



ServAdvisor

Legal T&Cs

Risks

The purchase of the ServCoin tokens is associated with high levels of risk. Before making a purchase decision, the potential buyer of the ServCoin tokens must thoroughly study the information on these risks which is provided below. If any of these risks actually occurs, this may significantly affect the ServAdvisor project and the value of the ServCoin tokens. The risks and uncertainties described herein below may not be the sole risks to be faced by the holders of the tokens. The risks and uncertainties not listed herein may also significantly affect the ServAdvisor project and the value of the ServCoin tokens.

1. THE RISKS ASSOCIATED WITH THE VALUE OF THE SERVCOIN TOKENS

1.1. The lack of development of the market of the ServCoin tokens. As no public auctioning has been held previously to sell the ServCoin tokens, their sale described herein may not lead to the formation of an active and liquid market of the ServCoin tokens which may cause their price to fluctuate considerably. Despite the fact that there will be developed applications enabling the sale of the ServCoin tokens and their

exchange for other cryptographic tokens, an active public market may not eventually develop or be supported after the sale of the ServCoin tokens. If a liquid commercial market of the ServCoin tokens does not develop, the price for the ServCoin tokens may become more unstable, while the holders of the tokens may find themselves unable to sell or otherwise use the ServCoin tokens at some point in time.

1.2. The risks associated with a highly speculative trade price. The valuation of the digital tokens on the secondary market is not transparent, as a rule, and is extremely speculative. The ServCoin tokens do not grant their owner any ownership rights to the Company's assets and, therefore, are not backed by any tangible assets. The trade price of the ServCoin tokens may change considerably within a very short period of time. There is a very high risk that the holder of the tokens may lose the whole amount invested by them in the tokens. In a worst-case scenario, the value of the ServCoin token may reduce to zero.

1.3. The ServCoin tokens may have a zero value. The ServCoin tokens may have a zero

value. The participating companies are not and shall not be responsible for the market value of the ServCoin tokens, their transferability and/or liquidity, and/or the availability of any market for the ServCoin tokens through third-party companies or otherwise. In this section the term "a participating company" (hereinafter referred to as the Participating Company) shall be understood to mean the Company and its former, current and future employees, officers, directors, contractors, advisers, lawyers, accountants, financial advisers, shareholders, suppliers, sellers, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors.

1.4. The ServCoin tokens may be non-refundable. Save as otherwise provided in the legally binding documents or prescribed by effective laws, the Participating Companies do not have to refund the money connected with the ServCoin tokens to their owners. No promise as to their future efficiency or price is and shall be made in relation to the ServCoin tokens, including, but not limited to any promise as to their

intrinsic value, further acceptance of payments or any guarantee that the tokens will have some value. Thus, the refund of the resources spent may become impossible or subject to foreign laws or rules which may conflict with the private rights of the holder of the ServCoin token.

2. THE BLOCKCHAIN AND SOFTWARE RISKS

2.1. The risk of the blockchain delays. In most blockchain implementations using the cryptocurrency transactions (e. g., the Ethereum and the Bitcoin blockchains), the terms within which the blocks are formed are defined by the proof of work performance, which is why the block may be formed at random time. For example, if you send a certain cryptocurrency amount in payment for an ServCoin token at the last second when the ServCoin tokens are sold, this amount may not fall within the required period of time. The corresponding blockchain may not include the transaction at the moment expected by the customer, which is why the payment for the ServCoin token may not reach the right wallet on the day when the buyer is sending the cryptocurrency.

2.2. The risk of the blockchain overload. Most of the blockchain implementations using the cryptocurrency transactions (e. g., the Ethereum and the Bitcoin blockchains) may from time to time sustain overloads where the transactions may be delayed or lost. Some persons may occupy local communication channels with malicious intent, trying to gain advantage when purchasing the cryptographic tokens. This may lead to a situation where the block producers may not include the buyer's transactions at the latter's request, or to a situation where the buyer's transaction will not be included into the blockchain altogether.

2.3. The risk of nonconformity of the software. The concept of token-based smart contracts, the basic software application and software platforms (such as Ethereum and Bitcoin) are still at an early stage of their development and are unproven. There are no representations or warranties that the process of creation of the ServCoin tokens will be continuous or error-free. There is always a risk that the software may be underdeveloped,

contain vulnerabilities or flaws which may cause, inter alia, the complete loss of the cryptocurrency and/or the ServCoin tokens.

2.4. The risk associated with new technologies. The ServAdvisor project, the ServCoin tokens and all the provisions contained herein are new and unproven. The ServAdvisor project and the ServCoin tokens may not be completed, created, implemented and accepted. The possibility exists that a blockchain based on the ServCoin platform will never be launched. The buyers of the ServCoin tokens should not rely on the project, the token-based smart contracts and on the opportunity to get the ServCoin tokens connected with the ServAdvisor project in future. Even if the ServAdvisor project is completed, implemented and adopted, it may not function as expected, while the ServCoin tokens may not have the expected functionality or any valuable functionality whatsoever. Besides, technologies are changing rapidly, which is why the ServAdvisor project and the ServCoin tokens may become obsolete.

3. THE SECURITY RISKS

3.1. The risk of losing the private keys. The ServCoin tokens may be kept by the owner in their digital wallet or in a vault which can be accessed using a private key or a combination of private keys. Consequently, any loss of the required private keys connected with the digital wallet or the vault belonging to such owner will lead to their losing the ServCoin tokens, access to their token balance and/or to the initial balance of tokens in the blockchain chains created by third parties. Besides, the third party which will gain access to such private keys, inter alia, by gaining access to the login information of any wallet or vault used by the owner and hosted by any service may take possession of the ServCoin owner's tokens.

3.2. The lack of the token security. The ServCoin tokens may be subject to confiscation and/or theft. Hackers and other groups of intruders as well as separate organizations may try to interfere with the smart contracts which create the ServCoin tokens and the ServCoin tokens, themselves, in many different ways, including, but not limited to malware attacks, DoS attacks,

consensus attacks, Sybil attacks, smurfing and spoofing. Moreover, as the Ethereum platform is supported by open-source software, there is a risk that the Ethereum-based smart contracts may contain deliberate or accidental errors and flaws which may negatively affect the ServCoin tokens or cause a loss of the ServCoin tokens, of an ability to gain access to or control over the ServCoin tokens. Such a software failure or deficiency may not be covered by any legal remedies, and the holders of the ServCoin tokens are not guaranteed any remedies, compensation or refund whatsoever.

3.3. The attacks on the token-based smart contract. The blockchain used for the smart contract creating the ServCoin tokens is susceptible to mining attacks, such as the double-spend, the 51 %, the selfish mining and the race condition attacks. Any successful attack is dangerous for the token-based smart contract which is expected to duly execute and regulate the transactions involving the ServCoin tokens, to duly perform and regulate the contract calculations.

3.4. The lack of possibility to match the public key to the buyer's account. If the buyer of the ServCoin token is unable to match the public key to their account, this may prevent third parties from learning the balance of the ServCoin tokens of the same buyer in the Ethereum blockchain when and if they form the initial balances of a new blockchain on the basis of the ServAdvisor project.

3.5. The risk of incompatibility of services supporting the wallets. The wallet or the service provider of the wallet used for purchasing and keeping the ServCoin tokens should be technically compatible with the ServCoin tokens. The lack of the possibility to guarantee this may lead to a situation where the buyer of the ServCoin tokens will have no access to their own ServCoin tokens.

4. THE RISKS ASSOCIATED WITH THE PLATFORM DEVELOPMENT

4.1. The risk associated with the third-party dependency. Even if fully ready, the ServAdvisor project will rely, either in full or in part, on third-party developments for

further implementation, follow-up and other types of support and promotion. There is no guarantee or confidence that third parties will do their job, duly perform their obligations or otherwise meet all the needs, and this may have a significant negative effect on the ServAdvisor project.

4.2. The dependence of the project on the senior management group. The abilities of the senior management group which is responsible for supporting the competitive positions of the ServCoin platform depends to a large extent upon the efforts of each team member. Any loss or reduction of services provided by the senior management group, the inability to attract and keep the senior managerial staff may have a significant negative effect on the ServAdvisor project.

Due to a lack of qualified specialists, the fight for the staff possessing the corresponding expertise is rather tough, and this situation seriously affects the ability to keep the senior managerial staff and attract additional

qualified executives which may have a significant negative effect on the ServAdvisor project.

4.3. The dependence of the ServAdvisor project on many different factors. The development of the ServAdvisor project may be canceled for a number of reasons, including, but not limited to the lack of public interest, financing, commercial success or prospects, as well as the to the "key-man" events.

4.4. Loss of interest in the ServAdvisor project. When the development of the ServAdvisor project is completed and the project is accepted and launched, its success will depend on the commitment of third parties and their participation as developers. There is no guarantee or confidence that anyone will be interested enough to participate in the development of the ServAdvisor project.

4.5. Changes in the ServAdvisor project. The ServAdvisor project is under development and in the course of time may sustain significant changes. The project management group seeks to implement the platform functionality and

features described herein. However, the functions and specifications may change for many different reasons, and each of the changes may suggest that the ServAdvisor project does not meet the expectations of the holders of the ServCoin tokens.

4.6. The risk associated with alternative applications. The ServAdvisor project may generate other alternative projects supported by third parties for which the ServCoin tokens will not have their prior value.

4.7. The risk of unfavorable fluctuations of the value of cryptocurrencies. The revenue from the sale of the ServCoin tokens will be expressed in the cryptocurrency and may be converted into other crypto- or paper currencies. If the value of cryptocurrencies fluctuates unfavorably during and after the sale of the ServCoin token, the project management group may find itself unable to finance the development, develop or support the ServAdvisor project as it was planned earlier.

5. THE RISKS ASSOCIATED WITH THE BUSINESS ACTIVITY OF THE PARTICIPATING COMPANIES

5.1. The risk associated with the conflict of interest.

The Participating Companies may, either now or in future, participate in operations involving the stakeholders, including, but not limited to the majority shareholder and the companies controlled or partially owned by the majority shareholder as well as to other affiliates. The conflict of interest may occur between the Participating Company and its affiliates which may cause them to close deals on non-market conditions.

5.2. The risks associated with the invalidity of deals of the Participating Companies.

The Participating Companies have taken many different actions connected with their business, and some part of these actions may be declared invalid or may cause the imposition of obligations in relation to the corresponding Participating Company if such actions were successfully appealed due to the violation of laws and regulations. As the applicable law may be construed in many different ways, the

corresponding Participating Company may fail to win all the lawsuits aimed at prohibiting such deals, while the invalidity of such transactions or the imposition of such an obligation may, either individually or collectively, have a significant unfavorable effect on the ServAdvisor project.

5.3. The risk occurring on the emerging markets.

The Participating Companies or some of them may operate on the emerging markets. Such markets run higher risks than more developed markets. The risks include, inter alia, the legal, economic and political risks. The emerging economies are susceptible to rapid changes, which is why the information set out in this document may become outdated just as fast.

6. THE GOVERNMENT RISKS

6.1. An indefinite legal framework The legal status of cryptographic tokens, digital assets and the blockchain technology in many jurisdictions is unclear or has not been defined whatsoever. It is difficult to predict which government bodies will regulate such technologies and how they will be regulated. This is as

difficult to predict as it is difficult to foresee what kind of changes will be introduced by some government body into the existing laws, restrictions and/or rules (affecting the cryptographic tokens, digital assets, the blockchain technology and its application). Such changes may negatively affect the tokens for many different reasons, including, for example, the situation when the tokens will become a regulated financial instrument which needs registration. The Company may stop distributing the ServCoin tokens, developing the ServAdvisor project or may altogether terminate its operations in some jurisdiction if this has become illegal following some government actions or if it has become commercially inadvisable to pursue this activity.

6.2. The impossibility to obtain, keep or extend the licenses or the permits. As of the date of beginning of the sale of the ServCoin tokens, there are no regulatory requirements obliging the companies to obtain some licenses and permits necessary for pursuing this activity. However, there is a risk that such

regulatory requirements may appear in future and may become applicable to any Participating Company. In this case the business of the Participating Companies will depend on the applicability of such licenses and permits and on the Participating Company's compliance with the corresponding conditions. The term of issue and extension of the licenses and the regulatory control over the licensees' compliance with the license provisions will differ dramatically. These bodies may require that the Participating Company should comply with numerous standards, hire qualified staff, ensure the necessary technical infrastructure and operation of quality control systems, monitor our operations, support the corresponding applications and provide the corresponding information to the licensing authorities upon their request. A considerable investment of time and money may be needed to meet such requirements which may also cause delays with the beginning or continuation of work under the project.

Besides, individuals and public in general have a right to comment and otherwise participate in the licensing process, inter alia, by initiating legal actions or by placing political pressure. Consequently, the required licenses may not be issued or extended, may be issued or extended too late, or may impose requirements limiting any Participating Company's ability to keep operating and earn profit.

6.3. The risk associated with government actions. The Participating Companies operate in a sector which is totally new to the market, which is why this sector may be subject to increased monitoring and control, including investigations or close attention of law-enforcement agencies. One cannot guarantee that government bodies will not subject the operations performed by the Participating Companies to greater scrutiny and/or perform law enforcement acts in their respect. All this may lead to the enforcement of negative decisions, penalties, fines and punitive actions in respect of the Participating Companies and may force them to reorganize their activity, stop offering certain products or services which may

harm the reputation of the Participating Companies or increase their operating expenses which, in turn, may have a significant negative effect on the ServCoin tokens and/or on the ServAdvisor project development.

6.4. The risk of burdensomeness of applicable laws, rules and standards. The failure to comply with the existing laws and rules, with the results of government audits or the increased government regulation of the operations performed by the Participating Companies may lead to substantial extra spending due to the added complexity of work and to many different sanctions which may considerably affect the business of the Participating Companies and the ServAdvisor project. The activity and the property of the Participating Companies are regulated by numerous government bodies and agencies as it is necessary to comply with the existing laws, rules and standards on a permanent basis. The regulatory authorities enjoy considerable freedom of action in law enforcement issues and in issues connected with the interpretation of effective laws, provisions and standards. The

corresponding authorities have a right (and often use in) to periodically audit the activity and property of the Participating Companies over the year. Any such audit may lead to the conclusion that the Participating Company violated some laws, decrees or rules, and the Participating Company will be unable to deny this conclusion or correct the deficiencies. Any failure of the Participating Company to comply with the effective laws, rules or results of government audits may lead to the imposition of fines, to punitive actions and even more severe sanctions or requirements some of which may include the termination of some activities of the Participating Company, criminal and administrative sanctions applied to the officials concerned. Such decisions, requirements, sanctions and the increased government regulation of the corresponding activity may grow the expenses of the Participating Companies and have an extremely negative effect on their business and on the ServAdvisor project in general.

6.5. Illegal and arbitrary acts of government. Government authorities enjoy a high degree of freedom and

sometimes may act in a discriminatory and arbitrary manner, without prior notice, being moved by political or commercial motives, and, in some cases, illegally. Moreover, the government also has the authority, under specific circumstances, to interfere with production processes, nullify and stop the performance of contracts by directly issuing the statutory and government acts. We have been informed that the illegal, discriminatory and arbitrary acts of governments included the cancellation of licenses, initiation of unexpected tax audits, institution of criminal and administrative proceedings. The federal and local government bodies have also manipulated the unclear aspects of the sale of tokens to file lawsuits and advance other claims in order to cancel or void any transactions connected with them, often for political motives. In this context the government may grant the Participating Companies' competitors preferential treatment which would give them a competitive advantage over our partners.