



**BURSTIQ ANALYTICS CORPORATION
SERVICE AGREEMENT AND TERMS OF TOKEN SALE**

PLEASE READ THIS AGREEMENT CAREFULLY. NOTE THAT SECTION 11 CONTAINS A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER, WHICH AFFECT YOUR LEGAL RIGHTS. IF YOU DO NOT AGREE TO THIS AGREEMENT, DO NOT PURCHASE TOKENS.

Your purchase of BiQ Tokens (“BIQ” or “Tokens”) from BurstIQ Analytics Corporation (“BurstIQ,” “we,” “us,” “our,” or the “Company”) is subject to this Service Agreement and Terms of Token Sale (“Agreement”). Each of you and the Company are a “Party,” and together are the “Parties.”

This Agreement takes effect once you deliver funds in exchange for Tokens (the “Effective Date“). You represent to us that you are lawfully able to enter into contracts (*e.g.*, you are not a minor). If you are entering into this Agreement for an entity, such as the company you work for, you represent to us that you have legal authority to bind that entity.

Section 12 contains the definitions of certain capitalized terms used in this Agreement. Though you should read and understand this entire document before agreeing to its terms, you should pay particular attention to those terms written in ALL CAPITAL LETTERS.

1. GENERAL

1.1 Terms. You will adhere to all BurstIQ rules and regulations applicable to your purchase of BIQ, including the Policies as defined in Section 11. If you did not understand any of the concepts identified in the risk disclosure in Section 8 or Appendix A, you have contacted us via email at info@burstiq.com or via telephone and we have explained them to your satisfaction.

1.2 Tokens. Tokens will be ERC-20 standard Ethereum tokens. Tokens enable individuals to control their health data, data managers to obtain marketplace services and offset platform fees, and solution providers to offer platform and marketplace services.

2. OFFERING

2.1 Service. We agree to publish the Distribution Smart Contract that will allow you to purchase from us, on the terms set forth herein, the BIQ. Your purchase is final. We will not provide any refund of amounts sent to the Distribution Smart Contract under any circumstances. Upon publication of the Distribution Smart Contract address, you may purchase BIQ by sending ether (“ETH”) to the Distribution Smart Contract. Tokens will be purchased at a rate of 0.000415 ETH per token.

2.2 Delivery Date. The Distribution Smart Contract will make Tokens available to you at the completion of the Token sale.

2.3 Delivery Method.

If you purchased BIQ with ETH, the Distribution Smart Contract will make available the appropriate amount of BIQ on the Ethereum address from which your ether was sent.

2.4 Third Party. If you purchase BIQ using a third party, that third party is your agent, not ours, for the purpose of the payment of ETH for Tokens. You, not we, are responsible for ensuring that we receive the appropriate amount of ETH. We are not responsible for any loss of funds due in any part to the use of a third party to send or receive ETH for Tokens.

3. SECURITY AND DATA PRIVACY

3.1 Your Security. You will implement reasonable and appropriate measures designed to secure access to (i) any device associated with the email address associated with you, and (ii) private keys required to access any relevant blockchain address or your BIQ. In the event that you are no longer in possession of any private key or device associated with your provided blockchain address, you understand you may never be able to access your BIQ.

3.2 Additional Information. You will provide to us, immediately upon our notice of request, information that we, in our sole discretion, deem to be required to maintain compliance with any federal, state or local law, regulation or policy. Such documents include, but are not limited to, passports, driver's licenses, utility bills, photographs of you, government identification cards, or sworn statements.

3.3 Your Information. We may collect information useful or necessary for communicating with you regarding this Agreement, including your name, email address, Ethereum address, physical address, and phone number. However, we will not voluntarily release your personally-identifying information to any third party without your consent, except as set forth herein or in any Policy.

4. YOUR RESPONSIBILITIES

4.1 Security and Backup. You are responsible for properly configuring any software in connection with your access to or use of BIQ.

4.2 End User Violations. You will be deemed to have taken any action that you permit, assist or facilitate any person or entity to take related to this Agreement. You are responsible for End Users' purchase and use of BIQ. You will ensure that all End Users comply with your obligations under this Agreement and that the terms of your agreement with each End User are consistent with this Agreement.

4.3 End User Support. You are responsible for providing customer service (if any) to End Users. We do not provide any support or services to End Users unless we have a separate agreement with you or an End User obligating us to provide support or services.

4.4 Taxes. You are responsible for complying with all applicable law regarding the payment of taxes related to the purchase of BIQ. BurstIQ is not responsible for your compliance with tax law.

5. TERM

5.1 Term. The term of this Agreement will commence on the Effective Date and will continue until terminated in accordance with this Agreement.

6 TERMINATION

6.1 Termination. This Agreement will terminate automatically upon the delivery of Tokens to you, subject to restrictions in Section 5.3. We may terminate this Agreement in our sole discretion if you breach any term or Policy.

6.2 Effect of Termination. Upon any termination of this Agreement: (a) all your rights under this Agreement immediately terminate; (b) you are not entitled to a refund of any amount paid; (c) you will immediately return or, if instructed by us, destroy all BurstIQ Content in your possession; and (d) Sections 4, 5, 6, 7, 8, 9, 10 and 11 will continue to apply in accordance with their terms. We will not be liable for any special, incidental or consequential damages you sustain, including, without limitation, any special, incidental or consequential damages due to any loss of credentials, login information or private keys for any website or software or your inability to access any website or account.

7. INDEMNIFICATION

8.1 General. You will defend, indemnify, and hold harmless us, our affiliates and licensors, and each of their respective employees, officers, directors, and representatives from and against any claims, damages, losses, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to any third party claim concerning this Agreement or your use of BIQ, whether or not the BIQ was sold to you under this Agreement. If we or our affiliates are obligated to respond to a third party subpoena or other compulsory legal order or process described above, you will also reimburse us for reasonable attorneys' fees, as well as our employees' and contractors' time and materials spent responding to the third party subpoena or other compulsory legal order or process at reasonable hourly rates.

8.2 Process. We will promptly notify you of any claim subject to Section 7.1, but our failure to promptly notify you will only affect your obligations under Section 7.1 to the extent that our failure prejudices your ability to defend the claim. You may: (a) use counsel of your own choosing (subject to our written consent) to defend against any claim; and (b) settle the claim as you deem appropriate, provided that you obtain our prior written consent before entering into any settlement. We may also assume control of the defense and settlement of the claim at any time.

8. RISKS AND DISCLAIMERS

8.1 Risks. YOU UNDERSTAND THAT BLOCKCHAIN TECHNOLOGY, ETHEREUM AND ETHER, ARE NEW AND UNTESTED TECHNOLOGIES OUTSIDE OF BURSTIQ'S CONTROL AND ADVERSE CHANGES IN MARKET FORCES OR TECHNOLOGY, BROADLY CONSTRUED, WILL EXCUSE BURSTIQ'S PERFORMANCE UNDER THIS AGREEMENT. IN ADDITION, YOU UNDERSTAND BIQ AND BLOCKCHAIN TECHNOLOGY ARE SIMILARLY NEW AND UNTESTED AND ADVERSE CHANGES IN MARKET FORCES OR TO THE UNDERLYING TECHNOLOGY, BROADLY CONSTRUED, WILL EXCUSE BURSTIQ'S PERFORMANCE UNDER THIS AGREEMENT.

IN PARTICULAR, AND IN ADDITION TO THE TERMS OF THIS DOCUMENT, YOU ASSUME ALL RISK OF LOSS RESULTING FROM, CONCERNING OR ASSOCIATED WITH THE RISKS SET FORTH IN THE OFFERING DOCUMENTATION, INCLUDING EXHIBIT A TO THIS AGREEMENT.

8.2 Disclaimers. BIQ ARE DISTRIBUTED BY THE DISTRIBUTION SMART CONTRACT “AS IS.” WE AND OUR AFFILIATES AND LICENSORS MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE REGARDING BIQ OR THE THIRD PARTY CONTENT, INCLUDING ANY WARRANTY THAT BIQ OR THIRD PARTY CONTENT WILL BE UNINTERRUPTED, ERROR FREE OR FREE OF HARMFUL COMPONENTS, OR THAT ANY CONTENT, INCLUDING YOUR CONTENT OR THE THIRD PARTY CONTENT, WILL BE SECURE OR NOT OTHERWISE LOST OR DAMAGED. EXCEPT TO THE EXTENT PROHIBITED BY LAW, WE AND OUR AFFILIATES AND LICENSORS DISCLAIM ALL WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR QUIET ENJOYMENT, AND ANY WARRANTIES ARISING OUT OF ANY COURSE OF DEALING OR USAGE OF TRADE.

WE DO NOT AND WILL NOT PROVIDE YOU WITH ANY SOFTWARE. THE COMPANY WILL DISTRIBUTE BIQ TO YOU.

9. LIMITATIONS OF LIABILITY

WE AND OUR AFFILIATES OR LICENSORS WILL NOT BE LIABLE TO YOU FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES (INCLUDING DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, OR DATA), EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. FURTHER, NEITHER WE NOR ANY OF OUR AFFILIATES OR LICENSORS WILL BE RESPONSIBLE FOR ANY COMPENSATION, REIMBURSEMENT, OR DAMAGES INCLUDING WITHOUT LIMITATIO, THOSE ARISING IN CONNECTION WITH: (A) YOUR INABILITY TO USE BIQ, INCLUDING, WITHOUT LIMITATION, AS A RESULT OF ANY TERMINATION OR SUSPENSION OF THE NETWORK OR THIS AGREEMENT, INCLUDING AS A RESULT OF POWER OUTAGES, MAINTENANCE, DEFECTS, SYSTEM FAILURES OR OTHER INTERRUPTIONS; (B) THE COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES; (C) ANY INVESTMENTS, EXPENDITURES, OR COMMITMENTS BY YOU IN CONNECTION WITH THIS AGREEMENT OR YOUR USE OF OR ACCESS TO ANY BIQ; OR (D) ANY UNAUTHORIZED ACCESS TO, ALTERATION OF, OR THE DELETION, DESTRUCTION, DAMAGE, LOSS OR FAILURE TO STORE ANY DATA, INCLUDING RECORDS, PRIVATE KEY OR OTHER CREDENTIALS, ASSOCIATED WITH ANY BIQ, WHETHER OR NOT OBTAINED UNDER THIS AGREEMENT.

IN ANY CASE, OUR AND OUR AFFILIATES’ AND LICENSORS’ AGGREGATE LIABILITY UNDER THIS AGREEMENT WILL BE LIMITED TO THE VALUE (IN UNITED STATES DOLLARS AT THE TIME OF THE SALE) YOU PAID US IN EXCHANGE FOR THE OFFERING UNDER THIS AGREEMENT.

YOU WAIVE YOUR RIGHT TO DEMAND THE RETURN OF ANY AMOUNTS YOU PAID US FOR THE OFFERING UNDER ANY CIRCUMSTANCES, INCLUDING, WITHOUT LIMITATION, A DEMAND FOR SPECIFIC PERFORMANCE.

10. AMENDMENT

The Company may modify this agreement upon written notice to the other party. The modified terms will become effective immediately.

11. MISCELLANEOUS

11.1 Confidentiality and Publicity. You may use BurstIQ Confidential Information only in connection with your purchase of BIQ under this Agreement and pursuant to the terms of this Agreement. You will not disclose BurstIQ Confidential Information during the Term or at any time following the end of the Term. You will take all reasonable measures to avoid disclosure, dissemination or unauthorized use of BurstIQ Confidential Information, including, at a minimum, those measures you take to protect your own confidential information of a similar nature. You will not issue any press release or make any other public communication with respect to this Agreement or your purchase, You will not misrepresent or embellish the relationship between us and you (including by expressing or implying that we support, sponsor, endorse, or contribute to you or your business endeavors), or express or imply any relationship or affiliation between us and you or any other person or entity except as expressly permitted by this Agreement.

11.2 Force Majeure. We and our affiliates will not be liable for any delay or failure to perform any obligation under this Agreement 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, or war, changes in blockchain technology (broadly construed), changes in the underlying blockchain or Network protocols or any other force outside of our control.

11.3 No Third Party Beneficiaries. This Agreement does not create any third party beneficiary rights in any individual or entity.

11.4 Import and Export Compliance. In connection with this Agreement, you will comply with all applicable import, re-import, export, and re-export control and regulations, including the Export Administration Regulations, the International Traffic in Arms Regulations, and country or individual-specific economic sanctions programs implemented by the Office of Foreign Assets Control. For clarity, you are solely responsible for compliance related to the manner in which you choose to use BIQ.

11.6 Notice.

- (a) To You. We may provide any notice to you under this Agreement by emailing you or notifying you in person or via telephone. Notices we provide will be effective when sent.
- (b) To Us. To give us notice under this Agreement, you must contact BurstIQ by email at info@burstiq.com. Notices to us will be effective one business day after they are sent.
- (c) Language. All communications and notices to be made or given pursuant to this Agreement must be in the English language.

11.7 Assignment. You will not assign this Agreement, or delegate or sublicense any of your rights under this Agreement, without our prior written consent. Any assignment or transfer in violation of this

section will be void. Subject to the foregoing, this Agreement will be binding upon, and inure to the benefit of the parties and their respective successors and assigns.

11.8 No Waivers. The failure by us to enforce any provision of this Agreement will not constitute a present or future waiver of such provision nor limit our right to enforce such provision at a later time. All waivers by us must be unequivocal and in writing to be effective.

11.9 Reformation and Severability. Except as otherwise set forth herein, if any portion of this Agreement is held to be invalid or unenforceable, the remaining portions of this Agreement will remain in full force and effect. Any invalid or unenforceable portions will be interpreted to effect the intent of the original portion. If such construction is not possible, the invalid or unenforceable portion will be severed from this Agreement, but the rest of the Agreement will remain in full force and effect.

11.10 Disputes Resolution by Binding Arbitration; Jury Trial Waiver; Class Action Waiver; Limitation of Time. For any and all controversies, disputes, demands, claims, or causes of action between you and us (including the interpretation and scope of this Section and the arbitrability of the controversy, dispute, demand, claim, or cause of action) relating to BIQ or this Agreement (as well as any related or prior agreement that you may have had with us), you and we agree to resolve any such controversy, dispute, demand, claim, or cause of action exclusively through binding and confidential arbitration. The arbitration will take place in the federal judicial district of your residence. As used in this Section, “we” and “us” mean BurstIQ. In addition, “we” and “us” include any third party providing any product, service, or benefit in connection with this Agreement (as well as any related or prior agreement that you may have had with us) if such third party is named as a co-party with us in any controversy, dispute, demand, claim, or cause of action subject to this Section.

Arbitration will be subject to the Federal Arbitration Act and not any state arbitration law. The arbitration will be conducted before one commercial arbitrator from the American Arbitration Association (“AAA”) with substantial experience in resolving commercial contract disputes. As modified by this Agreement, and unless otherwise agreed upon by the parties in writing, the arbitration will be governed by the AAA’s Commercial Arbitration Rules and, if the arbitrator deems them applicable, the Supplementary Procedures for Consumer Related Disputes (collectively, the “Rules and Procedures”). Where no claims or counterclaims exceed \$10,000, the dispute will be resolved by the submission of documents without a hearing, unless a hearing is requested by a party or deemed necessary by the arbitrator, in which case, a party may elect to participate telephonically.

You should review this provision carefully. To the extent permitted by applicable law, you are GIVING UP YOUR RIGHT TO GO TO COURT to assert or defend your rights EXCEPT for matters that you file in small claims court in the state or municipality of your residence within the jurisdictional limits of the small claims court and as long as such matter is only pending in that court. Additionally, notwithstanding this agreement to arbitrate, claims of defamation, and infringement or misappropriation of the other party’s patent, copyright, trademark, or trade secret shall not be subject to this arbitration agreement. Such claims shall be exclusively brought in the state or federal courts located in the State of Colorado. Additionally, notwithstanding this agreement to arbitrate, you or we may seek emergency equitable relief before the state or federal courts located in the State of Colorado in order to maintain the status quo pending arbitration and hereby agree to submit to the exclusive personal jurisdiction of the courts located within the State of Colorado for such purpose. A request for interim measures shall not be deemed a waiver of the right to arbitrate.

Your rights will be determined by a NEUTRAL ARBITRATOR and NOT a judge or jury. You are entitled to a FAIR HEARING, BUT the arbitration procedures may be SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT. Arbitrators' decisions are as enforceable as any court order and are subject to VERY LIMITED REVIEW BY A COURT.

You and we must abide by the following rules: (a) ANY CLAIMS BROUGHT BY YOU OR US MUST BE BROUGHT IN THE PARTY'S INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING; (b) THE ARBITRATOR MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S CLAIMS, MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING, AND MAY NOT AWARD CLASS-WIDE RELIEF; (c) in the event that you are able to demonstrate that the costs of arbitration will be prohibitive as compared to the costs of litigation, we will pay as much of your filing and hearing fees in connection with the arbitration as the arbitrator deems necessary to prevent the arbitration from being cost-prohibitive as compared to the cost of litigation, (d) we also reserve the right, in our sole and exclusive discretion, to assume responsibility for any or all of the costs of the arbitration; (e) the arbitrator will honor claims of privilege and privacy recognized at law; (f) the arbitration will be confidential, and neither you nor we may disclose the existence, content, or results of any arbitration, except as may be required by applicable law or for purposes of enforcement of the arbitration award; (g) subject to the limitation of liability provisions of this Agreement, the arbitrator may award any individual relief or individual remedies that are expressly permitted by applicable law; and (h) you and we will pay our respective attorneys' fees and expenses, unless there is a statutory provision that requires the prevailing party to be paid its fees and litigation expenses and the arbitrator awards such attorneys' fees and expenses to the prevailing party, and, in such instance, the fees and costs awarded will be determined by the applicable law.

This Section will survive termination of your account and this Agreement as well as any voluntary payment of any debt in full by you or any bankruptcy by you or us. With the exception of subparts (a) and (b) above of this Section (prohibiting arbitration on a class or collective basis), if any part of this arbitration provision is deemed to be invalid, unenforceable, or illegal, or otherwise conflicts with the Rules and Procedures, then the balance of this arbitration provision will remain in effect and will be construed in accordance with its terms as if the invalid, unenforceable, illegal or conflicting part was not contained herein. If, however, either subpart (a) or (b) above of this Section is found to be invalid, unenforceable, or illegal, then the entirety of this arbitration provision will be null and void, and neither you nor we will be entitled to arbitration. If for any reason a claim proceeds in court rather than in arbitration, the dispute shall be exclusively brought in state or federal court located in San Francisco, California.

For more information on the AAA, the Rules and Procedures, or the process for filing an arbitration claim, you may call the AAA at 888-778-7879 or visit the AAA website at <http://www.adr.org>.

YOU AGREE THAT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR RELATING TO THE PURCHASE OR THIS AGREEMENT MUST BE FILED WITHIN ONE (1) YEAR AFTER SUCH CLAIM OR CAUSE OF ACTION AROSE OR IT WILL BE FOREVER BARRED.

11.11 Entire Agreement; English Language. This Agreement includes the Policies and is the entire agreement between you and us regarding the subject matter of this Agreement. This Agreement

supersedes all prior or contemporaneous representations, understandings, agreements, or communications between you and us, whether written or verbal, regarding the subject matter of this Agreement. Notwithstanding any other agreement between you and us, the security and data privacy provisions in this Agreement contain the Parties and their affiliates' entire obligation regarding the security, privacy and confidentiality of your personal information. We will not be bound by, and specifically object to, any term, condition or other provision which is different from or in addition to the provisions of this Agreement (whether or not it would materially alter this Agreement) and which is submitted by you in any order, receipt, acceptance, confirmation, correspondence or other document. If the terms of this document are inconsistent with the terms contained in any Policy, the terms contained in this document will control. If we provide a translation of the English language version of this Agreement, the English language version of the Agreement will control if there is any conflict.

12. DEFINITIONS

“BurstIQ Confidential Information” means all nonpublic information disclosed by us, our affiliates, business partners or our or their respective employees, contractors or agents. BurstIQ Confidential Information includes: (a) nonpublic information relating to our or our affiliates or business partners' technology, customers, business plans, promotional and marketing activities, finances and other business affairs; (b) third-party information that we are obligated to keep confidential; and (c) the nature, content and existence of any discussions or negotiations between you and us or our affiliates. BurstIQ Confidential Information does not include any information that: (i) is or becomes publicly available without breach of this Agreement; (ii) can be shown conclusively by documentation to have been known to you at the time of your receipt from us; (iii) is received from a third party who did not acquire or disclose the same by a wrongful or tortious act; or (iv) can be shown conclusively by documentation to have been independently developed by you without reference to the BurstIQ Confidential Information.

“BurstIQ Content” means Content we or any of our affiliates make available in connection with this Agreement or on the BurstIQ Site to allow access to or purchase of BIQ. BurstIQ Content does not include BIQ.

“BurstIQ Site” means BurstIQ's website at <https://www.burstiq.com/> and any successor or related site used by us.

“Content” means software (including machine images), data, text, audio, video, images or other content.

“Distribution Smart Contract” means the algorithmic code that distributes BIQ to purchasers at a rate of \$0.12 sent to the Ethereum address contained within the code.

“End User” means any individual or entity that directly or indirectly through another user purchases BIQ on behalf of another person or entity.

“Network” means public blockchain supporting BIQ as well as the Distribution Smart Contract.

“Policies” means this Agreement, all policies related to use of our website, and any other policy or terms referenced in or incorporated into this Agreement. Policies does not include whitepapers or

other marketing materials referenced on the BurstIQ Site. In the event of a conflict between any Policy and this Agreement, the terms of this Agreement prevail.

“Suggestions” means all suggested modifications, improvements, additions or subtractions to our business that you provide to us.

“Term” means the term of this Agreement described in Section 5.1.

“Third Party Content” means Content made available to us or to you by any third party, including, without limitation, any price, speed, volume, frequency, or statistical information.



EXHIBIT A

RISK FACTORS

An investment in blockchain tokens involves a high degree of risk. You should consider carefully the risks described below, together with all of the other information produced as part of the sale of blockchain tokens, before making an investment decision. The following risks entail circumstances under which, our business, financial condition, results of operations and prospects could suffer.

Risks associated with the Tokens and the BurstChain Network

Investments in startups including BurstIQ involve a high degree of risk.

Financial and operating risks confronting startups are significant: BurstIQ is not immune to these. The startup market in which BurstIQ competes is highly competitive and the percentage of companies that survive and prosper is small. Startups often experience unexpected problems in the areas of product development, marketing, financing, and general management, among others, which frequently cannot be solved. In addition, startups may require substantial amounts of financing, which may not be available through institutional private placements, the public markets or otherwise.

BurstIQ may be forced to cease operations or take actions that result in a Dissolution Event.

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of cryptographic and fiat currencies, the inability of the Company to establish the Tokens' utility, the failure of commercial relationships, or intellectual property ownership challenges, the Company may no longer be viable to operate and the Company may dissolve or take actions that result in a Dissolution Event.

The BurstChain Network may not be widely adopted and may have limited users.

It is possible that the BurstChain Network will not be used by a large number of individuals, companies and other entities or that there will be limited public interest in the creation and development of distributed ecosystems (such as the BurstChain Network) more generally or distributed applications to be used on the BurstChain Network. Such a lack of use or interest could negatively impact the development of the BurstChain Network and therefore the potential utility of Tokens.

The BurstChain Network may be the target of malicious cyberattacks or may contain exploitable flaws in its underlying code, which may result in security breaches and the loss or theft of Tokens. If the BurstChain Network's security is compromised or if the BurstChain Network is subjected to attacks that frustrate or thwart our users' ability to access the BurstChain Network, their Tokens or the BurstChain Network products and services, users may cut back on or stop using the BurstChain Network altogether, which could seriously curtail the utilization of the Tokens.

The BurstChain Network structural foundation, the software application and other interfaces or applications built upon the BurstChain Network are still in an early development stage and are unproven, and there can be no assurances that the BurstChain Network and the creating, transfer or storage of the Tokens will be uninterrupted or fully secure which may result in a complete loss of users'

Tokens or an unwillingness of users to access, adopt and utilize the BurstChain Network. Further, the BurstChain Network may also be the target of malicious attacks seeking to identify and exploit weaknesses in the software or the BurstChain Network which may result in the loss or theft of Tokens. For example, if BiQ and the BurstChain or Ethereum Networks are subject to unknown and known security attacks to gain control of the networks and their data (such as double-spend attacks, 51% attacks, or other malicious attacks), this may materially and adversely affect the BurstChain Network and the Ethereum Network. In any such event, if the BurstChain Network is not widely adopted, your purchased BiQ may have limited or no utility.

Risks related to blockchain technologies and digital assets

The regulatory regime governing the blockchain technologies, cryptocurrencies, tokens and token offerings such as the BurstChain Network and the Tokens is uncertain, and new regulations or policies may materially adversely affect the development of the BurstChain Network and the utility of the Tokens.

Regulation of tokens (including BiQ) and token offerings such as this, cryptocurrencies, blockchain technologies, and cryptocurrency exchanges currently is undeveloped and likely to rapidly evolve, varies significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in the United States and in other countries may in the future, adopt laws, regulations, guidance, or other actions, which may severely impact the development and growth of the Ethereum Network and the BurstChain Network and the adoption and utility of the Tokens. Failure by the Company or certain users of the BurstChain Network to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.

As blockchain networks and blockchain assets have grown in popularity and in market size, federal and state agencies have begun to take interest in, and in some cases regulate, their use and operation. In the case of virtual currencies, state regulators like the New York Department of Financial Services have created new regulatory frameworks. Others, as in Texas, have published guidance on how their existing regulatory regimes apply to virtual currencies. Some states, like New Hampshire, North Carolina, and Washington, have amended their state's statutes to include virtual currencies into existing licensing regimes. Treatment of virtual currencies continues to evolve under federal law as well. The Department of the Treasury, the Securities Exchange Commission, and the Commodity Futures Trading Commission, for example, have published guidance on the treatment of virtual currencies. The IRS released guidance treating virtual currency as property that is not currency for US federal income tax purposes, although there is no indication yet whether other courts or federal or state regulators will follow this classification. Both federal and state agencies have instituted enforcement actions against those violating their interpretation of existing laws.

The regulation of non-currency use of blockchain assets is also uncertain. The CFTC has publicly taken the position that certain blockchain assets are commodities, and the SEC has issued a public report stating federal securities laws require treating some blockchain assets as securities. To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a blockchain network or asset, the Ethereum Network, the BurstChain Network and the Tokens may be materially and adversely affected.

Blockchain networks also face an uncertain regulatory landscape in many foreign jurisdictions such as the European Union, China and Russia. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Ethereum Network and the BurstChain Network. Such

laws, regulations or directives may conflict with those of the United States or may directly and negatively impact our business. The effect of any future regulatory change is impossible to predict, but such change could be substantial and materially adverse to the development and growth of the BurstChain Network and the adoption and utility of the Tokens.

This Issuance of BiQ May Constitute the Issuance of a “Security” Under U.S. Federal Securities Laws

BiQ is a utility token that has a specific consumptive use – i.e. to transact for business and services on the BurstChain Network, the use of BiQ provides an immutable trail to confirm that certain healthcare data has been released to a certain partner or provider at a certain place and time. Due to the nature of BiQ, we do not believe it should be considered a “security” as that term is defined in the Act.

On July 25, 2017, the United States Securities and Exchange Commission (the “*Commission*”) issued a Report of Investigation under Section 21(a) of the Securities Exchange Act of 1934 (the “*Exchange Act*”) describing an SEC investigation of The DAO, a virtual organization, and its use of distributed ledger or blockchain technology to facilitate the offer and sale of DAO Tokens to raise capital. The Commission applied existing U.S. federal securities laws to this new paradigm, determining that DAO Tokens were securities. The Commission stressed that those who offer and sell securities in the U.S. are required to comply with federal securities laws, regardless of whether those securities are purchased with virtual currencies or distributed with blockchain technology. The Commission’s announcement, and the related Report, may be found here: <https://www.sec.gov/news/press-release/2017-131>.

After reviewing the Report, we believe that BiQ is substantially different from DAO Tokens, and should not be considered a “security” under U.S. federal securities laws. Nevertheless, as noted by the Commission, the issuance of tokens represents a new paradigm and the application of the federal securities laws to this new paradigm is very fact specific. If BiQ were deemed to be a security under U.S. federal securities laws the registration of BiQ under the Securities Act would require us to incur substantial additional expense.

Purchasers may lack information for monitoring their investment.

The Purchaser may not be able to obtain all information it would want regarding BurstIQ, BiQ, or the BurstChain Network, on a timely basis or at all. It is possible that the Purchaser may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of its investments. While BurstIQ has made efforts to use open-source development for Tokens, this information may be highly technical by nature. As a result of these difficulties, as well as other uncertainties, a Purchaser may not have accurate or accessible information about the BurstChain Network.

BiQ has no history.

BiQ will be a newly formed token and has no operating history. Each token should be evaluated on the basis that BurstIQ or any third party’s assessment of the prospects of the BurstChain Network may not prove accurate, and that BurstIQ will not achieve its objectives. Past utility of BurstIQ, BiQ, or any similar token, is not predictive of future utility.

If the BurstChain Network is unable to satisfy data protection, security, privacy, and other government and industry-specific requirements, its growth could be harmed.

There are a number of data protection, security, privacy and other government- and industry-specific requirements, including those that require companies to notify individuals of data security incidents involving certain types of personal data. Security compromises could harm the BurstChain Network’s

reputation, erode user confidence in the effectiveness of its security measures, and negatively impact its ability to attract new users, or cause existing users to stop using the BurstChain Network.

The further development and acceptance of blockchain networks, including the Ethereum Network and the BurstChain Network, which are part of a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of blockchain networks and blockchain assets would have an adverse material effect on the successful development and adoption of the Ethereum Network, the BurstChain Network and the Tokens.

The growth of the blockchain industry in general, as well as the blockchain networks with which the Ethereum and BurstChain Networks will rely and interact, is subject to a high degree of uncertainty. The factors affecting the further development of the cryptocurrency industry, as well as blockchain networks, include, without limitation:

- Worldwide growth in the adoption and use of Bitcoin, and other blockchain technologies;
- Government and quasi-government regulation of Bitcoin, and other blockchain assets and their use, or restrictions on or regulation of access to and operation of blockchain networks or similar systems;
- The maintenance and development of the open-source software protocol of the Bitcoin networks;
- Changes in consumer demographics and public tastes and preferences;
- The availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using fiat currencies or existing networks;
- General economic conditions and the regulatory environment relating to cryptocurrencies; or
- A decline in the popularity or acceptance of Bitcoin or other blockchain-based tokens would adversely affect our results of operations.

The slowing or stopping of the development, general acceptance and adoption and usage of blockchain networks and blockchain assets may deter or delay the acceptance and adoption of the Ethereum Network, the BurstChain Network and the Tokens.

The prices of blockchain assets are extremely volatile. Fluctuations in the price of digital assets could materially and adversely affect our business, and the Tokens may also be subject to significant price volatility.

The prices of blockchain assets such as Bitcoin have historically been subject to dramatic fluctuations and are highly volatile, and the market price of the Tokens may also be highly volatile. Several factors may influence the market price of the Tokens, including, but not limited to:

- Global blockchain asset supply;
- Global blockchain asset demand, which can be influenced by the growth of retail merchants' and commercial businesses' acceptance of blockchain assets like cryptocurrencies as payment for goods and services, the security of online blockchain asset exchanges and digital wallets that hold

blockchain assets, the perception that the use and holding of blockchain assets is safe and secure, and the regulatory restrictions on their use;

- Purchasers' expectations with respect to the rate of inflation;
- Changes in the software, software requirements or hardware requirements underlying the Ethereum Network;
- Changes in the rights, obligations, incentives, or rewards for the various participants in the BurstChain Network;
- Interest rates;
- Currency exchange rates, including the rates at which digital assets may be exchanged for fiat currencies;
- Fiat currency withdrawal and deposit policies of blockchain asset exchanges on which the Tokens may be traded and liquidity on such exchanges;
- Interruptions in service from or failures of major blockchain asset exchanges on which the Tokens may be traded;
- Investment and trading activities of large purchasers, including private and registered funds, that may directly or indirectly purchase Tokens or other blockchain assets;
- Monetary policies of governments, trade restrictions, currency devaluations and revaluations;
- Regulatory measures, if any, that affect the use of blockchain assets such as the Tokens;
- The maintenance and development of the open-source software protocol of the Ethereum Network;
- Global or regional political, economic or financial events and situations; or
- Expectations among BurstChain Network or other blockchain assets participants that the utility of the Tokens or other blockchain assets will soon change.

A decrease in the price of a single blockchain asset may cause volatility in the entire blockchain asset industry and may affect other blockchain assets including the Tokens.

The healthcare industry in the United States is undergoing significant structural change and is rapidly evolving, and the market for technology-enabled healthcare products and services is in its early stages, which makes it difficult to forecast demand for our blockchain-enabled products and services. If we are not successful in promoting the benefits of our products and services, our growth may be limited.

The healthcare industry in the United States is undergoing significant structural change and is rapidly evolving. We believe demand for our products and services has been driven in large part by price pressure in traditional fee-for-service healthcare, a regulatory environment that is incentivizing value-based care models, the movement toward patient-centricity and personalized healthcare and advances in technology. Widespread acceptance of the value-based care model is critical to our future growth and success. A

reduction in the growth of value-based care or patient-centric models could reduce the demand for our products and services and result in a lower revenue growth rate or decreased revenue.

The market for blockchain-enabled healthcare products and services is in the early stages and it is uncertain whether it will achieve and sustain high levels of demand and market adoption. Our future financial performance will depend in part on growth in this market and on our ability to adapt to emerging demands of consumers and providers. Our success will depend to a substantial extent on the willingness of healthcare organizations to increase their use of our technology and our ability to demonstrate the value of our technology to our existing clients and potential clients. If healthcare organizations do not recognize or acknowledge the benefits of our products and services or if we are unable to reduce healthcare costs or drive positive health outcomes, then the market for our products and services might not develop at all, or it might develop more slowly than we expect.

Consolidation in the healthcare industry could lead to the elimination of some of our clients and make others larger, which could decrease demand for our solutions or create pricing pressure.

Many healthcare industry participants are consolidating to create larger and more integrated healthcare delivery systems. If regulatory and economic conditions continue to facilitate additional consolidation in the healthcare industry, some of our current clients, and possibly our future clients, may be eliminated. Such market fluctuations may result in decreased need for some or all of our products and services as some of our clients disappear, and others acquire larger market power.

The healthcare regulatory and political framework is uncertain and evolving.

Healthcare laws and regulations are rapidly evolving and may change significantly in the future. For example, in March 2010, the ACA was adopted, which is a healthcare reform measure that seeks to contain healthcare costs while improving quality and access to coverage. The ACA includes a variety of healthcare reform provisions and requirements that have already become effective or will become effective at varying times through 2018 and substantially changes the way healthcare is financed by both governmental and private insurers, which may significantly affect our industry and our business. Many of the provisions of the ACA will phase in over the course of the next several years, and we may be unable to predict accurately what effect the ACA or other healthcare reform measures that may be adopted in the future, including amendments to the ACA, will have on our business. In addition, provisions of the ACA may be challenged in the courts. For example, in 2015 the U.S. Supreme Court determined that the IRS can extend tax credits to individuals enrolled in a plan offered by the federal health insurance exchanges established by the U.S. Department of Health & Human Services, or HHS, despite language in the ACA that was alleged to authorize tax credits only for individuals enrolled in a plan offered by exchanges established by states.

We are subject to data privacy and security laws, regulations and contractual obligations governing the transmission, security and privacy of health and other sensitive or proprietary information, which may impose restrictions on the manner in which we access, store, transmit, use and disclose such information and subject us to penalties if we are unable to fully comply with such laws or contractual provisions.

As described below, we are required to comply with numerous federal and state laws and regulations governing the collection, use, disclosure, storage and transmission of individually identifiable health information that we may obtain or have access to in connection with the provision of our services.

These laws and regulations, including their interpretation by governmental agencies, are subject to frequent change. These laws and regulations include the following.

- The Health Insurance Portability and Accountability Act, or HIPAA, and its implementing regulations, required expanded protection of the privacy and security of protected health information, the execution of certain contracts to safeguard protected health information and the adoption of standards for the exchange of electronic health information, for health plans, healthcare clearinghouses and certain healthcare providers, which we refer to as Covered Entities, and their business associates. Among the standards that HHS has adopted pursuant to HIPAA are standards for electronic transactions and code sets, unique identifiers for providers, employers, health plans and individuals, security, electronic signatures, privacy and enforcement. Actual failure to comply with HIPAA could result in fines and civil and criminal penalties, as well as contractual damages, which could harm our business, finances and reputation.
- The Health Information Technology for Economic and Clinical Health Act, or the HITECH Act, enacted as part of the American Recovery and Reinvestment Act of 2009, also known as the "Stimulus Bill", effective February 22, 2010, modified HIPAA by setting forth health information security breach notification requirements and increasing penalties for violations of HIPAA, among other things. The HITECH Act requires individual notification for all breaches as defined by HIPAA, media notification of breaches affecting over 500 individuals located in the same region and either prompt or annual reporting of breaches to HHS, depending on the number of affected individuals. The HITECH Act also replaced the prior monetary penalty system of \$100 per violation and an annual maximum of \$25,000 per violation with a four-tier system of sanctions for breaches. Penalties now range from a minimum of \$100 per violation and an annual maximum of \$25,000 per violation for the first tier to a minimum of \$50,000 per violation and an annual maximum of \$1.5 million per violation for the fourth tier. Failure to comply with HIPAA as modified by the HITECH Act could result in fines and penalties, criminal sanctions and reputational damage that could harm our business.
- Numerous other federal and state laws may apply that restrict the use and disclosure and mandate the protection of the privacy and security of individually identifiable information, as well as employee personal information, and that require notifications and mitigation in the event of a breach. These include state medical information privacy laws, state social security number protection laws and federal and state consumer protection laws, among others. These various laws in many cases are not preempted by HIPAA and may be subject to varying interpretations by the courts and government agencies, creating complex compliance issues for us and our clients and potentially exposing us to additional expense, adverse publicity and liability.
- Federal and state consumer protection laws are increasingly being applied by the United States Federal Trade Commission, or FTC, and states' attorneys general to regulate the collection, use, storage and disclosure of personal or individually identifiable information, through websites or otherwise, and to regulate the presentation of website content.

There is ongoing concern from privacy advocates, regulators and others regarding data protection and privacy issues, and the number of jurisdictions with data protection and privacy laws has been increasing. In addition, the scope of protection afforded to data subjects by many of these data protection and privacy laws has been increasing. Also, there are ongoing public policy discussions regarding whether the standards for deidentified, anonymous or pseudonomized health information are sufficient, and the risk of re-identification sufficiently small, to adequately protect patient privacy. These discussions may lead to further restrictions on the use of such information. These initiatives or future initiatives could compromise our ability to access and use data or to develop or market current or future services.

Any failure we may have in complying with HIPAA may result in criminal or civil liability, and due to the heightened enforcement climate and recent changes to the law, the potential for enforcement action against business associates under HIPAA is now greater than in prior years. Enforcement actions against us could be costly and could interrupt regular operations, which may harm our business. While we have not received any notices of violation of the applicable privacy and data protection laws and believe we adequately protect our information, including in compliance with such laws, there can be no assurance that we will not receive such notices in the future. Further, costly breaches can occur regardless of our data security infrastructure.