

BLOCKBOX

Terms and Conditions

Dated 31st of January 2025

1. Introduction

1.1 These Terms and Conditions (“**these Terms**“) are entered into between you (“**User**” or “**You**“), and BlockBox LLC (the “**Company**“), a VASP licensed entity registered in the Republic of Georgia. You and the Company are hereinafter separately referred to as “**Party**” and collectively as “**Parties**“, and by accessing, registering, downloading, using, clicking any tools, software and information made available through the Company app, which may use the brand name “Folks” or “Folks Finance” or a variation thereof, accessible on any app store or software repository applicable (overall the “App”), you agree to be fully bound by these Terms.

1.2 Please read these terms together with the provisions set forth in our Privacy Policy and in our AML Policy carefully before using the App. By using the App in any capacity, you agree that: (i) you have read and familiarized yourself with these Terms; (ii) you understand these Terms; and (iii) you agree to be bound by these Terms when using the App. If you do not agree to these Terms, you should immediately stop using the App.

1.3 The Company reserves the right to modify or amend these Terms, the App or any content on the App from time to time, including for security, legal or regulatory reasons, to reflect updates or changes to the service or functionality of the App. You are advised to check these terms periodically to ensure that you are aware of and are complying with the current versions. Changes are binding on users of the App and will take effect immediately from posting of the revised documentation on the App. You agree to be bound by such variation and your continued use of the App, tools and information made available shall constitute your acceptance of such variation.

1.4 The Company will indicate on the App that the Terms have changed by uploading new Terms with an updated date. You accept that by doing so, we have provided you with sufficient notice of such change. The Company encourages you to seek professional advice regarding any tax and legal requirements with which you must comply in relation to you being a user of the App, and any here in accessible software, tools and services.

1.5 You acknowledge and confirm that you have read, understood, and agreed to provisions stipulated in the Privacy Policy, which shall explain how the Company treats your information and protects your privacy when accessing or using the App. By accessing the App, you hereby agree that the Company may collect and use your information provided as set forth in the Privacy Policy.

2. Your use of the App

2.1 the App gives You access to both custodial and non-custodial software elements including a frontend that accesses several decentralised smart contracts currently but not necessarily exclusively deployed on the Algorand Blockchain and known as “**Folks Finance**”. You are separately bound to any of the relevant Folks Finance service terms even when accessing them through the App, and such terms and all relevant documentation are accessible on <https://folks.finance/>.

2.2 The Company does not own or control Folks Finance or any of its directly or indirectly connected or related entities, but only oversees and maintains the development of the App, either directly or by engaging one or more connected or independent developer and services providers (“**Service Providers**”).

2.3 The App may further integrate multiple third-party services of convenience into its user interface, some of which may be regulated activities under certain jurisdictions (the “**Third-party Services**”). In such cases, this will be clearly highlighted by wording and/or graphical elements. The Company declines any responsibility over this third-party services and You use them at your sole risk, acknowledging that you read and accepted any relevant terms and conditions of the actual provider of such service. You may be prevented from accessing some of these Third-party Services depending on your Country of residence and other considerations which are exclusively decided by the Company and/or by any Third-party Services and/or by Folks Finance, each for what related to them specifically.

2.4 You will comply with all applicable domestic and international laws, statutes, ordinances and regulations applicable to your use of the App and will not use it for any unlawful purpose.

2.5 You shall be responsible for obtaining the data network access necessary to use the App. Your network’s data and rates and fees may apply if you access or use the App from a wireless-enabled device, and you shall be responsible for such rates and fees.

2.6 You shall be responsible for acquiring and updating compatible hardware or device necessary to access and use the App. In addition, the App, Folks Finance and any Third-Party Services may be subject to malfunctions and delays inherent in the use of the Internet and electronic communications.

2.7 As electronic services are subject to interruption or breakdown, access to the App is offered on an “as is” and “as available” basis only;

2.8 The Company reserves the right to limit the availability of the App to any person, geographic area or jurisdiction at will and/or terminate Your access to and use of the App at any time and in the Company’s sole discretion and/or subject to the relevant Company AML policy; and

2.9 The Company may, in its sole discretion, impose limits or restrictions on the use you make of the App. Further, for commercial, security, technical, maintenance, legal or regulatory reasons, or due to any breach of these Terms, the Company may withdraw the App and or Your access to the App at any time and without notice to You.

3. Intellectual Property

3.1 All remarks, suggestions, ideas, materials or other information provided by you through the App in any way will forever be the Company's intellectual property.

3.2 The Company owns or is specifically licensed to use all present and future copyright, registered and unregistered trademarks, design rights, unregistered designs, database rights and all other present and future intellectual property rights and rights in the nature of intellectual property rights existing in or in relation to the App and Folks Finance, unless covered by any open-source software licence.

3.3 The Company however does not warrant or represent that the content of the App does not infringe the rights of any third party.

4. Prohibited Uses

4.1 The Company will accept onboardings, deposits or interactions with the App based on its AML Policy, but also for the avoidance of any doubt, it will attempt to block access or in/out flow of digital tokens to known addresses connected to:

- (a) Mixing services which attempt to obfuscate the source of funds;
- (b) Peer-to-peer and other exchanges which do not perform Know Your Customer (KYC) screening as part of their onboarding process;
- (c) Any amount of funds from gambling sites; and,
- (d) Any amount of funds known to belong to darknet marketplaces. The Company retains the right to return funds and freeze/close accounts as necessary upon receipt of deposits from these sources. Please note that any attempt to circumvent these policies or the Company's AML Policy will also result in similar action and may also lead to the filing of a report to a relevant authority.

5. Representations and Warranties

5.1 You hereby make the following representations and warranties to the Company:

- (a) You are the exclusive owner of any digital assets that you will use to interact in any way with the App;
- (b) You validly undertake any actions or enter into any transaction with regard to these Terms;

(c) The digital assets that you will use to interact with the App shall not be derived from money laundering, terrorist financing, fraud, or any other illegal activities under any applicable law;

(d) You shall understand and be aware of risks associated with accessing or using the App and any Third-Party Services and you shall be fully liable at your own risk;

(f) You shall use the App in good faith and shall not use any of its elements for the purpose of concealing, or disguising the origin or nature of the proceeds derived from illegal or criminal activities;

(g) You shall be aware that you are subject to Tax regulation in your jurisdiction and shall be fully responsible for any filling/reporting and paying any tax as required by any applicable law or regulation. The Company shall not be responsible to compensate you for your tax obligations or advise you in relation to your tax issues. Any uncertainties and unpredictable matters in tax legislation with respect to digital assets may expose you to unknown or unforeseeable tax implications, for which the Company shall have no liability. Furthermore, you shall hold the Company harmless from any expenses and losses, resulting from any unknown or unforeseeable tax implications;

(h) You shall not breach any terms stipulated in these Terms, and the Privacy Policy, or any applicable laws and regulations in any relevant jurisdictions;

(i) You shall not interfere, intercept, or expropriate our network system, data, or information;

(j) You shall defend, indemnify, and hold harmless the Company, its affiliates, each of their respective employees, officers, directors, and representatives from and against any claims, damages, losses, liabilities, costs, and expenses (including reasonable attorney's fees), arising out of or relating to any third-party claim concerning these Terms, or your use of the App in violation of these Terms and any applicable law or regulation;

5.2 Each of the representations and warranties in these Terms shall survive and continue to have full force and effect after the execution of these Terms.

5.3 The Company makes no representation, warranty, or guarantee to you of any kind. The App is offered strictly on an as-is basis and, without limiting the generality of the foregoing, are offered without any representation as to merchantability or fitness for any particular purpose.

6. Risk Disclosure

By accessing or using the App, you expressly acknowledge and assume the following risks:

6.1 Risk of loss in value as digital assets are not issued by any central banks or national, supra-national, or quasi-national organizations. They are also not backed by any hard assets or other credit. The value of digital assets is affected by several factors, including but not limited to:

(a) the total number of digital assets in existence;

- (b) the continued willingness of market participants to exchange government-issued currency for digital assets;
- (c) purchasers' expectations with respect to the rate of inflation of fiat currencies;
- (d) purchasers' expectations with respect to the rate of deflation of cryptocurrencies, interest rates, currency exchange rates, cyber theft of cryptocurrencies from online digital wallet providers or news of such theft from such providers or individuals' digital wallets;
- (e) investment and trading activities of large investors;
- (f) monetary policies of the governments;
- (g) trade restrictions;
- (h) currency devaluations and revaluations;
- (i) regulatory measures; or
- (j) the global or regional political, economic or financial events and situations.

All these factors may affect the value of digital assets, which may result in the permanent, partial or total loss of the value of a particular digital asset. No one shall be obliged to guarantee the liquidity or the market price of any of the digital assets You use to interact with the App. The volatility and unpredictability of the value of digital assets relative to government-issued currency may result in a significant loss over a short period of time.

6.2 The regulatory regime governing digital assets and the regulatory framework relating to digital assets remains unsettled, and any laws, regulations, or guidelines may be significantly revised and amended which shall materially and adversely affect the value of digital assets.

6.3 The App may experience system failures, unplanned interruptions in its network or services, hardware or software defects, security breaches or other causes that could adversely affect the Company's infrastructure network, which includes the App. The Company is unable to anticipate when there would be the occurrence of hacks, cyber-attacks, mining attacks, including but not limited to double-spend attacks, majority mining power attacks and selfish-mining attacks, distributed denials of services or errors, vulnerabilities or defects in any component of the App or any related technology, including but not limited to smart contract technology. The Company is unable to detect these hacks as mentioned earlier, mining attacks, cyber-attacks, distributed denials of services errors vulnerabilities or defects in a timely manner and does not have sufficient resources to efficiently cope with multiple services incidents happening simultaneously or in rapid succession. In addition, the App could be disrupted by numerous events, including natural disasters, equipment breakdown, network connectivity downtime, power losses, or even intentional disruptions of its services, such as disruptions caused by software viruses or attacks by unauthorized users, some of which are beyond the Company's control. Although the Company has taken steps against malicious attacks, there can be no assurance that cyber-attacks,

such as distributed denials of service, shall not be attempted in the future, and that the Company's enhanced security measures shall be effective. Any significant breach of the Company's security measures or other disruptions resulting in a compromise of the usability, stability and security of the Company's services, including the App, may adversely affect also any related digital token.

6.4 The Company shall have no liability for any delay, error, interruption or failure to perform any obligation under these Terms where the delay or failure is directly or indirectly resulting from any causes beyond the Company's control, including but not limited to:

- (a) Acts of God, nature, court of government;
- (b) Failure or interruption in public or private telecommunication networks, communication channels or information system;
- (c) Acts or omission of acts of a party for whom we are not responsible;
- (d) Delay, failure or interruption in, or unavailability of, third-party services; or
- (e) Strikes, lockouts, labour disputes, wars, terrorist acts and riots.
- (f) Global pandemics and other public health emergency crises.

6.5 You understand and agree that you use the App at your own risk. This clause is not exhaustive and does not disclose all the risks or potential risks that may be associated with digital assets and the use of the App. You are strongly recommended to carefully consider whether such use is suitable for you in light of your circumstances and financial positions.

7. Limitation of Liability

7.1 Notwithstanding any provision contained within these Terms, in no event, shall either Party be liable to the other for any type of incidental, special, exemplary, punitive, indirect or consequential damages, including but not limited to lost revenue, lost profits, replacement goods, loss of technology, loss of data, or interruption of loss of use of service or equipment, even if such Party was advised of the possibility of such damages, and whether arising under a theory of contract, tort, strict liability or otherwise.

7.2 The Company or of its affiliates shall not and shall never be liable for:

- (a) your own management or performance of your owned, lent or borrowed digital assets (including any reduction in the value); or
- (b) any taxes or duties payable in whatever respect of your digital assets.

7.3 Except as expressly provided in these Terms, to the maximum extent permitted by any applicable law or regulation, the Company disclaims all other representations or warranties,

express or implied, made to you, your affiliates or any other person, including without limitation any warranties regarding the quality, suitability, merchantability, fitness for a particular purpose or otherwise (regardless of any course of dealing, custom or usage of trade) of any service or any goods provided incidental to the Company under these Terms. The liabilities of the Company in respect of representations and warranties that are excluded under these Terms, at the Company's sole option, is limited to any one of resupplying, replacing or repairing or paying the cost of the resupplying, replacement or repairing or paying the cost of resupplying the functions of the App in respect of which the breach occurred. In no event will the aggregate liability to the Company for any loss or damage arising in connection with the App exceed the fees levied by the Company if any, during the twelve (12) month period immediately preceding the event giving rise to the claim for liability. The foregoing limitations of liability shall apply to the fullest extent permitted by any applicable law or regulation.

7.4 The Company shall have no liability for any Third-Party Services providers to You. The Company makes no representations or warranties whatsoever, expressed or implied, as to the accuracy, totality, timeliness, appropriateness, suitability, or vigour for any purpose or use of such Third-Party Services, products, services and information, customer and technical support or web presence or any of their presentations or representations. You shall acknowledge and agree that the Company shall not be liable in any way for the use of such Third-Party Services, such as third-party wallets.

8. Indemnification

8.1 You irrevocably undertake to fully indemnify and hold harmless the Company from and against any and all losses, claims, actions, proceedings, damages, demands, judgements, sums, liabilities, damages, costs, charges and expenses, including but not limited to any reasonable attorney's fees, or penalties imposed by any regulatory authority, and reimbursements arising out of or related to the following situations:

- (a) your use of the App
- (b) your breach of or our enforcement of these Terms;
- (c) your violations of any applicable laws, regulation, or rights of any third party during your use of the App. If you are obligated to indemnify the Company, it shall have the right, at its sole discretion, to control any action or proceeding and to determine whether the Company wishes to proceed, or settle, and if so, on what terms or provisions.

9. Termination

9.1. These Terms shall be immediately terminated and not applicable to You if at any moment You do not use or interact with the App with any of your owned digital tokens.

10. No Financial Advice; No Legal Advice

10.1 The Company is not your broker, intermediary, agent, or legal advisor and has no fiduciary relationship or obligation to you in connection with any decisions or activities effected by you using the App.

10.2 No communication or information provided to you by the Company is intended as or shall be considered or construed as, investment advice, financial advice, legal advice, or any other sort of advice.

10.3 The Company shall not be liable for the decisions you make to access or use the App.

11. Governing Law

These Terms and the rights and obligations arising out of them or the access/use of the App or the App shall be governed by and construed in accordance with the laws of the Republic of Georgia. The Courts of Kutaisi shall have exclusive jurisdiction to hear and determine any action or proceeding arising out of or in connection with these Terms and for that purpose both Parties irrevocably submit to the jurisdiction of the Courts of Kutaisi.

12. Miscellaneous

12.1 **Severability:** If any provisions of these terms are found by the court of competent authorities to be invalid, void, unlawful or unenforceable under any applicable law, such unenforceability or invalidity shall not render these Terms unenforceable or invalid as a whole, and such provisions shall be deleted without affecting the remaining provisions herein.

12.2 **Variation of Terms:** The Company has the right to revise these Terms, at our sole discretion at any time, and by using the App, you shall be expected to review such Terms regularly to ensure that you understand all provisions stipulated in these Terms.

12.3 **Assignment:** the Company shall be allowed to assign, transfer, and subcontract its right and/or obligations under these Terms without any notification or your consent required. You shall not be permitted to assign, transfer, or subcontract any of your rights and/or obligations under these Terms without the prior written consent of the Company.

12.4 **Entire Agreement:** These Terms, including the Privacy Policy, the AML Policy and any rules written or contained inside the App, constitute the sole and entire agreement between the Company and you with respect to your use of the App and supersede other prior or contemporaneous negotiations, discussions, agreements, understandings, representations, and warranties, both written and oral, between the Company and you with respect to such subject matter.

12.5 **No Third-Party Rights:** Nothing in these Terms shall be deemed to create any rights in any creditors or other persons, not a party hereto, and these Terms shall not be construed in any respect to be a contract in whole or in part for the benefit of any third parties.

12.6 **Waiver:** The failure of one Party to require performance of any provision shall not affect that Party's right to require performance at any time thereafter. At the same time, the waiver of one Party to seek recovery for the other Party's violation of these Terms of any provisions of applicable terms shall not constitute a waiver by that Party of any subsequent breach or violation by the other Party or of the provision itself.