Smoke Exchange Token Agreement

In order to participate in the "Smoke Exchange" ("Smoke Exchange") ICO and presale process the participant ("Participant") agrees to the following terms and conditions of this agreement ("agreement"):

The Participant understands and accepts that by participating in Smoke Exchanges SMX ("Token Sale"), the participant will receive Smoke Exchange Tokens ("SMX") as defined in the Smoke Exchange whitepaper. Because the whitepaper has been translated into several different languages by several third parties it should be noted that if there is any conflicts or inconsistencies between the English version and other languages, the English version located here https://smokeexchange.com/content/whitepaper.pdf will be the governing and prevailing version.

The Participant understands that the SMX token will be deployed through the use of a smart contract and will be deployed through the Ethereum blockchain.

The Participant acknowledges the risk that even if all parts of the Smoke Exchange platform and project are successfully developed and released in full or partially, the Smoke Exchange platform and project could be fully or partially abandoned, remain commercially unsuccessful or shut down for lack of interest, regulatory or other reasons. The Participant therefore understands and accepts that the transfer of Ethereum ("ETH") to the smart contract system and the creation of the SMX token by the smart contract system carry significant financial, regulatory, and/or reputational risks (including the complete loss of value of the Participant's SMX, and attributed features of the Smoke Exchange platform.

The terms and conditions herein hold priority over any statements made or implied on Smoke Exchanges website.

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 initial public offering or a share/equity offering and does not pertain in any way to an offering of securities in any jurisdiction.

By transferring ETH to the smart contract system and/or receiving SMX, no form of partnership, joint venture or any similar relationship between the Participant and Smoke

Exchange and/or other individuals or entities involved with the deployment of the smart contract has been established.

No refund: The Participant understands and accepts that receipt of SMX are final and may not be reversed and is non-refundable. The Participant acknowledges that he has no right to request a refund for any reason, and that the Participant will not receive money or other compensation for any SMX that is not used or remains unused.

The Participant understands and accepts that while the individuals and entities, including Smoke Exchange, assigned to this task will make every reasonable effort to develop and complete the Smoke Exchange platform, it is possible that such development may fail and the Participant's SMX may become useless and/or valueless due to technical, commercial, regulatory or any other reason.

To the extent that any third-party website, service or smart-contracts offers SMX during the creation period or facilitates the sale or transfer of SMX in any way during the creation periods or at any time up to the release of the Genesis Block, such third-party websites or services are, unless explicitly mentioned on the Smoke Exchange website at www.smokeexchange.com , not authorized by Smoke Exchange and have no relationship in any way with Smoke Exchange.

Transferability of SMX during the token sale: Participants will be sent SMX immediately after participating in the ICO and presale process. Any tokens that are not sold will be burned and eliminated from the system according to the agreement set forth in the Smoke Exchange whitepaper.

SMX are being created for use on the Smoke Exchange platform.

Ownership of SMX carries no rights express or implied. In particular, the Participant understands and accepts that he has no right to claim as holder of SMX any equity or equivalent rights or any other form of participation in or relating to the Smoke Exchange platform.

The Participant Represents and Warrants

The Participant represents and warrants not to be a company, citizen or resident of a country, whose legislation conflicts with the token sale of SMX and/or the Smoke Exchange platform in general. Furthermore, the User represents and warrants not to be or does not represent a;

- Canadian company or a Canadian-resident and/or Canadian-citizen.
- US company or US-resident and/or US-citizen.
- Hong Kong company, Hong Kong S.A.R.-resident and/or Hong Kong S.A.R.-citizen
- Singapore company or Singapore-resident and/or Singapore-citizen.
- China company or China-resident and/or China-citizen.
- Taiwan company or Taiwan-resident and/or Taiwan-citizen.

The Participant warrants that he is legally permitted to participate in the Token Sale, and obtain SMX in his jurisdiction;

The Participant understands and accepts that there is no warranty or assurance that the network of miners will allocate the SMX to the Participant as proposed by Smart Contract System.

The Participant is of a sufficient age to legally obtain SMX;

The Participant will provide an Ethereum wallet address from a wallet service provider that technically supports SMX tokens. For example use myetherwallet.com and do not use an exchange wallet. The Participant understands and accepts, that using an exchange wallet will have the result that the Participant will not gain access to his SMX;

The Participant accepts all risks associated with the creation of SMX by the Smart Contract System as set forth herein;

The Participant is not participating in the Token Sale to obtain SMX for the purpose of speculative investment;

The Participant is not obtaining or will not use SMX for any illegal purposes;

The Participant is acquiring SMX for purchasing future advertising credits on the Smoke Exchange platform.

The Participant acknowledges that participating in the Token Sale, the creation of SMX and the development of the Smoke Exchange platform carries significant financial, regulatory and reputational risks;

The Participant acknowledges the commercial risks associated with deploying the Smoke Exchange platform;

The Participant waives the right to participate in a class action lawsuit or a class-wide arbitration against any entity or individual involved with the Token Sale or use of the Smoke Exchange platform;

The Participant understands the creation of SMX does 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;

The Participant understands and expressly accepts that there is no warranty whatsoever on SMX, the Smart Contract System and/or the success of the Smoke Exchange platform, expressed or implied, to the extent permitted by law, and that the Smart Contract System is used and SMX are created and obtained at the sole risk of the Participant 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;

The Participant understands that he has no right against any other party to request any refund of SMX under any circumstance;

The Participant understands that no market liquidity is guaranteed for SMX and that the value of SMX over time may experience extreme volatility or depreciate in full;

The Participant understands that he bears the sole responsibility to determine the tax implications for acquiring, holding or using SMX, and to the extent permitted by law, the Participant agrees not to hold any third party including developers, auditors, contractors, Smoke Exchange directors, principals or employees liable for any tax liability associated with or arising from the creation, ownership or use of SMX or any other action or transaction related to Smoke Exchange and/or the Smoke Exchange platform.

As part of the creation process the Participant will use their own account (public key address) on the Ethereum network with a private key and password. Following the creation of SMX by the Smart Contract System, the SMX will be transferred to the Participants address by the Smart Contract System. The Participant understands that he must keep his password and private key safe and that he may not share them with anybody. The Participant further understands that if his private key and/or password is lost or stolen, he will not be able to generate a new password or recover his private key, and if he loses his private keys and password, the SMX associated with his account (address) will be unrecoverable and permanently lost. Furthermore, the Participant understands that there is no recovery mechanism for lost keys and passwords, so no one will be able to help the Participant retrieve or reconstruct a lost password and private keys and provide access to any lost SMX.

Smoke Exchange System Development and Execution

The Smoke Exchange shall have the right to engage subcontractors to perform the entire or partial development and execution of the Smoke Exchange platform.

The Participant understands and accepts that he may not have any expectation of influence over governance on the Smoke Exchange platform

The Participant understands and accepts that the Smoke Exchange platform will go through substantial development, including significant conceptual, technical and commercial changes before release. The Participant understands and accepts that as part of the development, an upgrade of the SMX may be required (hard-fork of SMX) and that, if the Participant decides not to participate in such upgrades, he may no longer be able to use his SMX and that nonupgraded SMX may lose their functionality in full.

Use of Smart Contract System

The Smart Contract System has been 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.

However, the Participant understands and accepts that smart contract technology is still in an early development stage and its application of experimental nature which carries with it significant operational, technological, financial, regulatory and reputational risks. Accordingly, while the expert approval raises the level of security and accuracy, the Participant understands and accepts that the system does not amount to any form of warranty, including direct or indirect warranties that smart contracts and the SMX 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 Participant's SMX.

Risks

The Participant understands and accepts the risks in connection with participating in the Token Sale. In particular, but not concluding, the Participant understands the inherent risks listed herein:

Risk of software weaknesses: The Participant understands and accepts that the Smart Contract System, the underlying software application and software platform (i.e. the Ethereum blockchain smart contracts) is still in an early development stage and unproven, there is no warranty that the process for creating SMX will be uninterrupted or error-free and there is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of the Participant's SMX.

Regulatory risk: The Participant understands and accepts that the blockchain technology allows new forms of interaction and that it is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, Token Sales and blockchain technology based applications, which may be contrary to the current setup of the Smart Contract System and which may, inter alia, result in substantial modifications of the Smart Contract System and/or the Smoke Exchange platform, including its termination and the loss of the Participant's SMX.

Risk of abandonment / lack of success: The Participant understands and accepts that the creation of the SMX and the development of the Smoke Exchange platform may be abandoned

for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects. The Participant therefore understands that there is no assurance that, even if the Smoke Exchange platform is partially or fully developed and launched, the Participant will receive any benefits through the SMX held by him.

Risk of incompatible wallet service: The Participant will provide an Ethereum wallet address from a wallet service provider that technically supports SMX tokens. For example use myetherwallet.com and do not use an exchange wallet. The Participant understands and accepts, that using an exchange wallet will have the result that the Participant will not gain access to his SMX.

Risk associated with other third party applications: The Participant understands and accepts that the Smoke Exchange platform may give rise to alternative projects promoted by unaffiliated third parties, under which SMX will have no intrinsic value.

Risk of loss of private key: SMX can only be accessed by using an Ethereum wallet with a combination of the Participant's account information (address), private key and password. The private key is encrypted with a password. The Participant understands and accepts that if his private key file or password respectively got lost or stolen, the obtained SMX associated with the Participant's account (address) or password will be unrecoverable and will be permanently lost.

Risk of Ethereum attacks: The Participant understands and accepts that, as with other cryptocurrencies, 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. Any successful attacks present a risk to the Smart Contract System, expected proper execution and sequencing of SMX transactions, and expected proper execution and sequencing of contract computations.

Risk of misappropriation or theft: The Participant understands and accepts that the Smart Contract System concept, the underlying software application and software platform (i.e. the Ethereum blockchain) may be exposed to attacks by hackers or other individuals that could result in theft or loss of SMX, impacting the ability to develop the Smoke Exchange platform.

Taxation

The Participant bears the sole responsibility to determine if his participation in the Token Sale, the creation, ownership or use of SMX, the potential appreciation or depreciation in the value of SMX over time, the sale and purchase of SMX and/or any other action or transaction related to the Smoke Exchange platform may have tax implications for him.

By creating, holding or using SMX, and to the extent permitted by law, the Participant agrees not to hold any third party (including developers, auditors, contractors or founders) liable for any tax liability associated with or arising from the creation, ownership or use of SMX or any other action or transaction related to the Smoke Exchange platform.

No Liability

The Participant acknowledges and agrees that, to the fullest extent permitted by any applicable law, he will not hold any developers, auditors contractors or founders of the SMX, the Smoke Exchange platform and/or Smoke Exchange liable for any and all damages or injury whatsoever caused by or related to the use of, or the inability to use, SMX or the Smart Contract System 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 Smart Contract System, the SMX token and/or the Smoke Exchange platform 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 of the Smart Contract System, the Smoke Exchange platform and/or SMX.

The Participant further specifically acknowledges that developers, auditors, contractors or founders of Smoke Exchange, the Smart Contract System and/or the Smoke Exchange platform are not liable, and the Participant agrees not to seek to hold them liable, for the conduct of third parties, including any other creators of SMX, and that the risk of creating, holding and using SMX rests entirely with the Participant.

By holding or using SMX, and to the extent permitted by law, the Participant agrees not to hold any third party (including developers, auditors, contractors or founders) liable for any regulatory implications or liability associated with or arising from the creation, ownership or use of SMX or any other action or transaction related to the Smoke Exchange platform.

Miscellaneous

The Participant understands and accepts that the worldwide network of miners will be ultimately in control of the Smart Contract System. The Participant understands that a majority of these miners could agree at any point to make changes to the official Smart Contract System and to run the new version of the Smart Contract System. Such a scenario could lead to SMX losing intrinsic value.

The Participant agrees that if any portion of these Terms and Conditions 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 and Conditions, which shall continue to be in full force and effect.

The Terms and Conditions govern the creation, ownership and use of SMX and supersede any public statements about the launch of SMX and/or the Smart Contract System made by anyone in the past, present and future.

Unless clearly inappropriate, singular terms refer also to the plural number and vice versa.

The use in this Agreement of words in the male, female or neutral gender are for convenience only and shall not affect or control any provisions of this Agreement.

This Agreement constitutes the entire agreement of the parties relating to the subject matter addressed in this Agreement. This Agreement supersedes all prior communications, contracts, or agreements between the parties with respect to the subject matter addressed in this Agreement, whether oral or written.