

BRAID FILM TOKEN ISSUER

BRAID TOKEN PURCHASE AGREEMENT

(Regulation S Offering)

Date Posted: June 7, 2017

This BRAID Token Purchase Agreement (this “Agreement”) is made by and between Braid Film Token Issuer, a company formed under the Companies Law of the Cayman Islands (the “Company”), and you (“Purchaser”) pursuant to Regulation S (“Regulation S”) [<https://www.sec.gov/rules/final/33-7505.htm>] promulgated by the U.S. Securities and Exchange Commission under the Securities Act of 1933, as amended (the “Securities Act”). As used herein, the terms “United States” and “U.S. person” are as defined in Rule 902 of Regulation S under the Securities Act, and the term “Non-U.S. person” means any person who is not a U.S. person.

1. **Sale of BRAID Tokens.** Subject to the terms and conditions of this Agreement, simultaneously with the acceptance of this Agreement by Purchaser (the “Purchase Date”), the Company is hereby issuing and selling to Purchaser, and Purchaser is purchasing from the Company, BRAID Tokens (the BRAID Tokens purchased hereunder are referred to as a “BRAID Token” or the “BRAID Tokens”) at a purchase price of \$1 U.S. dollar, denominated in Ether (and subject to the additional BRAID Token terms and conditions as set forth on Section 12 of Exhibit A hereto), per BRAID Token (the aggregate purchase price paid for the BRAID Tokens is referred to as the “Aggregate Purchase Price”). On the Purchase Date, Purchaser will deliver the Aggregate Purchase Price to the Company and the Company will transfer the BRAID Tokens to Purchaser’s BRAID Token account on the Company’s website.

2. **Terms and Conditions of BRAID Token.** The BRAID Token terms and conditions are as set forth on Exhibit A.

3. **Limitations on Transfer.** Purchaser will not directly or indirectly through any agent or representative, solicit offers to buy, offer for sale or sell, transfer, assign, encumber or dispose of any interest in the BRAID Tokens in the United States or to or for the account of a U.S. Person for a period of at least one year from the date the Aggregate Purchase Price is paid by Purchaser (the “Holding Period”), except in compliance with applicable securities laws. Purchaser shall not engage in hedging transactions with regard to the BRAID Tokens, except in compliance with applicable securities laws. Purchaser shall not engage or cause any third party to engage in any directed selling efforts (as such term is defined in Regulation S) in the United States with respect to the BRAID Tokens.

4. **Restrictions Binding on Transferees.** All transferees of BRAID Tokens or any interest therein will receive and hold such BRAID Tokens or interest subject to the provisions of this Agreement. Any sale or transfer of the BRAID Tokens shall be void unless the provisions of this Agreement are satisfied.

5. **Market Standoff.** In the event of an underwritten public offering by the Company of BRAID Tokens pursuant to an effective registration statement filed under the Securities Act of 1933, Purchaser shall not sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose of or transfer for value or otherwise agree to engage in any of the foregoing transactions with respect to the BRAID Tokens however or whenever acquired (except for those being registered) without the prior written consent of the Company or the underwriters. Such limitations shall be in effect for such period of time as may be requested by the Company or such underwriter; provided, however, that in no event shall such period exceed 180 days after the effective date of the registration statement for such public offering, plus such additional period requested by the underwriters as is necessary to comply with regulatory restrictions on the publication of research reports (including, but not limited to, FINRA Rule 2241, or any amendments or successor rules), and Purchaser shall execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of such public offering. The limitations herein shall in all events terminate two years after the effective date of the registration statement for the Company's initial public offering of BRAID Tokens pursuant to an effective registration statement filed under the Securities Act. The foregoing period during which BRAID Tokens may not be transferred pursuant to this Section 5 is referred to herein as the "Market Standoff Period."

6. **Investment and Taxation Representations.** In connection with the purchase of the BRAID Tokens, Purchaser represents to the Company the following:

(a) Purchaser is aware of the terms and conditions of the BRAID Tokens and has acquired sufficient information about the BRAID Tokens to reach an informed and knowledgeable decision to acquire the BRAID Tokens.

(b) Purchaser understands that the BRAID Tokens have not been registered under the Securities Act, the securities laws of any state of the United States or the securities laws of any other country, including the securities laws of any jurisdiction in which Purchaser is resident.

(c) The Company is relying upon the "safe harbor" provided by Regulation S under the Securities Act. It is a condition to the availability of the Regulation S "safe harbor" that the BRAID Tokens not be offered or sold in the United States or to a U.S. person until the expiration of a period of one year following the acceptance by the Company of Purchaser's subscription for the BRAID Tokens.

(d) Purchaser has not engaged, nor is Purchaser aware that anyone has engaged, in any directed selling efforts (as such term is defined in Regulation S) in the United States with respect to the BRAID Tokens.

(e) Purchaser: (i) resides or is domiciled and has its principal place of business outside the United States; (ii) is not a U.S. person and is not acquiring the BRAID Tokens for the account or benefit of any U.S. person; and (iii) at the time of the purchase of the BRAID Tokens the Non-U.S. person or persons acting on a Non-U.S. person's behalf in connection therewith will be located outside the United States.

(f) At the time of offering to Purchaser and communication of Purchaser's order to purchase the BRAID Tokens and at the time of Purchaser's review and acceptance of this Agreement, Purchaser or any persons acting on Purchaser's behalf in connection therewith were located outside the United States.

(g) Purchaser is not a "distributor" (as defined in Regulation S) or a "dealer" (as defined in the Securities Act). [<https://www.sec.gov/about/laws/sa33.pdf>]

(h) Purchaser has not engaged in any hedging transactions with regard to the BRAID Tokens.

(i) Purchaser has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the BRAID Tokens or any use of this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the BRAID Tokens, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of the BRAID Tokens.

(j) Purchaser's subscription and payment for and continued beneficial ownership of the BRAID Tokens will not violate any applicable securities or other laws of Purchaser's jurisdiction.

(k) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the BRAID Tokens. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the BRAID Tokens and that Purchaser is not relying on the Company for any tax advice.

7. **Restrictive Legends.**

(a) **Legends.** During the Holding Period and the Market Standoff Period (collectively referred to as the "Transfer Restriction Period"), the BRAID Tokens, shall be deemed to bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

(i) "THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED OUTSIDE THE UNITED STATES AND MAY NOT BE RESOLD TO A U.S. PERSON DURING THE APPLICABLE ONE YEAR HOLDING PERIOD WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

(ii) "THESE SECURITIES MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY

AND THE HOLDER, A COPY OF WHICH IS ON FILE WITH AND MAY BE OBTAINED FROM THE SECRETARY OF THE COMPANY AT NO CHARGE.”

(b) **Refusal to Transfer.** During the Transfer Restriction Period, the Company shall not be required (i) to transfer any BRAID Tokens that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such BRAID Tokens or to accord any rights to any purchaser or other transferee to whom such BRAID Tokens shall have been so transferred.

8. **Miscellaneous.**

(a) **Governing Law.** The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of New York, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of New York and agree that any such litigation shall be conducted only in the courts of the State of New York or the federal courts located in the State of New York, County of New York and no other courts.

(b) **Entire Agreement.** This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof.

(c) **Amendments and Waivers.** No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance.

(d) **Successors and Assigns.** Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

(e) **EXHIBIT A**

(f) **BRAID TOKEN**

(g) **TERMS OF TOKEN**

(h) The following terms of token (the “Terms”) set forth the terms and conditions, as of June 7, 2017, under which either Braid Movie Inc., a New York corporation (the “Production Company”) or Braid Film IP Owner, LLC, a Delaware limited liability company (the “IP Owner”), will reward BRAID Token holders.

(i) The sale of the BRAID Tokens is for the purpose of producing, completing and delivering the motion picture presently entitled “BRAID” (the “Picture”), which will be produced by Production Company.

(j) Braid Film Token Issuer, a company formed under the Companies Law of the Cayman Islands (“BRAID Cayman”) is not subject to supervision or regulation by any governmental or regulatory authority in the Cayman Islands. Accordingly, no Cayman Islands authority has passed upon the contents of these Terms or the merits of purchasing BRAID Tokens, nor have these Terms been filed with, or reviewed by, any Cayman Islands governmental or regulatory authority.

(k) **Use of Proceeds.** BRAID Cayman, will loan the proceeds from BRAID Token sales to IP Owner, and IP Owner will make those proceeds available to Production Company to arrange for the production of the Picture. Production Company or IP Owner will arrange for the payments to BRAID Token holders out of the Adjusted Gross Proceeds of the Picture as described below.

(l) **Additional Funding.** In the event that BRAID Token sales are not sufficient to fund the entire budget for the Picture, Production Company will be responsible for securing the remainder of the budget for the Picture from additional financing contributions (the “Additional Funds”) from third party financiers (the “Additional Financiers”).

(m) **Adjusted Gross Proceeds.**

(n) Adjusted Gross Proceeds (as defined in Section below) shall be allocated as follows:

(i) first, one hundred percent (100%) of Adjusted Gross Proceeds shall be paid to BRAID Token holders *pro rata* (based on the number of BRAID Tokens held compared to the total BRAID Tokens outstanding at the time of such allocation) and on a *pari*

passu basis until such time, if ever, as Production Company has paid out to BRAID Token holders in the aggregate an amount equal to one hundred fifteen percent (115%) of the total proceeds received by Production Company with respect to BRAID Token sales as of the time of such allocation; and

(ii) any remaining Adjusted Gross Proceeds shall be referred to as “Net Proceeds”, and shall be paid as follows:

(A) seventy percent (70%) to Production Company (“Production Company’s Net Proceeds”); and

(B) thirty percent (30%) to BRAID Token holders *pro rata* (based on the number of BRAID Tokens held compared to the total BRAID Tokens outstanding at the time of such allocation) and on a *pari passu* basis.

(iii) All third-party participations in Net Proceeds (other than those payable to BRAID Token holders) shall be borne out of Production Company’s share of Net Proceeds.

(o) Notwithstanding any provision in these Terms to the contrary, Production Company shall not be obligated to distribute any amounts to any BRAID Token holder that has not provided Production Company with such holder’s relevant tax information and documentation as determined to be necessary or advisable in Production Company’s sole discretion, as well as a written representation that such holder has complied in all respects with the obligations of Purchasers under the BRAID Token Purchase Agreement. Any such amounts withheld from distributions shall be retained by Production Company for the benefit of such holder pending Production Company’s receipt of such documentation for a period of 5 years following the date such amounts would have otherwise first been distributed to such holder, and thereafter shall become the property of Production Company.

(p) As used herein, “Gross Proceeds” shall mean any and all amounts, including nonrefundable advances, received by Production Company from the exploitation of the Picture and all elements thereof and all rights therein, in any and all manner and media, now known or hereafter devised, worldwide, in perpetuity. Notwithstanding anything to the contrary contained in this Agreement: (i) if a distributor(s) of the Picture pays for the costs of deliverables, such amounts shall not be included in Gross Proceeds; (ii) any amounts used to fund production costs of the Picture shall not be included in Gross Proceeds; (iii) any advance received from a record company in connection with a soundtrack album for the Picture shall be included in Gross Proceeds only to the extent that such advance is not used to pay music or other production costs; and (iv) tax credits or other tax incentives received in connection with the production of the Picture shall be included in Gross Proceeds only to the extent not used to repay financiers (including Holders, as defined herein) providing financing secured by such tax credits or incentives or used to directly fund production costs of the Picture.

(q) “Adjusted Gross Proceeds” shall mean Gross Proceeds remaining after deduction of the following: (i) third party sales agent and Production Company representative fees and expenses; (ii) actual, third party, out of pocket amounts incurred by or on behalf of

Production Company in connection with the sale, marketing, licensing, delivery, distribution and/or exploitation of the Picture; (iii) ongoing third party accounting costs and expenses actually incurred by or on behalf of Production Company in connection with the processing of payments to profit participants (including, without limitation, collection agent fees and expenses), and audit costs; (iv) actual, third party, out of pocket expenses incurred by or on behalf of Production Company in connection with the ongoing ownership of the Picture (e.g., costs incurred in connection with the preservation and storage of negatives and master prints of the Picture and any expenses incurred in connection with the copyrighting of the Picture); (v) actual, third party, out of pocket expenses incurred in connection with the existence and management of Production Company (e.g., taxes, accounting fees, filing fees, etc.); (vi) any residual and/or pension, health and welfare payments paid to guilds or guild members in accordance with the agreements between Production Company and the applicable guild with respect to the Picture (to the extent not assumed by the distributor(s) of the Picture); (vii) any amounts required to be withheld by law; (viii) payments pursuant to music licensing “step” deals which require additional payments based on the performance of the Picture; (ix) any actual, third party, out of pocket costs incurred by or on behalf of Production Company or its affiliates in connection with enforcement of Production Company’s rights in the Picture, including, without limitation, actual, direct, out-of-pocket accounting, legal and auditor fees and expenses; (x) any amounts used to repay loans received in connection with the production of the Picture; (xi) any deferred compensation and bonuses (e.g., box office bonuses, award bonuses) payable to parties rendering services in connection with the Picture (to the extent not assumed by the distributor(s) of the Picture); (xii) any amounts paid to the completion guarantor of the Picture (if any) in repayment of sums advanced by such completion guarantor; and (xiii) any reasonable reserve amounts, as determined by Production Company in its good faith business judgment, required to cover anticipated future costs or liabilities, provided that such reserve amounts shall be liquidated every twelve (12) months. It is understood that Production Company makes no representations or warranties as to the amount of Gross Proceeds, if any, that Production Company will receive from the exploitation of the Picture.

(r) **Copyright.** BRAID Token holders shall have no rights, including copyrights, pertaining to the Picture throughout the world, including with respect to any renewals and extensions thereof. For the sake of clarity, the owner of the Picture shall have the right to assign its rights in the Picture, in whole or in part, to third parties, in such owner’s sole discretion, without notice or consent of BRAID Token holders.

(s) **Risks.** By purchasing and taking possession of the BRAID Token, the holder of the BRAID Token acknowledges the following: (a) there can be no assurance that any Additional Funds will be obtained; (b) there can be no assurance that the Picture will be completed or that, if completed, the Picture will be released or distributed; (c) there can be no assurance that the Picture will generate any revenues (including without limitation Gross Proceeds) or that any such revenues will be sufficient to return to BRAID Token holders all or any part of the amounts paid for the BRAID Token; and (d) investments in the motion picture industry involve a high degree of risk; and (e) purchasing and holding cryptographic tokens, including the BRAID Token, implicates a variety of technical, financial and other risks, including those described and disclosed in Annex I attached hereto.

(t) **Control.** As between Production Company and BRAID Token holders, all business and creative decisions with regard to the Picture shall be made solely by Production Company.

(u) **BRAID Token Holder's Representations, Warranties and Indemnities.** By taking possession of the BRAID Token the holder of the BRAID Token (each, a "Holder") hereby makes the following representations, warranties and indemnities to Production Company as of the date or dates on which such Holder takes possession of such BRAID Tokens:

(v) Holder hereby represents and warrants that: (i) Holder has the full right and authority to purchase the BRAID Tokens; (ii) Holder has not made or assumed and will not hereafter make or assume any commitment, agreement or obligation that will or might (as reasonably foreseeable) conflict with or impair Holder's ability to purchase or hold the BRAID Tokens; (iii) Holder has read, understood, and evaluated the merits and risks of the prospective investment in the Picture and of purchasing and holding cryptographic tokens such as the BRAID Tokens (including those set forth in Section aboveabove); (iv) Holder has obtained, to the extent Holder deems necessary, Holder's own personal professional advice and counsel with respect to the risks inherent in this investment, tax or other economic considerations in this investment, and the suitability of the investment in light of Holder's financial condition and investment needs; (v) Holder and/or Holder's advisors (if any) has/have been afforded full opportunity to conduct a due diligence investigation of the facts and circumstances relating to this investment, including (but not limited to) asking all questions of Production Company necessary in order to make an informed decision; (vi) to the extent that Holder and/or Holder's advisors conducted a due diligence investigation, Production Company fully cooperated with the investigation to Holder's satisfaction; (vii) except as set forth above, Holder has relied solely on the information contained in this Agreement, and Holder has neither relied on, nor is relying on, Production Company with respect to tax or other economic considerations involved in this investment; and (viii) Holder has no intention of selling or otherwise transferring or assigning Holder's interest in this production as set forth herein, and that Holder is acquiring such interest for investment purposes only and not with a view to the resale or distribution thereof.

(w) Holder shall indemnify, defend (at Production Company's election), and hold harmless Production Company from and against any and all claims, damages, liabilities, costs and expenses, including reasonable outside attorneys' fees and disbursements, arising out of any breach or, in the case of a third party claim, alleged breach, of any representation, warranty, covenant or agreement made by Holder in the BRAID Token Purchase Agreement or in these Terms.

(x) The provisions of this Section 8(u) will survive any termination of these Terms or destruction of the BRAID Tokens.

(y) **Production Company's Representations, Warranties and Indemnities.**

(z) Production Company hereby represents and warrants that BRAID Cayman has the full right, power and authority to sell the BRAID Tokens.

(aa) Production Company shall indemnify, defend (at Holder's election), and hold harmless Holder from and against any and all claims, damages, liabilities, costs and expenses, including reasonable outside attorneys' fees and disbursements, arising out of any breach or, in the case of a third party claim, alleged breach, of any representation, warranty, covenant or agreement made by Production Company in the BRAID Token Purchase Agreement or in these Terms.

(ab) The provisions of this Section 8(y) will survive any termination of these Terms or destruction of the BRAID Tokens.

(ac) Publicity. Holder shall not have the right to issue any press releases or any other publicity with regard to the Picture.

(ad) Terms Binding on Successors, Assigns & Transferees. These Terms shall be binding upon Production Company's and Holder's successors and assigns, including any BRAID Token transferee or other holder of a BRAID Token.

(ae) Notices. Any notice required or permitted to be given under these Terms shall be in writing and shall be sent by Federal Express, DHL or other recognized international courier service or by facsimile or electronic transmission and shall be effective the earliest of (a) actual receipt, or (b) on the third business day after dispatch by Federal Express, DHL or other recognized international courier service, or (c) the next business day after such notice shall have been given by facsimile transmission with electronic answerback confirmation or electronic transmission. A "business day" shall mean any weekday (i.e., Monday through Friday) during which banks are generally open in both the U.S. Until otherwise specified by written notice, the address for any such notice to be given to Production Company shall be 55 West 25th Street, 27D, New York, NY 10010, with a copy to BraidMovie@Wanderingbard.com.

(af) Mechanism for Purchasing and Receiving BRAID Token. Holder must have a compatible Ethereum wallet with a sufficient Ether balance in order to purchase and receive BRAID Tokens during the sale of BRAID Tokens. The BRAID Token sale website, available at [<https://campaign.braidthemovie.com/campaign/30/contribute>], provides additional details about compatible wallets and other sale procedures, including instructions for creating a compatible wallet. The BRAID Token sale website will, using an applicable exchange rate between U.S. dollars and Ether (provided by a third party chosen at BRAID Cayman's discretion), display the purchase price for each BRAID Token as the amount in Ether equal to \$1.00. This Ether-denominated purchase price will be periodically refreshed to reflect fluctuations in the exchange rate between U.S. dollars and Ether. By purchasing BRAID Tokens at the Ether-denominated purchase price displayed to Holder on the BRAID Token sale website, Holder expressly consents to, and agrees not to contest, the exchange rate used to generate such purchase price.

(ag) Collection and Use of Information. In connection with Holder's purchase of BRAID Tokens, Producer will collect certain information about Holder, including Holder's first and last name, country of residence, e-mail address, IP address, and Ethereum wallet address. Producer will only use this information in connection with enforcing these Terms and the BRAID Token Purchase Agreement and complying with applicable law and regulation,

which may include sharing such information with law enforcement or regulatory authorities. Producer may, in its sole discretion, determine that it is necessary to obtain additional information from Holder before selling BRAID Tokens or distributing Adjusted Gross Proceeds or Net Proceeds to Holder. Holder agrees to provide such information promptly upon request, and acknowledges that Producer may refuse to sell BRAID Tokens or distribute Adjusted Gross Proceeds or Net Proceeds to Holder until Holder provides such requested information and Producer has determined that it is permissible under applicable law and regulation to sell BRAID Tokens or distribute Adjusted Gross Proceeds or Net Proceeds to Holder.

(ah) Miscellaneous.

(ai) It is expressly understood, agreed and covenanted that Production Company and Holders do not by these Terms intend to form an employment relationship or a partnership or joint venture between them, and in no event shall this Agreement be construed to constitute such an employment relationship, partnership or joint venture. These Terms are not for the benefit of any third party and shall not be deemed to give any right or remedy to any third party, whether referred to herein or not. For clarity, transferees and other future holders of BRAID Tokens are defined as Holders for all purposes in these Terms and are not considered third parties under these Terms.

(aj) The paragraph and other headings contained in these Terms are for reference purposes only and shall not be deemed to be a part of these Terms or to affect the meaning or interpretation hereof.

(ak) These Terms shall be governed by the laws of the State of New York applicable to agreements entered into and wholly performed therein without regard to its choice of law provisions, and each party hereby consents to the exclusive jurisdiction of any state or federal court located in the State of New York, County of New York to hear disputes arising out of this Agreement, and agrees that venue therein is proper and convenient.

(al) The BRAID Token Purchase Agreement and these Terms embody the entire understanding of Production Company and Holder and supersedes and replaces all other agreements (written and oral) between Production Company and Holder relating to the subject matter hereof, and no change, modification or amendment will be valid or effective unless in writing and signed by Production Company and holders of a majority of BRAID Tokens outstanding at the time of such writing. All holders of BRAID Tokens shall be bound by any such change, modification or amendment when agreed to by such BRAID Token majority.

(am) In the event that Holder should determine to seek any recourse, action or claim to which it may be entitled under or by reason of these Terms, it hereby agrees that any such recourse, action or claim shall extend only to Production Company and not to any of Production Company's owners, shareholders, partners or members.

(an) Holder agrees that under no circumstances shall Holder have the right to rescind, terminate or enjoin the exploitation of the Picture by, or interfere with any rights granted to, any distributor or licensee under any agreement entered into by Production Company (or in Production Company's name).

(a0) In the event that there is any conflict between (i) any provision of these Terms and (ii) any statute, law, or regulation, the latter (set forth in subpart (ii)) shall prevail; provided, however, that in such event the provision of these Terms so affected shall be curtailed and limited only to the minimum extent necessary to permit compliance with the minimum requirement, and no other provision of these Terms shall be affected thereby and all other provisions of these Terms shall continue in full force and effect.

(ap)

Annex I

Certain Operational, Cryptographic and Other Technical Risks Associated with Purchasing and Holding BRAID Tokens

1. *Risk of Losing Access to BRAID Token Due to Loss of Private Key(s), Custodial Error or Purchaser Error*

A private key, or a combination of private keys, is necessary to control and dispose of BRAID Tokens stored in any digital wallet or vault that Holder uses to purchase, receive and/or store BRAID Tokens. Accordingly, loss of requisite private key(s) associated with any such digital wallet or vault will result in the loss of such BRAID Tokens and Holder's inability to receive Adjusted Gross Proceeds and Net Proceeds. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of Holder's digital wallet or vault, may be able to misappropriate Holder's BRAID Tokens. Any errors or malfunctions caused by or otherwise related to Holder's digital wallet or vault, including Holder's own failure to properly maintain or use such digital wallet or vault, may also result in the loss of Holder's BRAID Tokens and Holder's inability to receive Adjusted Gross Proceeds and Net Proceeds. Additionally, Holder's failure to follow precisely the procedures set forth on the BRAID Token sale website for purchasing BRAID Tokens, available at [\[https://campaign.braidthemovie.com/campaign/30/contribute\]](https://campaign.braidthemovie.com/campaign/30/contribute), may result in the loss of Holder's BRAID Tokens and Holder's inability to receive Adjusted Gross Proceeds and Net Proceeds.

2. *Risks Associated with the Ethereum Protocol*

Because BRAID Tokens are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on the BRAID Tokens and on Holder's ability to receive Adjusted Gross Proceeds and Net Proceeds. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to BRAID Tokens and Holder's ability to receive Adjusted Gross Proceeds and Net Proceeds, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol.

3. *Risk of Mining Attacks and Hacking*

As with other decentralized cryptographic tokens based on the Ethereum protocol, BRAID Tokens are susceptible to attacks by miners in the course of validating BRAID Tokens 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 BRAID Tokens and Holder's ability to receive Adjusted Gross Proceeds and Net Proceeds, including, but not limited to, accurate execution and recording of transactions involving BRAID Tokens. Furthermore, hackers or other malicious groups or organizations may attempt to interfere with the BRAID Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing.

4. *Unanticipated Risks*

Cryptographic tokens such as BRAID Tokens are a new and untested technology. In addition to the risks included in this [Annex I](#), there are other risks associated with Holder's purchase and holding of BRAID Tokens and Holder's ability to receive Adjusted Gross Proceeds and Net Proceeds, including those that the Producer cannot anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this [Annex I](#).

* * * END OF TERMS * * *