

Ellcrys Contribution Terms and Conditions

1. Principles

1. The following Terms (“Terms”) govern the contribution procedure (“Contributions” collectively, “Contribution” individually, “Token Sale”, “Pre-Sale”, “Pre-IEO”, “IEO”, “Pre-ICO”, “ICO”) to Ellcrys (“ELLCRYS”) by contributors (“Contributors” collectively, and “Contributor” individually) and the subsequent allocation of transferable cryptographic blockchain-based digital information units called ell (“ELL”) to Contributors.
2. ELLCRYS promotes and develops new technologies and applications, especially in the fields of new open and decentralized software architectures. A dominating, but not exclusive focus is set on the promotion and development of the so-called Ellcrys protocol and the related technologies, as well as the promotion and support of applications using the Ellcrys protocol. ELLCRYS will mainly promote the development of software technology (“the Client”) that can handle different sorts of blockchain algorithms and can be used to design a blockchain, which can serve as a decentralized Git repository host service (“Ellcrys Network”). Operation of the Ellcrys Network involves transferable cryptographic blockchain-based digital information units called ell (ELL). ELL is a token that allows the holder to deploy and run software code, push code to repositories, exchange for contribution to outsourced services, vote on network governance and support operation of the network through “block creation and validation”.
3. When ELLCRYS judges that the Client has been sufficiently developed to allow the Ellcrys Network to be launched, ELLCRYS will issue a public announcement with necessary information required to swap distributed ELL tokens for the main network tokens on a 1:1 ratio.
4. The Contributor understands and accepts that while the individuals and entities, including involved entities assigned to this task, will make reasonable efforts to develop and complete the Ellcrys Network, it is possible that such development may fail and that the Ellcrys Network and any ELL will not be created, become useless and/or valueless due to technical, commercial, regulatory or any other reasons (see also section 7 regarding Risks).
5. The Contributor is also aware of the risk that even if all or parts of the Ellcrys Network are successfully developed and released in full or in parts, due to a lack of public interest, the Ellcrys Network could be fully or partially abandoned, remain commercially unsuccessful, or shut down for lack of interest or other reasons. The Contributor therefore understands and accepts that the Contribution to ELLCRYS, and/or the allocation, use and ownership of ELL, carries significant financial, regulatory and/or reputational risks (including the complete loss of value (if any) of ELL and attributed features).
6. This document does not constitute a prospectus of any sort, is not a solicitation for investment and does not pertain in any way to an offering of securities in any jurisdiction. It is a description of the functionality of a software-based fundraising campaign.

7. By donating to ELLCRYS, and/or by receiving, using and holding ELL, no form of partnership, joint venture or any similar relationship between the Contributors, ELLCRYS and/or other individuals or entities involved with the Ellcrys Network is created.

8. Citizen, resident of the USA, CHINA or entity under the jurisdiction of the USA, CHINA where it is not permissible to participate in digital or cryptocurrency crowd sale are not permitted to contribute to ELLCRYS.

9. Individual or entity acting on behalf of a citizen, resident of the USA, CHINA or any entity under the jurisdiction of the USA, CHINA where it is not permissible to participate in digital or cryptocurrency crowd sale are not permitted to contribute to ELLCRYS.

10. The Contributor is aware that all properties and assets (e.g. source code, patents, trademarks etc.) of ELLCRYS are currently owned and managed by Crowd Effect Limited and that after the Contribution Rounds are over, a new entity will be created which will acquire Crowd Effect and all of its assets. Acquiring cost is set at 6% of total Contributions.

2. Representations and Warranties of Contributor

11. The Contributor understands and accepts that ELL do not represent or constitute any ownership right or stake, share or security or equivalent right in or relating to ELLCRYS, the Client, the Ellcrys Network and/or any software, any public or private company, corporation, entity or property.

12. By donating to ELLCRYS, and/or by receiving, using and holding ELL, the Contributor represents and warrants that:

a. the Contributor deeply understands the functionality, usage, storage, transmission mechanisms and intricacies associated with cryptographic tokens, such as bitcoin (BTC) and ether (ETH), and blockchain-based software systems and intends to use ELL to participate in network governance, mining activities, code contribution, software outsourcing compensation or connecting private networks;

b. the Contributor is legally permitted to receive and hold and make use of ELL in the Contributor's jurisdiction;

c. the Contributor is legally permitted to receive software and contribute to ELLCRYS;

d. the Contributor is of a sufficient age to legally obtain ELL;

e. the Contributor will take sole responsibility for any restrictions and risks associated with receiving and holding ELL;

f. the Contributor is not contributing to ELLCRYS to obtain ELL for the purpose of speculative investment;

g. the Contributor is not obtaining or using ELL for any illegal purposes;

h. the Contributor waives the right to participate in a class action lawsuit or a classwide arbitration against any entity or individual involved with the Contribution to ELLCRYS, with the allocation of ELL and with the operation of the Ellcrys Network;

i. the Contributor understands the Contribution to ELLCRYS and the allocation of ELL do not involve the purchase of shares or any equivalent in any existing or future public or private company, corporation or other entity in any jurisdiction;

j. the Contributor understands and expressly accepts that there is no warranty whatsoever on ELL and/or the success of the Ellcrys Network, expressed or implied, to the extent permitted by law, and that ELL is created and obtained at the sole risk of the Contributor on an “as is” and “under development” basis and without, to the extent permitted by law, any warranties of any kind, including, but not limited to, warranties of title or implied warranties, merchantability or fitness for a particular purpose;

k. the Contributor understands and accepts that the Contribution Software and/or underlying protocols may either delay and/or not execute a Contribution due to the overall Contribution volume, mining attacks and similar events;

l. the Contributor understands with regard to ELL no market liquidity may be guaranteed and that the value of ELL over time (if any) may experience extreme volatility or depreciate in full;

m. the Contributor understands that the Contributor bears the sole responsibility for determining if the Contribution to ELLCRYS, the allocation, use or ownership of ELL, the potential appreciation or depreciation in the value of ELL over time (if any), the sale and purchase of ELL and/or any other action or transaction related to the Ellcrys Network have tax implications; by contributing to ELLCRYS, and/or by receiving, using or holding ELL, and to the extent permitted by law, the Contributor agrees not to hold any associated party (including developers, auditors, contractors or founders) liable for any tax liability associated with or arising from the Contribution to ELLCRYS, the allocation, use or ownership of ELL or any other action or transaction related to the Ellcrys Network;

n. the Contributor accepts any and all risks, costs and damages associated with Contributions from any US persons or US entities related in any way to the Contributor.

3. ELLCRYS Contribution Procedure

3.1. Qualification

13. Any contribution made to ELLCRYS during the Contribution Period as described below is qualified as a non-refundable donation.

3.2. Contribution Period

14. The contribution period is divided into 4 rounds (“Contribution Round”). Below are their respective start and end dates.

- I. Round 1 (a.k.a Private Sale): Starts on Sunday, December 24th, 2017 at 12:00am UTC and ends on Wednesday, January 24th at 12:00am UTC.
 - II. Round 2 (a.k.a Pre-Sale): Starts on Thursday, February 1st, 2018 at 12:00am UTC and ends on Thursday, March 1st, 2018 at 12:00am UTC.
 - III. Round 3 (a.k.a Pre-IEO): Starts on Thursday, June 20th, 2019 at 00:00am UTC and ends on Monday, July 1st, 2019 at 00:00am UTC.
 - IV. Round 4 (a.k.a IEO): Date and time to be announced.
15. Contributions can be made using ether (ETH) and/or bitcoin (BTC).
16. The minimum Contribution amount per User is 0.2 ETH or 0.007 BTC for the Round 1 and 0.1 ETH or 0.005 BTC for the Round 2 and 0.5 ETH for the Round 3. Contributions below the set caps will not be visible on the User dashboard and will be considered forfeited. Therefore, ELL allocation cannot be expected.

3.3. Contribution Software and Contribution Procedure

17. Contributions in ETH or BTC must be made by using the contribution software (“Contribution Software”, “Contribution Suite”, “Ellcrys Suite”) provided by ELLCRYS. The Contribution Software creates unique bitcoin and Ethereum address to receive a User’s contributions. Any contribution sent to a User’s generated addresses will result in allocation of ELL to the User.
18. Users must provide an Ethereum address during the Contribution Software registration process where they prefer to receive their allocated ELL. This address cannot be changed after registration.
19. Within the Contribution Software, the Contributor may choose, whether they want to contribute in ETH or in BTC. Any ETH or BTC Contribution to ELLCRYS without using the Contribution Software will not lead to a ELL allocation. ELLCRYS is aware that Users may be able to participate via exchangers and other intermediaries. The use of such exchangers or intermediaries is solely at the Users’ own risk and ELLCRYS accepts no responsibility for their use.
20. Contributor will have the possibility to check their contribution on the dashboard provided in the Contribution Software at <https://my.ellcrys.org>.
21. During the Contribution Period, the Ellcrys team may, for security reasons, pause the contribution function until the security issues have been resolved.

3.4. Bonus System

22. When Contributions are recorded by the Contribution Software, a bonus system is applied for the purpose of ELL allocation (“Contribution Bonus”). The Contribution Bonus will be granted for Contributors, who contribute early in the Contribution Period. A bonus of 20% is applied to contributions received in Round 3.

4. ELL Allocation Proposal

23. All ELL will be implemented using the Ethereum ERC20 standard pending the appropriate time when the Ellcrys Network is launched and operational. During this time, Holders of ELL will be required to swap their ELL for the equivalent on the Ellcrys Network on a 1:1 ratio. An announcement will be made informing Users about the swap, when and how to perform a swap operation.

24. Ellcrys will commence distribution of allocated ELL to Round 2 Contributors 30 days after the Round 4 Contribution period is concluded.

25. For every Contribution of BTC and/or ETH, as recorded by the Contribution Information, ELLCRYS will recommend the allocation of ELL to the owner of the ETH and/or BTC address the Contribution is sent to.

26. The following are the ELL allocations for each Contribution Round:

- a. Round 1: 10,346,102 ELL
- b. Round 2: 7,378,820 ELL
- c. Round 3: 18,700,000 ELL
- d. Round 4: 70,000,000 ELL

27. The following are the USD price for each Contribution Round:

- a. Round 1: \$0.05
- b. Round 2: \$0.08
- c. Round 3: \$0.08
- d. Round 4: \$0.2

28. (i) 25% of the total token supply will be allocated to ELLCRYS and locked for 1 year. From the second year, 1/24 will be released every month. This allocation will be used to fund future operations and management of the Ellcrys Network. (ii) 14% of founders' allocation is locked for a period of 1 year. From the second year, 1/24 will be released every month.

29. 6% of Contributions received will be used to acquire the ELLCRYS holding company ("Crowd Effective Limited"). After the purchase, a Public Benefit Corporation will be created in Delaware to manage ELLCRYS and all owned and acquired assets (trademarks, patents, source code etc.).

30. All ELL allocated during Round 1 will be locked for a period of 3 months. All ELL allocated during Round 2 will be locked for 1 month. 50% of ELL allocated in Round 3 will be released in the first month after Round 4 and the remaining will be released in the 7th month after Round 4. The lock period begins after (i) the completion of Round 4, (ii) ELL have been listed on at least one exchange.

30b. When locked ELL is unlocked, Contributors must claim them through the Contribution Software or Ellcrys Suite within 3 months after the first announcement is sent via email. ELL not claimed within this period will be considered forfeited by the owner.

5. ELLCRYS Project Execution

31. It remains at ELLCRYS' sole discretion to decide how to use the received Contributions to develop and execute the Ellcrys Project.

32. The Contributor understands and accepts that he does not have any influence over the governance of ELLCRYS.

33. ELLCRYS has the right to engage subcontractors to perform some or all of the development and execution of the Ellcrys Project.

34. The Contributor understands and accepts that the Ellcrys Network is undergoing substantial development which may involve significant conceptual, technical and commercial changes before release.

6. Risks

35. The Contributor understands and accepts the risks in connection with the Contribution to ELLCRYS, and/or with the allocation, use and ownership of ELL. In particular, but without being limited to these examples, the Contributor understands the inherent risks set forth above and hereinafter:

- Risk of software weaknesses: The Contributor understands and accepts that the underlying software application and software platform, the Ellcrys Network, the Client, the Contribution Software and other involved software and technology and technical concepts and theories are still in an early development stage and unproven, that there is no warranty that the process for receipt, use and ownership of ELL will be uninterrupted or error-free and that there is an inherent risk that the software and related technologies and theories could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of ELL.
- Regulatory risk: The Contributor understands and accepts that blockchain technologies allow new forms of interaction and that it is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, blockchain technology-based applications, which may be contrary to the current setup of the CSS and which may, inter alia, result in substantial modifications of the Ellcrys Network, including its termination and the loss of ELL for the Contributor. Further, the Contributor accepts and bears the risks with respect to US regulations that may regulate Contribution and/or potential custody of ELL.
- Risk of abandonment / lack of success: The Contributor understands and accepts that the allocation of ELL and the development of the Ellcrys Network may be abandoned for a number of reasons, including lack of interest from industry and/or the public, lack of funding, lack of commercial success or prospects (e.g. caused by competing projects). The Contributor therefore understands that there is no assurance that, even if the Ellcrys Network is partially or fully developed and launched, the Contributor will receive any functionality through the ELL held by him.

- Risk associated with other applications: The Contributor understands and accepts that the Ellcrys Network may give rise to other, alternative projects, promoted by unaffiliated third parties, under which ELL will have no intrinsic value.
- Risk of loss of private key: ELL may only be accessed using a private key that corresponds to the address at which it is stored. The Contributor understands and accepts that if his private key, or the “seed” used to create his address and corresponding private key is lost or stolen, the obtained ELL associated with the Contributor’s address will be unrecoverable and will be permanently lost.
- Risk of theft: The Contributor understands and accepts that the underlying software application and software platform, the Ellcrys Network, the Client, the Contribution Software, other involved software, other technology components and/or platforms may be exposed to attacks by hackers or other individuals that could result in theft or loss of ELL, or the theft or loss of Contributions, impacting the ability to develop and launch the Ellcrys Network.
- Risk of blockchain attacks: The Contributor understands and accepts that, as with other public blockchain- based systems that depend on independent validators, the Ellcrys Network may be susceptible to attacks including but not limited to double-spend attacks, majority validator power attacks, “nothing at stake” attacks, and race condition attacks. Any successful attacks present a risk to the Ellcrys Network, expected proper execution and sequencing of ELL transactions, and expected proper execution and sequencing of software computations.
- Risk of governance attacks and failure: The Contributor understands and accepts that the Ellcrys Network may use a hybrid proof-of-work and proof-of-stake consensus system with on-chain governance system (“Governance System”). It is possible that the Governance System adopts proposals that have an adverse effect on the useful functioning of the Ellcrys Network and/or the value of ELL. If the Governance System is attacked, or becomes controlled either directly or indirectly by some party or parties that make unwise decisions, or the community generally makes unwise decisions, the value of ELL held by a Contributor might be greatly reduced or even permanently lost.

7. Taxation

36. The Contributor bears the sole responsibility for determining if his Contribution to ELLCRYS, the allocation, use or ownership of ELL, the potential appreciation or depreciation in the value of ELL over time (if any), the sale and purchase of ELL and/or any other action or transaction related to the Ellcrys Network have tax implications for him.

37. By donating to ELLCRYS, and/or by receiving, using or holding ELL, and to the extent permitted by law, the Contributor agrees not to hold any third party (including developers, auditors, contractors or founders) liable for any tax liability associated with or arising from the Contribution to ELLCRYS, the allocation, use or ownership of ELL or any other action or transaction related to the Ellcrys Network.

8. No Liability

38. The Contributor acknowledges and agrees that, to the fullest extent permitted by any applicable law, the Contributor will not hold ELLCRYS, any developers, auditors, contractors or founders and/or the Ellcrys Network liable for any and all damages or injury whatsoever caused by or related to the use of, or the inability to use, the Contribution Software, the ELL or the Ellcrys Network under any cause or action whatsoever of any kind in any jurisdiction, including, without limitation, actions for breach of warranty, breach of contract or tort (including negligence) and that developers, auditors, contractors or founders of the Contribution Software, the ELL or the Ellcrys Network shall not be liable for any indirect, incidental, special, exemplary or consequential damages, including for loss of profits, goodwill or data, in any way whatsoever arising out of the use of, or the inability to use the Contribution Software, the ELL or the Ellcrys Network.

39. The Contributor further specifically acknowledges that ELLCRYS and developers, auditors, contractors or founders of the Contribution Software, the ELL or the Ellcrys Network are not liable, and the Contributor agrees not to seek to hold them liable, for the conduct of third parties, including other creators of ELL, and that the risk of creating, holding and using ELL rests entirely with the Contributor.

40. By receiving, holding or using ELL, and to the extent permitted by law, the Contributor agrees not to hold any third party (including, without limitation, ELLCRYS, developers, auditors, contractors or founders) liable for any regulatory implications or liability associated with or arising from the allocation, ownership or use of ELL or any other action or trans- action related to the Ellcrys Network.

9. Miscellaneous

41. The Contributor agrees that if any portion of these Terms is found illegal or unenforceable, in whole or in part, such provision shall, as to such jurisdiction, be ineffective solely to the extent of such determination of invalidity or unenforceability without affecting the validity or enforceability thereof in any other manner or jurisdiction and without affecting the remaining provisions of the Terms, which shall continue to be in full force and effect.

42. The Terms govern the Contributions to ELLCRYS, and the allocation, use and holding of ELL and supersede any public statements about the launch of Ellcrys Network and/or the ELL made by anyone in the past, present and future.