



Shipper Sign-up Scheme Terms and Conditions ("Terms")

I. General Principle

For the purpose of this document, all companies that fulfil the eligibility requirement as set out in the Eligibility section of these Terms and participate in the Shipper Sign-up Scheme (the "**Scheme**") are referred to as "**Participants**". Each Participant must successfully register at Scheme [website](#) (the "**Scheme Website**") with the required information in order to be eligible to participate in the Scheme.

By participating in the Scheme, the person representing the Participant acknowledges that he or she is an authorized officer of the Participant and expressly agrees to all of the conditions set forth in this document.

II. Recitals

ETH Smart Contract Tech Limited ("**the Company**"), with registered address at Smart-Space FinTech 1, Unit 617 - 620, Level 6, Core E, Cyberport 3, No. 100 Cyberport Road, Hong Kong, and its related group companies branded as 300cubits ("**300cubits**") refers to the group companies collectively, or any one thereof, in this document), are the developer of a new crypto currency called **TEU tokens**, to be operated on Ethereum blockchain.

TEU tokens are expected to be used as a crypto currency in the container shipping industry, initially as security deposits for container ship cargo space booking.

TEU token transactions are to be managed by an enterprise cloud software called the '**TEU Eco System**', to be developed, operated and owned by an affiliate company of 300cubits. TEU Eco System ("**System**") will consist of multiple modules where a Booking Deposit Module will enable transactions of TEU tokens as booking deposits. However, it is expected that TEU Token transactions could also be managed by other proprietary systems of industrial participants after certain enhancements.

Part of the TEU tokens minted would be sold in the market for a fee, part would be kept by 300cubits, and part would be distributed to eligible Participants whose applications for participation in the Scheme have been accepted ("**Eligible Participant**"), free of charge, subject to certain conditions.

Pertaining to these Terms, 300cubits plans to provide maximum 20 million TEU tokens including both the Basic Entitlement, Referral Bonus and any other incentive-based TEU tokens to the Eligible Participants, free of charge, subject to the conditions set out in these Terms.



The purpose of distributing part of the TEU tokens to the Eligible Participants is to create and maintain a circulation of TEU tokens in the industry, initially for the booking of container ship cargo space.

You wish to participate in the use of TEU tokens. By agreeing to these Terms, you request to receive a certain amount of TEU tokens from 300cubits free of charge, subject to the conditions provided herein.

III. About TEU tokens

TEU tokens are ERC20 compliant digital tokens divisible up to 18 decimal places. TEU tokens are constructed on the Ethereum network, with an ENS address of TEUtoken.eth.

The full name of TEU tokens deployed in the TEU Token Smart Contract is “20-footEqvUnit”.

The Total Supply of TEU tokens is fixed at 100,000,000. The TEU tokens are transferrable and cannot be minted again, but un-distributed and un-sold tokens can be burned (deleted) when the management of 300cubits deems necessary at its own discretion. Burned tokens cannot be re-generated or re-activated again.

TEU tokens are designed initially to facilitate commercial transactions in the shipping industry.

It is important to note that none of the TEU token holders have any right, title or interest whatsoever in relation to 300cubits, nor any claim on any of its assets.

IV. Shipper Sign-up Scheme:

The Scheme is on a first-come-first-serve basis for a period of maximum 18 months starting on 1 February 2018, subject to the sole discretion of 300cubits. Tokens will be given out in 3 batches until the token pool of a batch runs out. The Eligible Participants will be allotted their tokens by either reference to their market share or the **Minimum Token Amount**, whichever is higher. The market share is calculated by dividing an Eligible Participant’s 2016 freight payment to container liners by the total container liner industry’s 2016 revenue of \$150bn. The Minimum Token Amount differs in each Batch with the 1st Batch having the highest Minimum Token Amount. For example, each Eligible Participant collecting from the first Batch will have a minimal of 10,000 TEU tokens. A maximum of 500 Eligible Participants will be able to participate in this Batch because the Token Pool size of the 1st Batch is 5 million.



Batch	%	Token Pool	Min Token Amt	Max Participants
1 st	25%	5,000,000	10,000	500
2 nd	25%	5,000,000	5,000	1000
3 rd	50%	10,000,000	2,500	4,000
Total	100%	20,000,000		5,500

V. Eligibility

This Scheme is to distribute tokens to shippers, which is in line with 300cubits' intent to promote using TEU tokens as deposits for shipment bookings between container liners and shippers.

Only shippers that have contributed to the 2016 \$150bn liner revenue would be eligible to participate in the Scheme. The Participants should be freight forwarders or beneficial cargo owners in the ocean container shipping industry. The Eligible Participants shall register at the Scheme Website with the required information. The final registration is subject to review and approval by 300cubits.

Other logistics companies including container liner, booking agent, feeder operation, air freight, port operation and trucking enterprises are invited to contact 300cubits directly (info@300cubits.tech) if they are interested in TEU token allotments.

VI. The Entitlement

Subject to the approval and discretion of 300cubits, an Eligible Participant will be given its share of TEU tokens based on **Basic Entitlement** or the **Minimum Entitlement**, whichever is higher.

a. Basic Entitlement:

Basic Entitlement is the market share of the Eligible Participant's ocean borne container freight as calculated by freight payment to liner partners. For example, if the Eligible Participant has paid \$50mn as freight payment directly to container liners during 2016, the Eligible Participant would be entitled to at least 0.03% [= \$50mn / \$150bn (the revenue of the entire container shipping industry)] of the TEU tokens to be distributed to the customers of container liners, which is about 6,667 TEU tokens. 300cubits will rely on the Participant's declaration of its direct freight payment to container liners during 2016.

b. Minimum Entitlement:

The purpose of the Minimum Entitlement is to ensure that every Eligible Participant will receive a meaningful allotment of TEU tokens that enables them to actively participate in the use of TEU tokens as shipping deposits in booking.



The Minimum Entitlement will vary depending on when the Eligible Participant registers relative to the TEU token batches. Every batch will have a limited supply of TEU tokens. The 1st Batch provides the highest Minimum Entitlement and will be drawn first. When the tokens in the 1st Batch run out, the tokens in the 2nd Batch will be drawn, and so on. Therefore, the Eligible Participants registering on the Scheme Website earlier will be entitled to higher minimal quantity.

Eligible Participants are welcome to contact 300cubits if they desire higher allocations than what their Basic Entitlement or Minimum Entitlement would otherwise indicate.

VII. Referral Bonus

An Eligible Participant may be granted a Referral Bonus equivalent to 500 TEU tokens when the Eligible Participant (Referrer) has referred another shipper (Referee) to register in this Scheme and the shipper has successfully become an Eligible Participant. The Referee must provide the email address of the Referrer through the Scheme Website. All matters and disputes will be subjected to the final decision of 300cubits

VIII. Form of Distribution

Each Eligible Participant will be granted their own account in the System. Their entitlement of free TEU tokens will be subject to a **Restricted Period** (see below). The free TEU tokens will be credited into the restricted token account and the restricted TEU tokens can operate only within the System. Unrestricted TEU tokens, however, can be transferred outside the System.

IX. Restricted Period

An Eligible Participant can use the tokens allotted in the Scheme ("**Restricted TEU Tokens**") only as deposits within the System for a period of 24 months ("**Restricted Period**") from the date of token allocation to the Eligible Participant in the System.

The holders of these Restricted TEU Tokens shall not sell, assign, transfer, or otherwise dispose of, or permit the sale, assignment, transfer, or otherwise any disposal of any Restricted TEU Tokens registered in its name to any third party, or enter into any agreement or arrangement for the aforesaid purposes.

However, the Restricted TEU Tokens that they receive as bona fide compensation for default by the booking counterparties will become 'un-restricted' and may be sold in secondary markets or over-the-counter in exchange for other crypto currencies or fiat currencies.



300cubits may, at its sole discretion, permit additional use of the Restricted TEU Tokens during the Restricted Period by announcing to or notifying the Eligible Participants in writing.

If during the Restricted Period, an Eligible Participant is involved in any misuse of Restricted TEU Tokens or ceases operation, or that a wind-up order is made against such an Eligible Participant, 300cubits may delete or claw back any or all of the Restricted TEU Tokens registered in its name from the System without prior notice.

X. Activity Requirement

During the Restricted Period, the Eligible Participant will have to use all their Restricted TEU Tokens allotted in the Scheme at least 24 times as shipping deposits. 300cubits has the right to unilaterally claw back a portion of the allotted Restricted TEU Tokens equal to the percentage of the shortfall below the activity requirement. For example, if an Eligible Participant is given 3,000 tokens and it has used their allotment 22 times (cumulative turnover of $22 \times 3,000$ tokens = 66,000 tokens) during 24 months from the date the TEU tokens are drawn, the Eligible Participant would be required to return 250 TEU tokens to 300cubits, i.e. $2/24$ multiplied by 3,000. The claw-back will take place on the last day of Restricted Period. The restrictions on the Restricted TEU Tokens will be waived once the Restricted Period expires and the unrestricted TEU tokens could then be transferred outside of the System.

XI. Transaction fee

The transaction fee shall be 0.7% of the TEU Tokens committed by both liners and Eligible Participants in the System.

XII. Governing Law

These Terms shall be construed in and governed by Hong Kong law. Any dispute arising from or relating to these Terms shall be referred to arbitration in Hong Kong with three arbitrators, to be administered by the Hong Kong International Arbitration Centre in accordance with its rules. However, this clause shall not prevent a party from seeking interim relief from a court in the appropriate jurisdiction.

XIII. Representations and warranties

By accepting these Terms, you represent and warrant to 300cubits as follows:

- a. you have read and understood the Terms and agree to the terms and conditions set out in the Terms;



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- b. the signatory has full power and capacity to accept these Terms and perform all the obligations on behalf of the participating corporation and such corporation is duly incorporated and validly existing under the applicable laws;
 - c. your participation in the Scheme is entirely voluntary and the decision to participate is based wholly on your own independent judgment without being coerced, solicited or misled by anyone else;
 - d. you acknowledge and agree that 300cubits makes no statement, representation or claim that TEU tokens would be accepted by any counterparties as deposit security for booking container ship cargo space or as compensation for cargo rolling, and under no circumstances will 300cubits bear any liability whatsoever if TEU tokens are not accepted for the intended or any purposes by any party;
 - e. your acceptance of these Terms shall be deemed to be an agreement by you to assume, wholly and unconditionally, all risks (including direct, indirect or ancillary risks) associated with holding, using and dealing with the TEU tokens.
 - f. all the above representations and warranties made by you are true, accurate, complete and non-misleading.

XIV. Waiver

You hereby waive all rights, claims and/or causes of action (present or future) under any law (including any tortious claims) or contract against 300cubits in connection with or arising from your participation, and shall further hold harmless, 300cubits from and against any and all losses, damages, penalties, taxes, liabilities and expenses that may be incurred by 300cubits in connection with or arising from such participation. The Participant acknowledges sole responsibility for compliance with any relevant government regulations in the jurisdictions in which it operates and utilizes TEU tokens.

XV. Others

- a. 300cubits has the sole and final discretion in relation to the allotment, use, withdrawal, clawback or deletion of any TEU tokens including but not limited to the TEU tokens provided under the Entitlement and Referral Bonus. 300cubits may reject applications, withhold allotment, increase the total allotment pool of the scheme, or decrease the total allotment pool of the scheme without liability for any impact, whether operational, financial or reputational, to any Participant(s) in question.
- b. All the rights of 300cubits hereunder may be assigned, transferred or otherwise dealt with by 300cubits and shall inure to the benefit of the successors and



assigns of 300cubits, without the need of any consent from you. Further, 300cubits shall be at liberty to subcontract, or assign to any party, the performance of any of its obligations under these Terms or the Scheme without your consent.

- c. Each of the provisions contained in these Terms and in each clause and sub-clause shall be construed as independent of every other clause or sub-clause, if any of the provisions is held to be invalid or unenforceable, it shall not affect the validity or enforceability of any other provisions.
- d. Saved for parties which have entered into separate incentive scheme with 300cubits, these Terms constitute the entire agreement between the parties and supersede all prior agreements in connection with the allotment of, and the restriction particular to, the Restricted TEU Tokens, while the use of TEU tokens in general shall be governed by separate terms and conditions in relation thereto.
- e. No failure of 300cubits to exercise any power given to it hereunder or to insist upon strict compliance with any obligation or condition hereof shall constitute a waiver of any of 300cubits' rights hereunder.

For and on behalf of
ETH Smart Contract Tech Limited and 300cubits