

## TERMS OF USE

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## **TERMS OF USE**

These Terms of Use (“Terms”) govern your access to and use of our website, mobile applications, and any other online services (collectively, the “Services,” and further described below) provided by Coinbits Inc. or its legal affiliates (“Coinbits”, “we” or “us”), including any content, functionality, features and applications offered on or through the Services to you as a guest or registered user (collectively, “you” or “User”). Coinbits’ Services involve cryptocurrencies, which are not insured by any governmental agency, such as the Federal Deposit Insurance Corporation (“FDIC”), and involve numerous risks as outlined below, including loss of value.

Please read these Terms carefully before you start to use our Services. By using the Services, you agree to be bound and abide by these Terms and our Privacy Policy (collectively, together with these Terms, the “Coinbits Terms and Policies” and included below or available at <https://coinbitsapp.com/>).

### **Sub-account Registration and Additional Terms and Policies**

In order to provide the Services, we open sub-accounts for you with our payment provider Prime Trust to process deposits and withdrawals of your fiat currency (“User Account”). By using our Services, you agree to Prime Trust [Terms of Service](#) and [Privacy Policy](#).

If you do not agree to the Coinbits Terms and Policies or the Prime Trust Terms of Service and Privacy Policy, or if you violate them in any way, your right to access or use the Services is terminated. While you are using or accessing our Services, we may collect certain data about your use of the Services. By accessing or using our Services, you understand that we will be collecting this data. If you do not want us to collect data about you, then do not access, register for, or use any of our Services.

**Please see Section 19 below regarding restrictions on your legal rights in any dispute involving our Services, Terms of Use or Privacy Policy.**

**THESE TERMS INCLUDE, AMONG OTHER THINGS, YOUR AUTHORIZATION FOR DEBITS AND CREDITS FROM AND TO YOUR BANK AND CREDIT CARD ACCOUNTS (AS DESCRIBED BELOW) VIA PRIME TRUST, OUR PAYMENT PROVIDER, AND THE AUTOMATED CLEARING HOUSE NETWORK (“ACH”).**

**YOU UNDERSTAND AND AGREE THAT ANY DISPUTES BETWEEN YOU AND COINBITS, WILL BE RESOLVED THROUGH BINDING ARBITRATION. YOUR ORDER OF, ACCEPTANCE OF, USE OF, AND/OR ACCESS TO, THE SERVICES, RELATED WEBSITES AND CONTENT CONSTITUTE YOUR AGREEMENT TO ABIDE BY EACH OF THE TERMS SET FORTH HEREIN, INCLUDING THE ARBITRATION PROVISION.**

By using the Services, you represent and warrant that you are of legal age to form a binding contract with Coinbits and meet all of the eligibility requirements in the Coinbits Terms and Policies. You further

agree to designate Coinbits as your agent to hold funds on your behalf in your User Account, to hold your deposits for your benefit in a separate Coinbits-owned account (“FBO Account” or “Coinbits Account”) to purchase and own cryptocurrency equal in value to an amount of fiat currency transferred from your User Account to the Coinbits Account, that you designate from a funding source, which will either equal the difference between the amount of a purchase of goods or services using your linked card(s) or account(s) and the lowest whole dollar amount that is greater than the amount of the purchase (“Rounded Amount”), or such other amount chosen by you using the Services, including but not limited to one-off or recurring purchases (“Set Amount,” and collectively with the Rounded Amount, the “Selected Amounts”). You authorize Coinbits to debit your indicated funding source for one-time or recurring transactions according to any online forms and agreements with Coinbits. You will not dispute Coinbits so long as the transactions correspond to such terms. Payment authorizations from you to Coinbits are valid and will remain effective unless cancelled by you by emailing [support@coinbitsapp.com](mailto:support@coinbitsapp.com) at least 3 business days in advance. By using our Services, you authorize Coinbits to hold your deposits as custodian for your benefit at Signature Bank, Member FDIC, in an FBO Account. For purposes of applicable FDIC deposit insurance limitations, please note that deposits in an Signature FBO Account may not be separately insured from any other deposit accounts you may have with Signature.

You further agree that you will not own, nor will Coinbits hold in custody, any cryptocurrency on your behalf or in your User Account, and you designate Coinbits as your agent to use pre-designated Selected Amounts from your User Account to purchase cryptocurrency that Coinbits will own in full and which will be held in the Coinbits Account. In exchange, Coinbits will grant you the right to enter and view the history of transfers from your User Account to the Coinbits Account and from the Coinbits Account back to your User Account (“Coinbits Transfers”), and you will have the right to receive the US Dollar equivalent of the value of cryptocurrency purchased by Coinbits with your Selected Amount (“Withdrawal Amount”) upon request (“Withdrawal Request”) into your User Account. You may cancel your membership at any time. We do not offer refunds on any subscriptions. If you have questions about charges to your account, please reach out to us at [support@coinbitsapp.com](mailto:support@coinbitsapp.com) and a member of our team will be happy to help.

**Although you will not own cryptocurrency as part of the Services, Coinbits’ ownership of cryptocurrency may impact the value of Withdrawal Amounts, and you should note that the risk of loss in trading or holding cryptocurrency can be substantial. You should therefore carefully consider whether a business that engages in trading or holding cryptocurrency is suitable for you in light of your financial condition. For more information see, the [CFPB’s Consumer Advisory](#), the [SEC’s Investor Alert](#), and [FINRA’s Investor Alert](#).**

### 1. NO FINANCIAL ADVICE

Coinbits is not a registered investment adviser, broker/dealer, financial analyst, insured depository institution, securities broker or financial planner, nor is Coinbits holding cryptocurrency in a fiduciary, custodial, or any other type of agency capacity, on your behalf. The Information on our website is provided for information purposes only, and use of the Services is solely at Users’ discretion and involves no investment advice of any kind. The Information is not intended to be and does not constitute financial advice or any other advice, is general in nature and not specific to you, and the decision to designate Coinbits as your agent to purchase and own cryptocurrency in exchange for granting you access to view Coinbits Transfers and the right to receive the Withdrawal Amount is your own, with no further advice or action by Coinbits. Before making any investment decisions, you should seek the advice of qualified and registered securities or other financial professionals, as appropriate, and undertake your own due diligence. None of the information on our Services is intended as investment advice, as an offer or

solicitation of an offer to buy or sell, or as a recommendation, endorsement, or sponsorship of any cryptocurrency, security, company, or fund. Coinbits is not responsible for any investment decision made by you. You are responsible for your own investment research and investment decisions.

## 2. SCOPE OF TERMS AND SERVICES

The Coinbits Terms and Policies govern your use of the Services, which allow self-directed Users to: (i) designate Selected Amounts from the Users' connected accounts for Coinbits to use; (ii) designate Coinbits, as the User's agent, to automatically purchase and own cryptocurrency for the equivalent value of the Selected Amount, and deposit and hold purchased cryptocurrency via Coinbits' own wallet that must be accessed with a password or by maintaining a private key ("Digital Wallet"); and (iii) receive the Withdrawal Amount from Coinbits, who will remit to the User the equivalent value in US Dollars of cryptocurrency purchased and owned by Coinbits from User's Selected Amount upon User's request. Users will not own cryptocurrency through the Services, and at no point will Coinbits act as a custodian of any User- owned cryptocurrency. Coinbits solely acts as Users' designated agent with limited actual authority to purchase cryptocurrency that Coinbits owns outright by automatically rounding up pre-completed transactions in the Selected Amount, and Users solely receive the right to view the transactions performed on and the value of the User Account and the right to receive the dollar equivalent amount of cryptocurrency purchased by Coinbits using the Selected Amount by Withdrawal Request. Users have no right or discretion to withdraw, pledge, trade, or otherwise dispose of any cryptocurrency held by Coinbits.

Any access to and use of Coinbits' website, mobile applications, and any other online services provided to automatically debit and credit User's designated account(s) (as part of the Services) will be subject to and governed by the Coinbits Terms and Policies. You understand that we may revise, update, and add new Coinbits Terms and Policies in our sole discretion, and may update the existing Coinbits Terms and Policies from time to time as described therein. Where appropriate, we may seek to provide advance notice before updated Terms and Policies become effective. You agree that we may notify you of the updated Terms and Policies by posting them on the Services (such as on our website), and that your use of the Services after the effective date of the updated Terms and Policies (or engaging in such other conduct as we may reasonably specify) constitutes your agreement to the updated Terms and Policies. It is your responsibility to check the Coinbits Terms and Policies posted on the Services periodically so that you are aware of any changes, as they are binding on you.

The Coinbits Terms and Policies do not constitute a prospectus of any sort, are not a solicitation for investment and do not pertain in any way to an offering of securities in any jurisdiction. It is a description of the Services' terms and conditions.

### **Electronic Fund Transfer Disclosure Statement**

The following disclosures are made in accordance with the federal law regarding electronic payments, deposits, transfers of funds and other electronic transfers to and from your account(s). There may be limitations on account activity that restrict your ability to make electronic fund transfers. Any such limits are disclosed in the appropriate agreements governing your account.

A. Definitions: Electronic Fund Transfer: Any transfer of funds, other than a transaction originated by check, draft or similar paper instrument, that is initiated through an electronic device or computer to instruct us to debit or credit an account. Electronic Fund Transfers include such electronic transactions as direct deposits or withdrawals of funds, transfers initiated via telephone, website or mobile

application. Preauthorized Electronic Fund Transfer: An Electronic Fund Transfer that you have authorized in advance to recur at substantially regular intervals; for example, direct deposits into or withdrawal of funds out of your account.

**B. Your Liability: Authorized Transfers:** You are liable for all Electronic Fund Transfers that you authorize, whether directly or indirectly. **Unauthorized Transfers:** Tell us at once if you believe your account or PIN or Access Information (as defined below) is lost or stolen or has been or may be subject to unauthorized Electronic Fund Transfers. Support message us immediately to keep your possible losses to a minimum. You could lose all the money in your account(s). If you tell us within two (2) business days after learning of the loss or theft of your account access device, or after learning of any other unauthorized transfers from your account involving your account access device, you can lose no more than \$50 if Electronic Fund Transfers are made without your permission. For these transactions, if you DO NOT tell us within two (2) business days after learning of the loss, theft or unauthorized use, and we can establish that we could have prevented the unauthorized transfer(s) if you had told us in time, you could lose as much as \$500. Also, if your periodic account statement shows unauthorized transfers and you DO NOT tell us within sixty calendar (60) days after the statement was delivered to you, you may not get back any money you lose after the sixty calendar (60) day period if we can prove that we could have prevented the unauthorized transfer(s) if you had told us in time. If an extenuating circumstance (such as extended travel or hospitalization) prevents you from promptly notifying us of a suspected lost or stolen access device or of any other suspected unauthorized transfer(s), the time periods specified in this Section B may be extended for a reasonable period.

### 3. PROHIBITED USES

You agree not to use or access any of the Services:

- In any way that violates any applicable federal, state, local, or international law, rule, or regulation (including, without limitation, any intellectual property laws or laws regarding the export of data or software to and from the US or other countries).
- To post violent, defamatory, indecent, sexually explicit, discriminatory, unlawful, infringing, hateful or other inappropriate content.
- To deceive or exploit anyone in any way, such as by exposing them to inappropriate content, asking for personally identifiable information, including, without limitation, your or any other person's social security or alternate national identity numbers, non-public phone numbers or non-public email addresses.
- To create, solicit, transmit, or procure the sending of, any unwanted, unsolicited or harassing comments or communications, including advertising or promotional material, without our prior written consent, including any "junk mail," "chain letter," "spam" or any other similar solicitation.
- To impersonate, attempt to impersonate, or falsely imply that you are associated with Coinbits, a Coinbits employee, Coinbits URL or domain name, another user, or any other person or entity (including, without limitation, by using email addresses or usernames associated with any of the foregoing).
- Use the Services in any manner that could disable, alter, overburden, damage, or impair them or engage in any other conduct that restricts or interferes with any other party's use, which, as determined by us, may harm Coinbits or users of the Services and expose them to liability, including but not limited to by transmitting any worms, viruses, spyware, malware or any other code of a destructive, malicious, intrusive, or disruptive nature.
- To circumvent or disable any content protection system or digital rights management technology used with any Service; decompile, reverse engineer, disassemble or otherwise

reduce any Services to a human-readable form; remove identification, or other proprietary notices; or access or use any Services in an unlawful or unauthorized manner or in a manner that suggests an association with our products, services or brands.

- To create accounts or access data (including user information) through unauthorized means, by using an automated device, caching, script, bot, spider, crawler or scraper.

#### 4. YOUR RESPONSIBILITIES

- You are responsible for any activity that occurs through your account and all of your activity on Coinbits, and you agree you will not sell, transfer, license or assign any User account, credentials, or any account rights, including your own. With the exception of people or businesses that are expressly authorized to create accounts on behalf of their employers or clients, Coinbits prohibits the creation of, and you agree that you will not create an account for anyone other than yourself. You also represent that all information you provide or provided to Coinbits upon registration and at all other times will be true, accurate, current and complete and you agree to update your information as necessary to maintain its truth and accuracy.
- You are solely responsible for your interaction with other Users of the Services, whether online or offline. You agree that Coinbits is not responsible or liable for the conduct of any User. Coinbits reserves the right, but has no obligation, to monitor or become involved in disputes between you and other Users. Exercise common sense and your best judgment when interacting with others, including when you submit or post content or any personal or other information.
- **Withdrawal Requests and Coinbits Transfers.** User Withdrawal Requests and transactions performed on User Accounts are partially reliant upon public ledgers reflecting cryptocurrency transactions. All cryptocurrency transactions proposed by Coinbits must be confirmed and recorded via distributed consensus networks, which are not owned, controlled or operated by Coinbits. The cryptocurrency networks are operated by a decentralized network of independent third parties. While you will be able to view the impact of Coinbits transactions on the value of your User Account and the history of all transactions performed on your User Account via Coinbits Transfers, Coinbits has no control over the cryptocurrency networks and therefore cannot and does not ensure that any transactions performed on User Accounts will be confirmed by Coinbits, nor will Coinbits Transfers reflect a record of cryptocurrency bought or sold by Coinbits. All cryptocurrency transactions processed through the Services will result in cryptocurrency owned by Coinbits and held in Coinbits' own Digital Wallet to which Users do not have access. You acknowledge and agree that requests you submit to Coinbits for the right to view Coinbits transactions or Withdrawal Requests may not be completed, or may be substantially delayed.
- **Third-Party Payment Processors.** Any liabilities or obligations arising from the use of third-party payment processors to designate Selected Amounts or to process Withdrawal Requests are yours, not ours. Coinbits is not responsible for any loss of funds due to the use of a third-party payment processor, associated third-party financial services application, or exchange.
- **Security.** You are responsible for implementing reasonable measures for securing your Coinbits account and any other connected account(s) from which Coinbits may obtain Selected Amounts or deposit Withdrawal Amounts. We are not responsible for any losses resulting from security compromises to these accounts. You will implement reasonable and appropriate measures designed to secure access to (i) any device connected with the email address associated with your account, and (ii) your username, password and any other login or identifying credentials. In the event that you are no longer in possession of any device connected with your account or are not

able to provide your login or identifying credentials, we may, in our sole discretion, and only if we are able, grant access to your account to any person providing additional credentials to us. We reserve the right to determine the additional credentials required, which may include a sworn, notarized statement of identity.

## **5. RIGHTS YOU GRANT TO US**

By submitting information, data, passwords, usernames, PINs, other log-in information, materials and other content to Coinbits through the Services, you are licensing that content to Coinbits for the purpose of providing the Services. Coinbits may use and store the content in accordance with the Coinbits Terms and Policies. You represent that you are entitled to submit it to Coinbits for use for this purpose, without any obligation by Coinbits to pay any fees or be subject to any restrictions or limitations. By using the Services, you expressly authorize Coinbits to access your Account Information maintained by identified third parties, on your behalf as your agent, to perform debits and credits and view transaction histories on your accounts with identified third parties, and you expressly authorize such third parties to disclose your information to us. When you add account information as part of the Services, Coinbits and Prime Trust will submit information including usernames and passwords that you provide to log into the site. You hereby authorize and permit Coinbits to use and store information submitted by you to accomplish the foregoing and to configure the Services so that it is compatible with the third-party sites for which you submit your information. For purposes of the Coinbits Terms and Policies, and solely to provide the Account Information to you as part of the Services, you expressly grant Coinbits the right, power and authority to (acting on your behalf) access and transmit the information you provide as reasonably necessary for Coinbits to provide the Services, including to use Selected Amounts withdrawn from your accounts to purchase and hold cryptocurrency on Coinbits' own behalf in Coinbits' own Digital Wallet, and to remit the dollar equivalent of cryptocurrency purchased in the Selected Amount back to your accounts following a Withdrawal Request.

YOU ACKNOWLEDGE AND AGREE THAT WHEN COINBITS IS ACCESSING AND RETRIEVING ACCOUNT INFORMATION FROM THIRD-PARTY SITES, COINBITS IS ACTING AS YOUR AGENT, AND NOT AS THE AGENT OF OR ON BEHALF OF THE THIRD PARTY THAT OPERATES THE THIRD-PARTY SITE, AND THAT COINBITS IS NEITHER MAKING AN INVESTMENT DECISION OR TAKING OWNERSHIP OF ANY CRYPTOCURRENCY ON YOUR BEHALF BUT IS BUYING AND HOLDING ITS OWN CRYPTOCURRENCY IN EXCHANGE FOR GRANTING YOU ACCESS TO VIEW COINBITS TRANSFERS AND THE RIGHT TO RECEIVE THE DOLLAR EQUIVALENT OF ANY PURCHASED CRYPTOCURRENCY FOLLOWING A WITHDRAWAL REQUEST.

You understand and agree that the Services are not sponsored or endorsed by any third parties accessible through the Services. Coinbits is not responsible for any payment processing errors or fees or other Services-related issues, including those issues that may arise from inaccurate account information.

Coinbits may use various third-party services to authenticate User accounts before transferring ACH payments or crediting or debiting User accounts to provide the Services, and may request read permissions on transactions through these financial services applications to access credit/debit/banking card information of Users. Coinbits is not authorized to make purchases or transfer money through the credit card linkage with third parties separately from the authorization Users' hereby grant for Coinbits to link their credit/debit/banking card information with their Coinbits User Account. Coinbits requests read access for a User's accounts so the User can choose which account to debit Selected Amounts from. Coinbits also requests access to so it can make cryptocurrency purchases on Coinbits' own behalf in the

equivalent to the Selected Amount authorized by the User, and to deposit the dollar equivalent of any cryptocurrency purchased and owned by Coinbits using the Selected Amount upon a Withdrawal Request from the User.

### 6. ACKNOWLEDGEMENT AND ASSUMPTION OF RISKS

You acknowledge and agree that there are risks associated with Coinbits' purchasing cryptocurrency, holding cryptocurrency, and by extension your use of Coinbits' cryptocurrency-related Services to receive access to view Coinbits Transfers and submit Withdrawal Requests, as disclosed and explained in the Risk Disclosures section below. If you have any questions regarding these risks, please contact us at [support@coinbitsapp.com](mailto:support@coinbitsapp.com). BY USING THE SERVICES, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THESE RISKS.

### 7. USA PATRIOT INFORMATION DISCLOSURE

To help the government fight the funding of terrorism and money laundering activities, Federal Law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents before opening the account.

### 8. PERSONAL INFORMATION

- **Your Information.** We may determine, in our sole discretion, that it is necessary to obtain certain information about you in order to comply with applicable law or regulation in connection with the Services. You agree to provide us such information promptly upon request, and you acknowledge that we may refuse to provide the Services to you until you provide such requested information and we have determined that it is permissible to provide you with the Services under applicable law or regulation.
- **Legal Compliance.** You will provide to us, or to our nominee, immediately upon our request, information that we, in our sole discretion, deem to be required to maintain compliance with any federal, state, local, domestic or foreign law, regulation or policy, including any "Know Your Customer" requirements and policies. Such information may include (but is not limited to): name, date of birth, type of profession (or entity where the account is not for and individual), email address, phone number, home address, social security number, a passport, driver's license, utility bill, photograph of you, government identification cards or sworn statements, and we, or our nominee, may keep a copy of such information for our records.
- **Your Information.** We may use aggregate statistical information about your activity, including your activity on our Services and logins to various websites, for marketing or any other purpose at our sole discretion. We may use your internet protocol address to verify your information. However, we will not release your personal information to any third party without your consent, except as set forth herein or in our Coinbits Terms and Policies.

### 9. TAXES

You are responsible for determining what, if any, taxes apply to your receipt of the dollar equivalent of Coinbits' purchased cryptocurrency through the Services, including, for example, income, sales, use, value added, and similar taxes. It is also your responsibility to withhold, collect, report and remit the

correct taxes to the appropriate tax authorities. We are not responsible for withholding, collecting, reporting, or remitting any income, sales, use, value added, or other tax arising from your use of the Services or otherwise.

### 10. REPRESENTATIONS AND WARRANTIES

By using the Services, you represent and warrant that:

- You are not a citizen or resident of a country that prohibits the sale of cryptocurrency, virtual currencies and/or other aspects of the Coinbits Terms and Policies or the Services.
- You have sufficient understanding of virtual currencies, cryptocurrency storage mechanisms (such as Digital Wallets), and blockchain technology to understand the Coinbits Terms and Policies, the Services, and the risks and implications of the Services.
- You have read, understood and agreed to the Terms, the Risk Disclosures (set forth below) , and the Coinbits Terms and Policies, and will periodically check for updates to these documents we provide through the Services including on our website <https://coinbitsapp.com/> or other channels.
- You have obtained sufficient information about the Services to make an informed decision to use the Services.
- You understand that using the Services confer only the right to provide automated rounding of pre-occurring transactions to Coinbits in the Selected Amount in order for Coinbits, as your designated agent, to purchase and own its own cryptocurrency in the an amount equal to the difference between the original transaction price and the Selected Amount at your own discretion in exchange for access to view Coinbits Transfers and the right to receive the dollar equivalent of Coinbits-purchased-and-owned cryptocurrency upon a Withdrawal Request, and confer no other rights of any form or nature, including, but not limited to, any ownership of cryptocurrency, or any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights.
- You understand that Coinbits' authority as your agent is limited in scope only to the Services as described above, and that Coinbits is otherwise not your agent and is not your trustee. Nothing in the Coinbits Terms and Policies will be deemed or is intended to be deemed, nor will it cause you and Coinbits to be treated as partners, joint ventures, or otherwise as joint associates for profit.
- You may not assign, delegate or transfer or your rights or obligations under the Coinbits Terms and Policies or your Coinbits Account, including by operation of law or in connection with any change of control. Coinbits may transfer, assign, or delegate any or all of its rights and obligations under the Coinbits Terms and Policies without obtaining your consent or approval. Subject to the foregoing, the Coinbits Terms and Policies will bind and inure to the benefit of the parties, their successors and permitted assigns.

### 11. PROPRIETARY RIGHTS

- We grant you a limited, non-exclusive, non-sublicensable, non-transferable license to access and use the Services for lawful purposes in accordance with the Coinbits Terms and Policies.
- The Services contain content owned or licensed by Coinbits, including name, logo, text, images, audio/visual works, icons and scripts ("Coinbits Content"). Coinbits Content is protected by copyright, trademark, patent, trade secret and other laws, and, as between you and Coinbits, Coinbits owns and retains all rights in Coinbits Content and the Services.
- You will not remove, alter or conceal any copyright, trademark, service mark or other

proprietary rights notices incorporated in or accompanying Coinbits Content and you will not reproduce, modify, adapt, prepare derivative works based on, perform, display, publish, distribute, transmit, broadcast, sell, license or otherwise exploit Coinbits Content without the prior written permission of Coinbits.

- You hereby grant Coinbits a limited, non-exclusive, non-sublicensable, non-transferable license to access and use User Content for the purpose of providing the Services to you.

## 12. MONITORING AND ENFORCEMENT; TERMINATION

We have the right to:

- Modify or terminate the Services for any reason, without notice, at any time, and without liability to you.
- Refuse, terminate, or suspend your access to all or part of the Services for any or no reason, including without limitation, any violation of the Coinbits Terms and Policies.
- Upon termination, all licenses and other rights granted to you in the Coinbits Terms and Policies will immediately cease.
- Force forfeiture of any username for any reason.
- We may, but have no obligation to, remove, edit, block, and/or monitor content and information and content you share with others using the Services (“User Contributions”), or accounts containing materials that we determine in our sole discretion violates the Coinbits Terms and Policies.

## 13. LINKING TO THE SERVICES

- You may link to our website homepage, provided you do so in a way that does not violate applicable law, and does not, in our view, damage our reputation or take advantage of it, but you must not establish a link in such a way as to suggest any form of association, approval, or endorsement on our part without our express written consent.
- The Services may provide certain social media features that enable you to: link from your own or certain third-party websites to certain content on our Services; send communications with certain content, or links to certain content, using the Services; or cause limited portions of content on the Services to be displayed or appear to be displayed on your own or certain third-party websites.
- You may use these features solely as they are provided by us, and must not otherwise: establish a link from any website that is not owned by you; cause the Services or portions of it to be displayed on, or appear to be displayed by, any other site (for example, scraping, framing, deep linking, or in-line linking); or take any action with respect to the Services that is inconsistent with the Coinbits Terms and Policies.
- We may disable any social media features and any links at any time without notice at our sole discretion.

## 14. LINKS ON OUR SERVICES

If the Services contain links to other sites and resources provided by third parties, these links are provided for your convenience only. This includes links to any Digital Wallets and links contained in advertisements, including banner advertisements and sponsored links. We have no control over the

contents of those sites or resources, and accept no responsibility for them or for any loss or damage that may arise from your use of them. If you decide to access any of the third-party websites linked to our Services, you do so entirely at your own risk and subject to the terms and conditions of use for such websites.

## **15. SERVICES CONTENT**

- We may update the content in our Services from time to time, but it will not necessarily be complete or up-to-date. Any of the material in the Services may be out of date at any given time, and we are under no obligation to update such material.
- The Services may be supported by advertising revenue and may display advertisements and promotions, and you hereby agree that Coinbits may place such advertising and promotions through the Services or on, about, or in conjunction with your User Contributions. The manner, mode and extent of such advertising and promotions are subject to change without specific notice to you.
- You acknowledge that we may not always identify paid services, sponsored content, or commercial communications as such.
- Although it is Coinbits' intention for the Services to be available as much as possible, there will be occasions when the Services may be interrupted, including, without limitation, for scheduled maintenance or upgrades, for emergency repairs, or due to failure of telecommunications links and/or equipment.
- Coinbits reserves the right to remove any content from the Services for any reason, without prior notice. Content removed from the Services may continue to be stored by Coinbits, including, without limitation, in order to comply with certain legal obligations, but may not be retrievable without a valid court order.

## **16. REPORTING COPYRIGHT INFRINGEMENT AND OTHER VIOLATIONS**

Coinbits respects the intellectual property rights of others, and we prohibit users of our Services from submitting, uploading, posting or otherwise transmitting any materials that violate another person's intellectual property rights. To report any issues or allegations of infringement, please contact Coinbits at [support@coinbitsapp.com](mailto:support@coinbitsapp.com).

## **17. GEOGRAPHIC RESTRICTIONS**

Coinbits is based in the United States and provides its Services for use to persons located all over the world with the exception of those countries that are sanctioned by Office of Foreign Assets Control (OFAC) (<https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>) or that otherwise prohibits the sale of cryptocurrency, virtual currencies. Access to the Services may not be legal by certain persons or in certain countries. If you access the Services from outside the United States, you do so on your own initiative and you are responsible for compliance with all applicable local laws.

## **18. DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITY**

You understand that we cannot and do not guarantee or warrant that files available for downloading from the internet or the Services will be free of viruses or other destructive code. You are responsible for implementing sufficient procedures and checkpoints to satisfy your particular requirements for anti-virus protection and accuracy of data input and output, and for maintaining a means external to our site for any reconstruction of any lost data.

Violation of the Coinbits Terms and Policies may, in Coinbits sole discretion, result in termination of your account. You understand and agree that Coinbits cannot and will not be responsible for the content posted on the Services and you use the Services at your own risk. If you violate the letter or spirit of the Coinbits Terms and Policies, or otherwise create risk or possible legal exposure for Coinbits, we can stop providing all or part of the Services to you.

The Services are provided on an “as is” and “as available” basis. To the fullest extent permitted under applicable law, Coinbits and its affiliates expressly disclaim all warranties of any kind with respect to the Services, whether express or implied, including, but not limited to, the implied warranties of merchantability, fitness for a particular purpose and non-infringement. Coinbits does not guarantee the accuracy, timeliness, completeness or usefulness of any content. You agree to use the Services at your own risk.

Coinbits does not explicitly or implicitly endorse or approve any third party content. Any third party content that may be provided is for informational purposes only and any obligations or liabilities arising out of the use of third parties providing content are yours, not ours. The Services and any content provided are not intended to provide financial, legal, tax or investment advice or recommendations. You are solely responsible for determining whether any investment, investment strategy or related transaction is appropriate for you based on your personal investment objectives, financial circumstances and risk tolerance. You should consult your legal or tax professional regarding your specific situation.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS OTHERWISE SPECIFIED IN A WRITING BY US, WE EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES AS TO THE SERVICES, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT; WE CANNOT AND DO NOT REPRESENT OR WARRANT THAT THE SERVICES ARE RELIABLE, CURRENT OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN THE SERVICES WILL BE CORRECTED; AND WE CANNOT AND DO NOT REPRESENT OR WARRANT THAT THE SERVICES ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS.

YOU UNDERSTAND THAT CRYPTOCURRENCY AND OTHER CRYPTOCURRENCY ARE NEW AND UNTESTED TECHNOLOGIES OUTSIDE OF OUR CONTROL AND ADVERSE CHANGES IN MARKET FORCES, LAW OR TECHNOLOGY WILL EXCUSE OUR PERFORMANCE UNDER THE COINBITS TERMS AND POLICIES.

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

### **19. INDEMNIFICATION**

YOU AGREE TO INDEMNIFY AND HOLD HARMLESS COINBITS FROM AND AGAINST ANY AND ALL LOSS, EXPENSES, DAMAGES, AND COSTS, INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS’ FEES, RESULTING, WHETHER DIRECTLY OR INDIRECTLY, FROM YOUR VIOLATION OF THE COINBITS TERMS AND POLICIES. YOU ALSO AGREE TO INDEMNIFY AND HOLD HARMLESS COINBITS FROM AND AGAINST ANY AND ALL CLAIMS BROUGHT BY THIRD PARTIES ARISING OUT OF YOUR USE OF THE SERVICES AND THE CONTENT YOU MAKE AVAILABLE VIA THE SERVICES BY ANY MEANS, INCLUDING

WITHOUT LIMITATION THROUGH A POSTING, A LINK, REFERENCE TO CONTENT, OR OTHERWISE.

## **20. DISPUTE RESOLUTION; ARBITRATION; JURISDICTION**

PLEASE READ THE FOLLOWING SECTION CAREFULLY BECAUSE IT REQUIRES YOU TO ARBITRATE CERTAIN DISPUTES AND CLAIMS WITH COINBITS AND LIMITS THE MANNER IN WHICH YOU MAY SEEK RELIEF FROM US.

- a. *Binding Arbitration.* Except for any disputes, claims, suits, actions, causes of action, demands or proceedings (collectively, “Disputes”) in which either Party seeks injunctive or other equitable relief for the alleged unlawful use of intellectual property, including, without limitation, copyrights, trademarks, trade names, logos, trade secrets or patents, you and Coinbits (i) waive your and Coinbits’ respective rights to have any and all Disputes arising from or related to the Coinbits Terms and Policies resolved in a court, and (ii) waive your and Coinbits’ respective rights to a jury trial. Instead, you and Coinbits will arbitrate Disputes through binding arbitration pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 et seq. (“FAA”), to the maximum extent permitted by applicable law. (This includes the referral of a Dispute to one or more persons charged with reviewing the Dispute and making a final and binding determination to resolve it instead of having the Dispute decided by a judge or jury in court).
- b. *No Class Arbitrations, Class Actions or Representative Actions.* Any Dispute arising out of or related to the Coinbits Terms and Policies is personal to you and Coinbits and will be resolved solely through individual arbitration and will not be brought as a class arbitration, class action or any other type of representative proceeding. There will be no class arbitration or arbitration in which an individual attempts to resolve a Dispute as a representative of another individual or group of individuals. Further, a Dispute cannot be brought as a class or other type of representative action, whether within or outside of arbitration, or on behalf of any other individual or group of individuals.
- c. *Notice; Informal Dispute Resolution.* Each Party will notify the other Party in writing of any Dispute within thirty (30) calendar days of the date it arises, so that the Parties can attempt in good faith to resolve the Dispute informally. Notice to Coinbits shall be sent by email to Coinbits at [support@coinbitsapp.com](mailto:support@coinbitsapp.com). Notice to you shall be by email to the then-current email address in your Account. Your notice must include (i) your name, postal address, email address and telephone number, (ii) a description in reasonable detail of the nature or basis of the Dispute, and (iii) the specific relief that you are seeking. If you and Coinbits cannot agree how to resolve the Dispute within thirty (30) calendar days after the date notice is received by the applicable Party, then either you or Coinbits may, as appropriate and in accordance with the Coinbits Terms and Policies, commence an arbitration proceeding or, to the extent specifically provided for in the Coinbits Terms and Policies, file a claim in court.
- d. *Process.* Any arbitration will occur in New Jersey. Arbitration will be conducted confidentially by a single arbitrator in accordance with the rules of the Judicial Arbitration and Mediation Services (“JAMS”), which are hereby incorporated by reference. The state and federal courts located in New Jersey will have exclusive jurisdiction over (i) any appeals and the enforcement of an arbitration award, or (ii) any claim filed in court where permitted in the Coinbits Terms and Policies.

- e. *Authority of Arbitrator.* As limited by the FAA, the Coinbits Terms and Policies, and the applicable JAMS rules, the arbitrator will have (i) the exclusive authority and jurisdiction to make all procedural and substantive decisions regarding a Dispute, including the determination of whether a Dispute is arbitrable, and (ii) the authority to grant any remedy that would otherwise be available in court; provided, however, that the arbitrator does not have the authority to conduct a class arbitration or a representative action, which is prohibited by the Coinbits Terms and Policies. The arbitrator may only conduct an individual arbitration and may not consolidate more than one individual's claims, preside over any type of class or representative proceeding or preside over any proceeding involving more than one individual.
- f. *Rules of JAMS.* The rules of JAMS and additional information about JAMS are available on the JAMS website. By agreeing to be bound by the Coinbits Terms and Policies, you either (i) acknowledge and agree that you have read and understand the rules of JAMS, or (ii) waive your opportunity to read the rules of JAMS and any claim that the rules of JAMS are unfair or should not apply for any reason.
- g. *Injunctions and Court Proceedings.* With respect to any action or proceeding for which courts are an expressly permitted method of adjudication as set forth in these Terms of Use, the exclusive jurisdiction and venue for all such actions or proceedings arising out of, or related to, the Coinbits Terms and Policies will be in an appropriate state or federal court located in New Jersey, U.S. (the "Designated Courts"), and the Parties hereby irrevocably consent to the personal and subject matter jurisdiction of such court, waive any claim that such courts do not constitute a convenient and appropriate venue for such actions or proceedings, and waive the right to a trial by jury. Each Party consents to service of process upon itself by means of any of the methods for delivery of notice that are specified in these Terms.
  - i. To the extent that arbitration pursuant to the terms of this section is not permitted under applicable law, a Party may seek resolution of any dispute in the Designated Courts.
  - ii. To the extent the Parties mutually-agree to forego arbitration for a dispute, the Parties shall seek resolution of such dispute in the Designated Courts.
  - iii. Permitted appeals and/or enforcement of an arbitration award shall take place in the Designated Courts.
  - iv. Certain breaches of the Coinbits Terms and Policies by a user may, by their gravity or nature, cause immediate and irreparable injury to Coinbits that cannot be adequately compensated for in damages, including, without limitation, infringement of Coinbits' intellectual property rights. Accordingly, notwithstanding anything to the contrary in the Coinbits Terms and Policies, in the event of any such breach and in addition to all other remedies available herein, Coinbits may seek solely injunctive relief from the Designated Courts without posting a bond or other security.

## **21. GOVERNING LAW**

The Coinbits Terms and Policies will be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to conflict of law rules or principles (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any other jurisdiction.

## **22. WAIVER AND SEVERABILITY**

No waiver by Coinbits of any term or condition set out in the Coinbits Terms and Policies shall be deemed a further or continuing waiver of such term or condition or a waiver of any other term or condition, and any failure of Coinbits to assert a right or provision under the Coinbits Terms and Policies shall not constitute a waiver of such right or provision.

If any provision of the Coinbits Terms and Policies is held by a court or other tribunal of competent jurisdiction to be invalid, illegal or unenforceable for any reason, such provision shall be eliminated or limited to the minimum extent such that the remaining provisions of the Coinbits Terms and Policies will continue in full force and effect.

### **23. NOTICE**

To you: We may provide any notice to you under the Coinbits Terms and Policies by: (i) posting a notice on our website; or (ii) sending an email to the email address then associated with your account. Notices we provide by posting on our website will be effective upon posting and notices we provide by email will be effective when we send the email. It is your responsibility to keep your email address current. You will be deemed to have received any email sent to the email address then associated with your account when we send the email, whether or not you actually receive or read the email.

To us: To give us notice under the Coinbits Terms and Policies, you must contact Coinbits by email to [support@coinbitsapp.com](mailto:support@coinbitsapp.com). We may update this email address for notices to us by posting a notice on our website or sending an email to you. Notices to us will be effective when received by us.

Language: All communications and notices to be made or given pursuant to the Coinbits Terms and Policies must be in the English language.

### **24. MODIFICATIONS**

We may modify the Coinbits Terms and Policies at any time by posting a revised version on our website, another channel we make available or, only if you have provided us with an email address, by email. Where appropriate, we may provide advance notice before updated Terms become effective. The modified provisions will become effective upon posting or the date indicated in the posting, or if we notify you by email, as stated in the email. It is your responsibility to check our website and other channels regularly for modifications. Your continued use of the Services after any modification becomes effective constitutes your acceptance of the modification. We last modified the Coinbits Terms and Policies on the date listed at the end of the Coinbits Terms and Policies.

### **25. FORCE MAJEURE**

Coinbits and its affiliates will not be liable for any delay or failure to perform any obligation under the Coinbits Terms and Policies where the delay or failure results from any cause beyond our reasonable control, including acts of God, labor disputes or other industrial disturbances, electrical, telecommunications, hardware, software, or other utility failures, earthquake, storms or other elements of nature, blockages, embargoes, riots, acts or orders of government, acts of terrorism, war, changes in blockchain technology, changes in any cryptocurrency Network Code (including any hard forks in the cryptocurrency blockchain), changes in cryptocurrency protocols, or any other force, event or condition outside of our control.

### **26. ENTIRE AGREEMENT**

The Terms of Use and our Privacy Policy constitute the sole and entire agreement between you and Coinbits regarding the Services and supersede all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding the Services.

### **27. YOUR COMMENTS, CONCERNS OR QUESTIONS ABOUT TRANSACTIONS**

Bank services are provided by Prime Trust, Member FDIC, through our banking software provider, Prime Trust. To report a complaint relating to the bank services, email [support@primetrust.com](mailto:support@primetrust.com)

Please contact us by emailing us at [support@coinbitsapp.com](mailto:support@coinbitsapp.com) (1) if you believe a transaction receipt or a statement is wrong, or (2) if you need more information about a transaction on the receipt or statement. For consumer accounts, we must hear from you no later than sixty (60) days after we sent you the first statement on which the error or problem appeared. For business accounts, we must hear from you within one (1) business day of us sending you a receipt. Your inquiry must include: (x) your name, email associated with your account, and your account number (if available); (y) a description of the error or the transaction you are unsure about, and a clear explanation of why you believe there is an error or why you need more information; and (z) the dollar amount of the suspected error. If you tell us orally, we may require that you send us your inquiry via email within ten (10) business days.

#### **Time Periods**

**Ten-Day Time Period** - Coinbits will investigate promptly and, except as otherwise provided in this paragraph, shall determine whether an error occurred within ten (10) business days of receiving a notice of error. Coinbits shall report the results to the consumer in writing within three (3) business days after completing its investigation. Coinbits shall correct the error within one (1) business day after determining that an error occurred.

**Forty Five-Day Time Period** - If Coinbits is unable to complete its investigation within ten (10) business days, Coinbits may take up to 45 calendar days from receipt of a notice of error to investigate and determine whether an error occurred, provided Coinbits does the following: (1) provisionally credits the consumer's account in the amount of the alleged error (including interest where applicable) within ten (10) business days of receiving the error notice (Coinbits need not provisionally credit the consumer's account if: (a) Coinbits does not receive written confirmation within ten (10) business days of an oral notice of error; or (b) the alleged error involves an account that is subject to Regulation T (Securities Credit by Brokers and Dealers, 12 CFR part 220)); (2) informs the consumer, within two business days after the provisional crediting, of the amount and date of the provisional crediting and gives the consumer full use of the funds during the investigation; (3) corrects the error, if any, within one business day after determining that an error occurred; and (4) reports the results to the consumer within three business days after completing its investigation (including, if applicable, notice that a provisional credit has been made final).

**Extension of Ten-Day Time Period** - The time limit for resolution is extended to twenty (20) business days in place of ten (10) business days if the notice of error involves an electronic fund transfer to or from the account within 30 calendar days after the first deposit to the account was made; or **Extension of Forty Five-Day Time Period** - The time limit for resolution is extended to 90 calendar days in place of 45 calendar days for completing an investigation, if a notice of error involves an electronic fund transfer that occurred within 30 calendar days after the first deposit to the account was made.

Please direct other questions or concerns regarding the Coinbits Terms and Policies or the Services to

## Coinbits - Terms of Use

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Coinbits at [support@coinbitsapp.com](mailto:support@coinbitsapp.com).

Bank services are provided by Signature Bank, Member FDIC, through our banking software provider, Prime Trust. To report a complaint relating to the bank services, [support@primetrust.com](mailto:support@primetrust.com).

The effective date of these Terms is December 1, 201

## **RISK DISCLOSURES**

Last Updated July 23, 2018.

- 1. Risks Associated with Cryptocurrency:** Any malfunction, unintended function, unexpected functioning of or attack on the protocols underlying virtual currencies including cryptocurrency may cause the Services to malfunction or function in an unexpected or unintended manner, which in turn could interrupt the Services in whole or in part, including the delayed processing of Withdrawal Requests. Cryptocurrency may itself lose value and in turn decrease the dollar value Users receive upon Withdrawal Requests.
- 2. Risks Associated with User Credentials:** Any third party that gains access to or learns of your login credentials or views your Coinbits Transfers may be able to interrupt the Services or act in a manner that results in a total loss to you, with no liability or recourse available against Coinbits. To minimize this risk, you should guard against unauthorized access to your electronic devices. Best practices dictate that you safely store credentials in one or more backup locations geographically separated from the working location. In addition, you are responsible for giving us the correct address or account to process Withdrawal Requests. If you give us the incorrect address or account, we are not responsible for any losses that may occur.
- 3. Risks Related to Digital Wallets.** Coinbits will store cryptocurrencies purchased using Users' Selected Amounts in a wallet that must be accessed with a password or by maintaining a private key. Digital Wallets can have known or unknown vulnerabilities, and any errors or malfunctions caused by or otherwise related to Coinbits' Digital Wallet may result in the loss of cryptocurrency.
- 4. Risk of Unfavorable Regulatory Action in One or More Jurisdictions:** Virtual currencies have been the subject of scrutiny by various regulatory bodies around the world. The functioning of the Services could be impacted by one or more regulatory inquiries or actions, including the licensing of or restrictions on the use, sale, or possession of virtual currencies, which could impede, limit or end the development of the Services and increase legal costs.
- 5. Risks from Taxation:** You must seek your own tax advice in connection with using the Services, which may result in adverse tax consequences to you, including withholding taxes, income taxes, and tax reporting requirements. New or future changes to U.S. and non-U.S. tax laws could also adversely affect us and could affect our ability to develop and/or provide the Services. With respect to virtual currency the Internal Revenue Service has issued guidance through Notice 2014-21, which describes how existing general tax principles apply to transactions using virtual currency. Prior to using the Services, a prospective user should consult with his/her/its own investment, legal, tax and/or accounting advisors and/or other consultants to determine the potential tax consequences of such a transaction even though Users will at no point own or hold cryptocurrency through the Services.
- 6. Risk of Theft and Hacking:** Hackers or other groups or organizations or countries may attempt to interfere with the Services, the availability of Coinbits' cryptocurrency purchased with Selected Amounts, third-party financial services applications or virtual currency exchanges used

to provide the Services, or your Withdrawal Amount in any number of ways, including service attacks, Sybil attacks, spoofing, smurfing malware attacks, or consensus based attacks on Digital Wallets, Exchanges, or Coinbits itself, phishing, or other novel methods that may or may not be known to steal virtual currencies.

7. **Risk of Security Weaknesses in the Services software:** There is a risk that Coinbits or other third parties may intentionally or unintentionally introduce weaknesses or bugs into the core infrastructural elements of the Services, interfering with the use of or causing the loss of Coinbits' cryptocurrency and by extension the delay or prevention of processing Withdrawal Requests.
8. **Risk of Weaknesses or Exploitable Breakthroughs in the Field of Cryptography:** Advances in cryptography, or technical advances such as the development of quantum computers, could present risks to virtual currencies and the Services.
9. **Risk of Uninsured Losses:** Coinbits is not a bank or any other type of institution the holdings of which are insured by any governmental authority. Therefore, unlike bank accounts or accounts at some other financial institutions, funds held using the Services are generally uninsured. In the event of any loss, there is no public insurer, such as the FDIC, or private insurer, to offer recourse to the User.
10. **Risk of Malfunction in the Services:** It is possible that the Services malfunction in an unfavorable way, including one that results in the loss of Coinbits' cryptocurrency or in the loss of Users' Withdrawal Amounts.
11. **Unanticipated Risks:** In addition to the risks discussed in the Coinbits Terms and Policies, there are risks that Coinbits cannot anticipate. Further risks may materialize as unanticipated combinations or variations of the discussed risks or the emergence of new risks.