storing NFTs or cryptocurrency will result in loss thereof. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a digital wallet or vault service, may be able to misappropriate your NFTs and cryptocurrency. Any errors or malfunctions caused by or otherwise related to a digital wallet or vault, including the user's own failure to properly maintain or use such digital wallet or vault, may also result in the loss of your NFTs and cryptocurrency.

#### **2. Risks Associated with the Ethereum Blockchain**

Because NFTs will be registered on the Ethereum blockchain, any malfunction, breakdown or abandonment of the Ethereum blockchain may have a material adverse effect on the NFTs. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the security of the blockchain, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum blockchain.

#### **3. Risk of Mining Attacks**

As with other decentralized cryptographic tokens based on the Ethereum blockchain, the NFTs are susceptible to attacks by miners in the course of validating blockchain transactions on the Ethereum blockchain, including, but not limited to, double-spend attacks, majority mining power attacks, and selfish-mining attacks. Any successful attacks present a risk to the blockchain and the NFTs, including, but not limited to, accurate execution and recording of transactions involving the NFTs.

#### **4. Risk of Hacking and Security Weaknesses**

Hackers or other malicious groups or organizations may attempt to interfere with the blockchain or NFTs in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing.

## **5. Risks Associated with Markets for NFTs**

OTOY does not support or otherwise facilitate any secondary trading or external valuation of NFTs. This restricts the contemplated avenues for selling NFTs, and could therefore create illiquidity risk with respect to the NFTs. Even if secondary trading of NFTs is facilitated by third party markets, such markets may be relatively new and subject to little or no regulatory oversight, making them more susceptible to market-related risks. Furthermore, to the extent that third parties do ascribe an external exchange value to the NFTs (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile and diminish to zero.

## **6. Risk of Uninsured Losses**

Unlike bank accounts or accounts at some other financial institutions, NFTs and digital wallets used to hold NFTs and cryptocurrency are uninsured unless the holder specifically obtains private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer, such as the Federal Deposit Insurance Corporation, or private insurance, to offer recourse to the holder.

## **7. Risks Associated with Uncertain Regulations and Enforcement Actions**

The regulatory status of NFTs 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. It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to law and regulation affecting distributed ledger technology and its applications, including the NFTs. Regulatory actions could negatively impact the NFTs in various ways, including, for purposes of illustration only, through a determination that the purchase, sale, delivery or use of NFTs constitutes unlawful activity, or that registration or licensing is required for NFTs or for some or all of the parties involved in the purchase, sale, delivery or use of NFTs. OTOY 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 approvals to operate in such jurisdiction.

## **8. Risks Arising from Taxation**

The tax characterization of NFTs is uncertain. Parties must seek their own tax advice in connection with purchasing and selling NFTs.

## **9. Risk of Dissolution of the Company**

It is possible that, due to any number of reasons, OTOY may dissolve. The dissolution of OTOY may adversely impact the NFTs.

## **10. Risks Associated with New and Evolving Laws Impacting Decentralized Application Technology**

The distributed ledger and decentralized application ecosystem, and by extension the NFTs, may be subject to a variety of federal, state and international laws and regulations, including those with respect to consumer privacy, data protection, consumer protection, content regulation, network neutrality, cyber security, intellectual property (including copyright, patent, trademark and trade

secret laws), and others. These laws and regulations, and the interpretation or application of these laws and regulations, could change. In addition, new laws or regulations affecting the NFTs could be enacted, which could adversely impact the OTOY and the NFTs.

#### **11. *Unanticipated Risks***

Cryptographic tokens such as NFTs are a new and untested technology. In addition to the risks included in this **Exhibit B**, there are other risks associated with sale and purchase, holding and use of NFTs, including those that the OTOY cannot anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this **Exhibit B**.