

Terms and Conditions

PLEASE READ THESE TERMS CAREFULLY. IF YOU DO NOT AGREE TO THESE TERMS, DO NOT ACQUIRE TOKENS.

Your acquisition of Project Tokens during this Distribution Event from Decentraland is subject to these Terms. These Terms do not constitute a prospectus of any sort, nor a solicitation or recommendation for investment, nor an initial public offering, nor an offering of shares or equity, nor do they pertain to an offering of securities in any form or manner. By transferring Ether in return for Project tokens you and Decentraland agree as follows:

Preamble

Decentraland aims to develop a platform for a virtual world which would be powered by the Ethereum blockchain. In this virtual world, Mana (Project Tokens are converted into Mana after completion of the Project) can be used as a medium of exchange, a store of value and a unit of account just as any other virtual currency such as Bitcoin and Ether. In addition, platform-users can acquire virtual land parcels in this virtual world by converting Mana into Land. All acquired Land parcels in the virtual world are owned by their acquirer, giving him/her control over his/her parcel of Land. All Land parcels are registered on a smart contract-based ledger of Land parcels and are identified by a unique pair of cartesian coordinates.

Definitions

Acquirer means you, the person or entity transferring Ether and receiving Project Tokens and thereby entering into an Agreement with Decentraland, the terms and conditions of which are these Terms.

Affiliate means in relation to Decentraland; 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.

Agreement means this agreement between you, the acquirer and Decentraland.

ERC20 means the Ethereum Request for Comment No. 20 smart contract standard setting the initial guidelines for a blockchain token that can be offered through, and available on, the Ethereum network in a standardized format in order to be tradable with other blockchain tokens on Ethereum.

Ether (ETH) means the digital currency native to the Ethereum network, i.e. the blockchain token of Ethereum.

Ethereum means the smart contract protocol, virtual machine and decentralized network including all its related components and protocol-related projects both present and future, which began operation (Genesis Block) on July 30th, 2015.

Decentraland means ‘Metaverse Holdings Ltd.’, a Cayman Islands registered exempted limited company with registered address in Cayman Islands.

Dispute means any dispute, claim, suit, action, cause of action, demand or proceeding arising out or in connection with this Agreement, or the breach, termination or invalidity thereof.

Distribution Event means this distribution event as described in Annex B and to which these Terms apply.

Land means a non-fungible, transferrable, scarce digital asset stored on the Ethereum blockchain. Platform-users can acquire parcels of Land in the virtual world created by the Project, thereby gaining control over the acquired Land and the content and applications that can go on their Land. Each parcel has a unique pair of (x,y) cartesian coordinates in an Ethereum-backed smart contract.

Mana means the virtual currency created by the conversion of Project Tokens into this virtual currency upon completion of the Project. Mana is a general-purpose digital currency like Bitcoin and Ether. It can be used as a medium of exchange, a store of value and a unit of account. Additionally, Mana can be converted into Land.

Project means the project which is described in the White Paper, the preamble and Annex A.

Project Token means an ERC20 blockchain token created in connection with and native to the Project.

Smart Contract System means the smart contract system as described in Annex C.

Terms mean these terms and conditions forming the agreement between you, the Acquirer, and Decentraland.

Wallet means a software which enables and facilitates the sending and the receipt of cryptocurrencies.

Wallet Service Provider means a Wallet provided as a service by a provider instead of a standalone software operated and maintained solely by its user.

Website is Decentraland's website at <https://decentraland.org>.

White Paper means the detailed description of the Project published on the Website.

The Distribution Event

Project Tokens can be acquired by the Acquirer from Decentraland during this Distribution Event subject to these Terms by transferring Ether to the Smart Contract System.

Representations and warranties of the Acquirer

By transferring Ether to Decentraland for the acquisition of Project Tokens, the Acquirer represents and warrants that:

- 1) You have read, and understand and accept these Terms (including all Annexes);
- 2) You understand the restrictions and risks (as listed in, but not limited to Annex C) associated with the acquisition, possession and use of Project Tokens as set forth in these Terms, and acknowledge and assume all such restrictions and risks;
- 3) You have a deep understanding of the functionality, usage, storage, transmission mechanisms and intricacies associated with cryptographic tokens and blockchain-based software systems;
- 4) You have obtained sufficient information about the Project Tokens, the Project and Decentraland to make an informed decision to acquire Project Tokens;
- 5) You understand and accept that none of the information contained in these Terms is intended to form the basis for a solicitation or recommendation for an investment of any kind whatsoever;
- 6) You are acquiring the Project Tokens primarily to support the development, testing, deployment and operation of the Project, thereby being aware of the risks associated with the Project;
- 7) You understand and accept that the Project is based on the White Paper, but that the White Paper is of a descriptive and non-binding nature and does not form part of these Terms;
- 8) you understand and accept that Project Tokens do not represent or confer any ownership right or stake, share, security, or equivalent rights, or any right to receive future revenue shares, intellectual property rights or any other form of participation in or relating to the Project and/or Decentraland and its Affiliates, other than those described in these Terms and subject to these Terms and that the Project Tokens are not and are not intended to be a security, commodity, or any kind of financial instrument or investment product.
- 9) Your acquisition, possession and use of Project Tokens and related software does not violate but complies with all applicable laws, regulations and judicial acts applicable

in your jurisdiction and to you, including, but not limited to, (i) legal capacity and any other requirements in your jurisdiction for the acquisition of Project Tokens and entering into this agreement with Decentraland, (ii) any value transfer, foreign exchange and/or regulatory restrictions applicable to the acquisition of Project Tokens or transfer of Ether, and (iii) any governmental or other consents that may need to be obtained;

- 10) You are not acquiring Project Tokens for any illegal purposes;
- 11) You will comply with any applicable tax obligations in your jurisdiction arising from your acquisition, possession or use of Project Tokens, and to the extent permitted by law, you agree not to hold Decentraland or any of its Affiliates, liable for any tax liability associated with or arising from the acquisition, possession or use of the Tokens or any other action or transaction related to the Project.
- 12) You understand and accept that you waive your rights to have any Dispute resolved in a court, and that you waive your rights to a jury trial. Instead, you and the Company will arbitrate any Disputes through binding arbitration.
- 13) You are not a United States person.
- 14) You do not have your habitual residence or your seat of incorporation in the following countries: i) the United States of America, ii) Cayman Islands, iii) countries listed on OFAC sanctions lists (“Restricted Areas”).
- 15) Your actions comply with applicable law and regulation in your jurisdiction, including, but not limited to, (i) legal capacity and any other threshold requirements in your jurisdiction (ii) any foreign exchange or regulatory restrictions applicable to such actions.

Audit of the Smart Contract System

The Smart Contract System has been, on a reasonable effort basis, audited and approved by technical experts. The technical experts have confirmed that the Smart Contract System has, with regard to both accuracy and security, been programmed according to the current state of the art. The Acquirer however, understands and accepts that smart contract technology is still in an early development stage and its application is of an experimental nature which carries significant operational, technological, financial, regulatory and reputational risks. Accordingly, while the conducted audit raises the level of security and accuracy in theory, the Acquirer understands and accepts that the audit does not amount to any form of warranty, including direct or indirect warranties that the Smart Contract System and the Project Tokens are fit for a particular purpose or do not contain any weaknesses, vulnerabilities or bugs which could cause, inter alia, the complete loss of the Ether and/or the Project Tokens.

Indemnification

To the fullest extent permitted by applicable law, you will indemnify, defend and hold harmless Decentraland and its Affiliates from and against all claims, demands, actions, damages, losses, costs and expenses (including attorneys’ fees) that arise from or relate to (i) your acquisition, possession or use of the Project Tokens, (ii) your obligations, representations and

warranties under these Terms, (iii) your violation of these Terms, and/or (iv) your violation of any rights of any other person or entity.

Exclusion of Warranties

To the full extent permitted by law, no warranty, guarantee or similar assurance whatsoever is expressed or implied with regard to the Project Tokens, the Smart Contract System or the Project. The Smart Contract System is used and the Project Tokens are acquired at the sole risk of the Acquirer and on an 'as is', 'under development' and 'as available' basis.

Limitation of Liability

The Acquirer acknowledges and agrees that, to the fullest extent permitted by any applicable law, it will not hold Decentraland and its Affiliates liable for any direct, indirect, special, incidental, consequential or exemplary damages (including but not limited to loss of income, revenue and profits, or goodwill, or data) or injury whatsoever caused by or related to the acquisition, possession or use (or inability to use) of the Project Tokens or the use (or inability to use) of the Smart Contract System under any cause of action whatsoever of any kind in any jurisdiction.

The Acquirer acknowledges and agrees that, to the fullest extent permitted by any applicable law, the risk of acquiring, possession and using Project Tokens rests entirely with the Acquirer.

The limitations set forth in the Clause do not and will not limit or exclude liability of Decentraland for gross negligence, fraud or intentional, wilful or reckless misconduct.

Release

To the fullest extent permitted by applicable law, the acquirer releases Decentraland and its Affiliates from responsibility, liability, claims, demands and/or 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 the Parties and out of or related to the acts or omissions of any third parties.

Disputes: Binding Arbitration

Any Dispute shall first be endeavoured to be settled through amicable negotiations in good faith by the Parties. If the Acquirer and Decentraland cannot agree how to resolve the Dispute within thirty (30) days after the date a notice is received by the applicable Party, then either you or Decentraland may, as appropriate, commence an arbitration proceeding. The Dispute shall subsequently (and exclusively) be submitted to three arbitrators. The nomination of the arbitrators and the rules of arbitration shall be in accordance with the Rules of Arbitration of Cayman Islands. The seat of the arbitral tribunal shall be Cayman Islands. Language of the proceedings shall be English. The arbitral award is final and binding upon the parties. The arbitration fees will be borne by the losing party except otherwise awarded by the arbitral tribunal. The Parties undertake to carry out the arbitral award in accordance with the modalities of said award.

Notices

Notice to Decentraland shall be sent by e-mail to Decentraland at legal@decentraland.org.

Notice to you shall be by email to the email address you provide to us.

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 any possible Dispute, and (iii) the specific relief that you are seeking.

Governing Law and Venue

These Terms will be governed by and construed in accordance with the laws of the Cayman Islands, without regard to conflict of law rules or principles that would cause the application of the laws of any other jurisdiction.

Any Dispute that is not or cannot be subject to arbitration will be resolved by the courts of the Cayman Islands.

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. Such unlawful, void or unenforceable clause or provisions shall be replaced by valid and enforceable clause or provisions, which most closely achieve the commercial intent and purpose of this Agreement.

Miscellaneous

These Terms constitute the entire agreement between the Parties relating to your acquisition of Project Tokens from Decentraland and supersede any other agreements, statements or information provided by a Party. Decentraland may assign its rights and obligations under these Terms. Decentraland's failure to exercise or enforce any right or provision of these Terms will not be construed or understood as a waiver of such right or provision. Decentraland 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. This agreement and the transactions envisaged therein does not create any form of partnership, joint venture, or any other similar relationship between the Parties. Except as otherwise provided herein, these Terms are intended solely for the benefit of the Parties and are not intended to confer third-party beneficiary rights upon any other person or entity.

ANNEX A

Project and Project Token Description

Project	
About the Decentraland Project	<p>Decentraland aims to provide an infrastructure to support a shared virtual world, also known as a metaverse. It consists of a decentralized ledger for land ownership, a protocol for describing the content of each land parcel, and a peer-to-peer network for user interactions.</p> <p>For more, non binding details, please see the White Paper.</p>
Use and allocation of Ether obtained during the Distribution Event by Decentraland	<p>The Ether (ETH) exchanged for Project Token through the Smart Contract System will end up in a multi-signature wallet held and controlled by Decentraland.</p> <p>Decentraland shall use the funds to complete the development of the Project.</p> <p>It remains in Decentraland sole discretion to decide how to allocate the Ether in order to conduct the development tasks to be undertaken by Decentraland.</p>
Project Token Description	
Technical description	<p>An ERC20 blockchain token. The smart contract can be found here: https://github.com/decentraland/mana</p> <p>The issuance contract is: 0xa66d83716c7cfe425b44d0f7ef92de263468fb3d</p> <p>The address of the token is: 0x0f5d2fb29fb7d3cfee444a200298f468908cc942</p> <p>The code can be verified independently, as done by the Etherscan service: https://etherscan.io/token/0x0f5d2fb29fb7d3cfee444a200298f468908cc942</p>

Symbol of Project Token	MANA
Functionality of the Project Token	<p>MANA is a general-purpose digital currency like Bitcoin and Ether. It can be used as a medium of exchange, a store of value and a unit of account.</p> <p>Additionally, after completion of the Project, Mana can be converted into Land, at a predetermined exchange rate of 1000:1.</p>

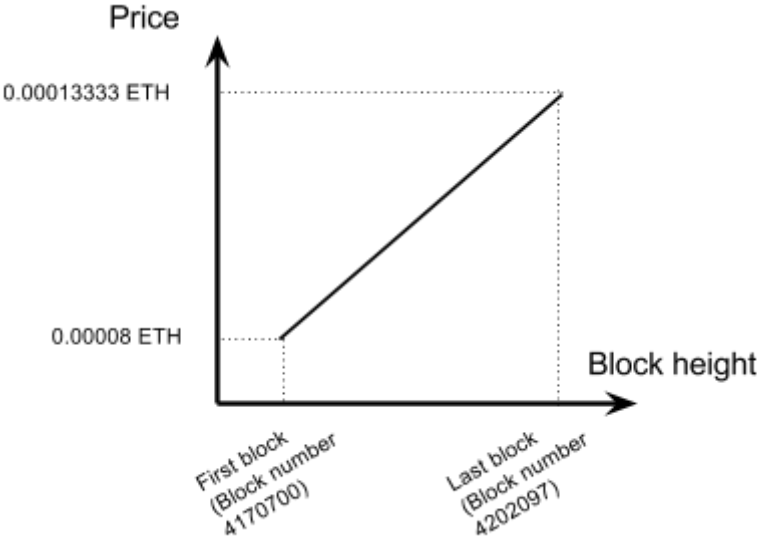
ANNEX B

Project Token Distribution Plan

Distribution Event	
Number of distribution Events	1 (one)
Start of Distribution Event	Ethereum Block number 4170700
Duration of Distribution Event	8 days
Maximum amount of MANA that can be acquired during this Distribution Event	The equivalent of 86,206 Ether.
Maximum amount of Project Token which can be created during the Distribution Event	Proportional to the funds raised as per the pricing model.
Pricing model	MANA tokens will sell at a price that goes from the equivalent of 0.00008 ETH per Token on the first day to 0.00013333 ETH per Token on the last day, based on a linear increase. The starting price on the first day represents a 40 percent of the final day price. The price increases on a block-by-block basis, at an average rate of about 5 percent per day.
Issuing Address of Smart Contract System	0xa66d83716c7cfe425b44d0f7ef92de263468fb3d
Minimum distribution amount per user	0.000000000000000001 MANA
Maximum distribution amount per user	none
Token Distribution Summary	
Percentage of Project Token reserved for Team and Early Contributors	20 (twenty). To be issued and distributed by Decentraland when the Distribution Event happens.
Percentage of Project Token reserved for Community and Partners	20 (twenty). To be hold in escrow by Decentraland before its distribution to the community.
Percentage of Project Token reserved for Public	40 (forty)
Percentage of Project Token	20 (twenty)

reserved for Decentraland	
Inflation amount on Project Token after completion of the Project	In the first year following the completion of the Project, the supply of MANA will increase by 8% of the initial supply. in subsequent years the rate of inflation will continually decrease from 8%. This is implemented through a Continuous Token Model. This structure will allow Decentraland to regularly expand while accommodating new users.

Figure 1: Linear increase in price



ANNEX C

Smart Contract System

The Smart Contract System for the Project Token (and subsequently Mana) is an open source smart contract written in the Solidity smart contract language.

A copy of the open source smart contract can be found at <https://github.com/decentraland/mana>.

The properties of the smart contract include but are not limited to:

- **Mana is a Burnable Token:** A token owner can access a method within the contract that effectively removes some or all of the units that it controls from circulation. This Mana is destroyed or “burned” effective immediately and no reclaim can be done.
- **Pausable:** The Token operation can be paused as controlled by the owner of the contract. This is intended to be used as a security mechanism. After the Distribution Event, the default state of the smart contract is Paused.
- **Whitelisting:** Certain users are posed to receive a predetermined rate of Mana per each Ether received.

The Smart Contract System used for the Project is available at the following location:
<https://github.com/decentraland/mana/commit/750b2279f0fb2783e128360558932c64267ad117>

Issuing Address of Smart Contract System is
0xa66d83716c7cfe425b44d0f7ef92de263468fb3d

Mana Token Contract:
0x0f5d2fb29fb7d3cfee444a200298f468908cc942

ANNEX D

Risks related to the acquisition, possession and use of Project Tokens

The risk presented and listed herein are to no extent exhaustive. In addition to the risks included in this Annex, there are other unknown, unanticipated and unforeseeable risks associated with your acquisition, possession, and use of Project Tokens. Decentraland expressly disclaims any and all responsibility for any loss or damage of any kind whatsoever arising directly or indirectly from or in relation to any information contained or not contained in this Annex.

Risk of Losing Access to Tokens Due to Loss of Private Key(s), Custodial Error or your Error

You will use your own account (“Address”) on the Ethereum network, with a private key associated with this Address and a password. This password is used to encrypt your private key. The Project Tokens will be transferred to your Address. You understand and accept that you must keep this password and private key safe. You further understand and accept that, if your private key and/or password is lost or stolen, you will not be able to generate a new password or recover your private key, and if you also lose your private keys and password, the Project Tokens associated with the Address cannot be recovered and will be permanently lost. Furthermore, you understand and accept that there is no recovery mechanism for lost keys and passwords, so no one will be able to help you retrieve or reconstruct a lost password or private keys and provide you with access to any lost Project Tokens.

Risk of incompatible Wallet service

You will contribute Ether (ETH) from a Wallet or Wallet Service Provider that technically supports the Ether (ETH) and the Project Tokens. You understand and accept that failure to do so may result in you not gaining access to your acquired Project Tokens;

Risk of mining attacks

You understand and accept that the blockchain used for the Smart Contract System is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, “selfish-mining” attacks, and race condition attacks. Every successful attack constitutes a risk to the Smart Contract System, to the expected proper execution and sequencing of Token transactions, and to the expected proper execution and sequencing of contract computations.

Risk of Hacking and Security Weaknesses

Third parties may attempt to maliciously interfere with the Project, the Project Tokens and Ether in a variety of ways, which may have material adverse consequences on the Project.

Tokens or which may result in theft or loss of Project Tokens or Ether or which may impact Decentraland's ability to develop the Project.

You furthermore understand and accept that the Smart Contract System, the underlying software applications and software platform (e.g. the Ethereum blockchain) may be exposed to attacks by malicious third parties which could result in theft or loss of your Project Tokens or your Ether, or alternatively Decentraland's Project Tokens or Decentraland's Ether and therefore negatively affecting Decentraland's ability to develop the Project.

Risk of similar Projects

It is possible that third parties may utilize the same or similar open source code and protocol underlying the Project and attempt to replicate, duplicate or mimic the Project. Such an action could negatively impact the Project and Project Tokens, including but not limited to the value and utility of the Project Tokens.

Risks associated with markets for Project Tokens

Neither Decentraland nor the Project will provide, facilitate or guarantee any trading or valuation for Project Tokens. Any third-party exchange mechanisms or exchange platforms may be new and unproven, subject to little or no regulatory oversight, and more susceptible to fraud or manipulation. Any third-party valuations may be extremely volatile and change to zero.

Risks Associated with software weakness

you understand and accept that the underlying software application and software platform ("Software") (e.g. the Ethereum blockchain) for the Project Tokens and the Project is still in an early development stage. As Tokens are based on the Ethereum protocol, any malfunction, breakdown and abandonment of the Ethereum protocol may have material adverse consequences for the Project Tokens. As such, the Project Tokens are subject to technical advances which could present risks to the Project Tokens and the Project.

Regulatory risk

You understand and accept that the blockchain technology allows new forms of interaction and that it is possible that certain jurisdictions will apply existing regulations to, or introduce new regulations applicable to, blockchain technology based applications (e.g. KYC/AML regulations, data protection laws, etc.), which may make the current setup of the Smart Contract System untenable and/or illegal and which may, inter alia, result in substantial modifications of the Smart Contract System and/or the Project, including its termination and the loss of the Project Tokens.

Risk of abandonment / lack of success and risk of dissolution of the Company

You understand and accept that the creation of the Project Tokens and the development of the Project may be abandoned for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects (e.g. caused by competing projects).

You therefore understand and accept that there is no assurance that, even if the Project is partially or fully developed and launched, you will receive any benefits through the Project Tokens.

In addition, you understand and accept that following abandonment of the Project it may no longer be viable for Decentraland to operate and that it therefore may dissolve

Risks Arising from Taxation

The tax laws, regulations and mechanics applicable on the acquisition, possession and use of Project Tokens is uncertain. Your acquisition, possession and use of the Project Tokens, may result in adverse tax consequences to you, including withholding taxes, income taxes and tax reporting requirements. You therefore must seek your own tax advice.

In addition, the distribution of Project Tokens by Decentraland and use of Project Tokens by you and other parties, may result in adverse tax consequences to Decentraland and/or its affiliates. These adverse tax consequences may negatively impact the success and viability of the Project

Risks arising from funding in Ether

Unfavourable fluctuations in the value of Ether or the Ethereum network during or after this Distribution Event, may result in Decentraland not being able to fund the Project Tokens, or not in the manner that it originally intended.