

Impak Coin (MPK) ICO

Terms & Conditions

These Terms along with the impak White Paper (the “Terms”), set forth the entire understanding of each User with respect to the purchase and sale of impak Coin and shall apply to all Users of impak Coin (“Users” collectively, and “User” individually) participating in the Contribution process.

The impak Coin White Paper / OM is available at www.impactcoin.com.

1. Overview

The ICO for the impak Coin (MPK), a new cryptocurrency with a social purpose, will fund the development of impak.eco, an online social network 100% dedicated to the Impact Economy. This fast growing segment of the general economy is composed of organizations and individuals that share the belief that economic activity should consider more than just its financial aspects, but also take into account the effect it has on people and the planet.

impak Finance Inc. is the entity designing and developing impak.eco. Its plans also include the creation of a new digital Canadian Bank 100% dedicated to the Impact Economy that would be placed at the centre of the ecosystem and act as an agent of economic growth within this space.

At its core, this project proposes to radically change the way people experience their relationship with money by proposing a unique place where investors, companies and individuals exchange with each other with the understanding that each dollar has the purpose to do good. impak.eco shares features found on social networks and in disruptive fintech applications and aims to become that place one comes back to on a daily basis. With the focus being on the growth of the Impact Economy, every money transaction, whether it is banking, investing, selling or buying value-aligned responsible products & services, is done with the transparency one would expect in a changing world where the power of capital resides not only in the hands of the few, but also in the hands of the many. And where the power of capital serves values that make the world a better place.

This new cryptocurrency, impak Coin, is unique because it is one of the only digital currencies with a social purpose. Traditionally, complementary currencies have been created to promote and sustain local economies, sometimes in the service of social and environmental values. impak Coin is their modern version, amped up because of its capacity to support locally-rooted initiatives and to marshal the forces of a global community of people that are willing to combine the power of capital and technology to change the world. impak Coin will harness that power and use it to sustain and grow the impak.eco social network, and consequently, the Impact Economy.

2. Definitions

IMPAK or the **Corporation** shall mean impak Finance Inc., the impak Project development company.

impak Project shall mean the development and the launch of (i) impak.eco platform, (ii) impak Pay e-Wallet and (iii) impak Coin (MPK) a cryptocurrency designed to build loyalty and encourage its holders to buy from accredited impact merchants who are part of the impak.eco Platform, as described in the impak White Paper available at www.impactcoin.com.

impak.eco Platform is an online collaborative platform for like-minded Investors, Businesses and Citizens. It is a true transactional social network dedicated to the Impact Economy where Citizens will be able to identify impact merchants and have access to products and services aligned with their values. They will be able to actively participate in transforming the world every day by responsibly choosing which companies their money will support.

Development completion or **impak Coin deployment**, shall mean the final deployment of impak Coin to a live network such as a Blockchain network and the deployment of impak.eco Platform and Applications.

impak Coin or **impak Coin Software** (or Coin or MPK Coin or MPK) shall mean the cryptographic Coins which are held on the WAVES Blockchain technology. Contributors to impak Project will receive impak Coin following successful Development completion. Once impak Coin is successfully deployed, impak Coin shall be the cryptographic Coins which represent a digital means of exchange in the MPK network deployed using the WAVES Blockchain technology and applications.

impak White Paper is the Offering Memorandum describing the impak Project in detail and also setting out the terms, conditions and risks related to the impak Project. The impak White Paper is available on www.impactcoin.com.

Contribution Period shall mean the period of four weeks starting on June 15 of 2017 in which contributors to impak Coins may receive MPK when Development is completed as planned in early 2018.

Fiat currency or **fiat money** is currency that a government has declared to be legal tender.

Contribution to IMPAK or/and to impak Project or/and to impak Coin Software shall mean the contribution in Ether (ETH) or Bitcoin (BTC) or fiat currency received by IMPAK through the website deployed at www.impactcoin.com.

Contribution Provider shall mean the legal entity that performs and supports and accepts Contributions and shall mean impak Finance Inc.

Coinholders or **Users** shall mean the community of holders of impak Coin.

Coinholder or **User** shall mean each individual holder of impak Coin.

3. General Terms

By making a Contribution, User confirms his understanding and acceptance of all terms in this document and in the *impak Coin ICO White Paper / OM*.

3.1 Object of Contribution

Proceeds of this ICO will be directed towards the development of software for the *impak Project* (*impak Coin*, *impak.eco*, *impak Pay e-Wallet*), and its respective IP rights, as well as for related security audits, marketing & communication, and promotion and research activities.

3.2 KYC

User commits to communicate true and valid information regarding User's identity and, if needed, User's financial circumstances, as required by IMPAK on the *impak Contribution website* and in accordance with best practices in the field of capital raising.

3.3 Suitability

User's contribution may be subject to limits established by suitability rules defined and applied by the Corporation and in line with the best practices in the field of capital raising. User also acknowledges that the Corporation may change these rules at its own discretion.

3.4 Rejected Contributions

The Corporation reserves the right to reject User's contribution if it believes the contribution is in violation of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act of Canada*, or for any other reason, without justification.

3.5 Contribution Freeze

During Contribution Period, IMPAK may at any time stop the contribution function for security reasons. As long as IMPAK upholds such contribution freeze, no further contribution will be possible. The Contribution Period is not extended for the duration of such contribution freeze.

3.6 Pricing of *impak Coin* during Contribution Period

The Price of *impak Coin* will be set by IMPAK prior to the beginning of Contribution Period and may contain an increasing price mechanism. Pricing details are located at www.impactcoin.com.

3.7 Right of Recission

User can cancel its purchase of *impak Coin* by sending a notice to the Corporation by midnight on the second business day after confirmation of contribution.

4. The Issuer

Name:	IMPAK FINANCE INC. (the “Corporation” or “impak Finance” or “IMPAK”)
Head Office Address:	2700 – 1000 Sherbrooke Street West, Montreal, Quebec H3A 3G4

5. The Offering

Securities Offered:	Impak Coin (MPK)
Price per Security:	\$1.00 per MPK
Minimum/Maximum Offering:	The minimum is \$500,000 of MPK. The maximum is \$10,000,000 of MPK. Funds available under the Offering may not be sufficient to accomplish the Corporation’s proposed objectives.
Minimum Subscription Amount:	The minimum subscription amount per subscriber is 1 ETH / 0.01 BTC / CAD 100.
Proposed Closing Dates:	The closing of the sale of the impak coins offered hereunder will take place at such times as are chosen by the Corporation.
Income Tax Consequences:	There are important tax consequences to these securities. See Section 11 of this document and Section 8 of the impak Coin Whitepaper.
Not a shareholder:	The MPK does not provide any ownership right in respect of the Corporation or its assets. MPK holders will have no rights to participate in the profits or the distribution of assets of the Corporation, nor will have the right to vote in any security holders’ meeting of the Corporation.
Tradeability:	No secondary market currently exists for the MPK. The MPK may not be tradable for money or other cryptocurrency.
Merits not reviewed by regulator:	No securities regulator has assessed the merits of an investment in the MPK.

6. Use of Funds

The proceeds of this ICO will be assigned to the Corporation to fund the necessary reserves and all development costs of the impak Project (including but not limited to impak Coin Software, impak.eco Platform, impak Pay e-Wallet, security, documentation, marketing and promotion, communication, user support, usability and applicability), including the costs already incurred. The Corporation reserves the right to engage subcontractors to perform the entire or partial development of the impak Project, at its own discretion.

The proceeds of this ICO will be utilized according to the following schedule:

Expense items	Funds Allocation	Funds Allocation
	CAD Min. amount	CAD Max. amount
Product development		
impak Coin (MPK) architecture	75,000	150,000
impak Pay eWallet (retail and enterprises)	65,000	250,000
MPK marketplace in eWallet	50,000	250,000
impak.eco online social network development	75,000	2,250,000
Marketing & Sales	15,000	2,500,000
Liquidity reserve for market making	200,000	4,000,000
Product maintenance	10,000	450,000
Legal	10,000	150,000
Total	500,000	10,000,000

7. The Crowdsale

7.1 Terms

MPK Denomination	1 MPK = 1 CAD or equivalent in BTC or ETH
MPK Cap	Minimum: 575 000 Coins Maximum: 11 500 000 Coins (Refer to Section 6.3.3 Bonus of Whitepaper)
Transactions Fees	Refer to section 6.8.3 of Whitepaper.
Reserve in CAD kept	Year 1 reserve 40% of Crowdsale Year 2 reserve 30% of Crowdsale
Reserve in MPK kept	15% of Crowdsale
MPK Buyback	MPK Governance Body will maintain stability of the MPK market by buying and/or selling MPKs on the marketplace.
Trading Term	MPK are intended to be traded in perpetuity once issued, however, all MPK are subject to resale restrictions outlined in Section 10 as well as the Escrow Period described below.
Ongoing Pricing Policy	The price of the MPK in CAD will be established by the MPK Governance Body once every quarter and will be correlated on the evolution of the total transaction value within <i>impak.eco</i> .
MPK expected date of launch	June 2018
expected <i>impak Pay eWallet</i> launch	June 2018
Escrow period	The escrow schedule for all initial holders of MPK is: 1/4 tradable immediately at launch of <i>impak Pay eWallet</i> 1/4 tradable 6 months following <i>impak Pay eWallet</i> launch 1/4 tradable 12 months following <i>impak Pay eWallet</i> launch 1/4 tradable 18 months following <i>impak Pay eWallet</i> launch
Use of funds	Refer to section 6 of this document.
Governance	All MPK holders will have gone through an identification process (KYC). The MPK Governance Body, composed of independent value aligned members, will be responsible of the MPK price stability by controlling the MPK supply and by maintaining the MPK market with its own reserve.

*the terms and conditions may change and *impak Finance* reserves the right to modify one or all of those dates. The Crowdsale landing page terms and conditions will prevail.

7.2 Funds Held in Escrow

All proceeds from the ICO will be placed in escrow pending the minimum raise of \$500,000 being achieved and the requirements of KYC and suitability being met. Funds will be returned to investors if the minimum raise of \$500,000 is not reached by *impak Finance* or returned to specific investors if *impak Finance* deems their contribution unsuitable, according to its own business rules.

Funds will be returned to investors minus applicable transaction fees.

8. Development and Delivery of impak Coin (MPK)

8.1 Timeline for impak Coin delivery

Development and completion of the impak Coin Software and the impak.eco Platform and other applications will be developed during the next 10 months. impak Coin will be delivered to Users only when the version 1.0 of the impak Coin Software is completed.

8.2 impak Coin Functionality

In the case that the impak Project is successfully developed, the usage of the impak Coin Software as deployed by IMPAK shall:

- a. Be subject to the payment of impak Coin as a usage licence fee;
- b. Contain the usage right functionality (usage licence) of the impak Coin as set forth under herein and as they may develop during the development period;
- c. Contain changes to take additionally required impak Coin Software and/or impak Coin functionality into account;
- d. Be a digital means of exchange within the impak.eco Platform and/or in other environments as they could develop.

8.3 Usage of impak Coins

impak Coins are only for use in connection with the impak Project, within the framework defined by the impak Coin Software yet to be deployed, and only constitute a transferable representation of the functions built therein.

8.4 Rewards Mechanism

Upon its completion, the impak Coin Software will feature a rewards mechanism. The initial inflation amount specified in the impak Coin Software will be set as described in the impak White Paper. The purpose of the rewards mechanism is to incentivize and to encourage participating members to put their buying power at each other's disposal and keep it circulating within the Impact Economy, thereby providing impact enterprises with additional sales volume and loyalty. Such rewards mechanism will lead to an increase in the number of MPKs in circulation.

9. Representations and Warranties by User

9.1 White Paper

User has carefully reviewed the latest version of the impak Coin ICO White Paper / OM located on www.impactcoin.com and fully understands and accepts its contents.

9.2 Residency

User is not a citizen or resident of the United States of America

9.3 Cryptocurrency Knowledge

User has a sufficient understanding of the functionality, usage, storage, transmission mechanisms and intricacies associated with cryptographic Coins, and blockchain-based software;

9.4 Jurisdiction

User is legally permitted to create, receive, hold and use Coins in User's jurisdiction;

9.5 Age

User is of a sufficient age to legally create, receive, hold and use Coins;

9.6 Speculation

User is not seeking to obtain impak Coins for the sole purpose of speculation on the value of the impak Coin;

9.7 Legality

User is not obtaining or using impak Coins for any illegal purposes;

9.8 No Class Action Suit / Arbitration

User waives the right to participate in a class action lawsuit or arbitration against any entity or individual involved with the impak Project and the contribution;

9.9 No refunds

User understands that User, other than set forth in the Terms, has no right against any other party to request any refund of Ether (ETH) or Bitcoin (BTC) or fiat currency under any circumstance;

10. Risk Factors

Participation in this Crowdsale should only be made after consulting with independent and qualified sources advice. Participation in this Crowdsale at this time is highly speculative due to the stage of the Corporation's development and requirement to raise additional financing to carry out its long-term business plan. Participants must rely on management of the Corporation. Any participation in this Crowdsale at this stage involves a high degree of risk.

10.1 Investment Risk

10.1.1 Pricing

The Price of the MPK will be set by the Corporation prior to the beginning of the contribution period and may contain an increasing price mechanism. Pricing details are located on the impak Coin Crowdsale Platform at (www.impakcoin.com)

10.1.2 The Corporation may not declare any dividends.

The Corporation has not declared or paid any dividends on its impak Coins since inception and does not anticipate paying any such dividends on its impak Coins for the foreseeable future. Investors seeking dividend income or liquidity should not invest in the impak Coins.

10.1.3 Prospectus exemption

The Offering is being made pursuant to exemptions from the prospectus and registration requirements of applicable securities legislation (the “**Exemptions**”). As a consequence of acquiring the impak Coins offered hereby pursuant to such Exemptions and the fact that no prospectus has or is required to be filed with respect to any of the impak Coins offered hereby under applicable securities legislation in Canada: (i) you will be restricted from using certain of the civil remedies available under applicable securities legislation; (ii) certain protections, rights and remedies provided in such legislation will not be available to you; (iii) you may not receive information that might otherwise be required to be provided to you under such legislation; and (iv) the Corporation is relieved from certain obligations that would otherwise apply under such legislation.

10.1.4 No public market exists for the impak Coins

There is no market for resale of the impak Coins as they are not traded on any stock exchange. Consequently, it may be difficult or even impossible for investors to sell them. In addition, the impak Coins may not be readily acceptable as collateral for loans.

There are restrictions on resale of the impak Coins by investors. Such restrictions on resale may never expire and investors should consult with their professional advisors in respect of resale of the impak Coins. See Item 10 - “*Resale Restrictions*” in this regard.

The Corporation does not presently intend to qualify its securities for sale to the public by way of prospectus.

10.1.5 Changes in Legislation

There can be no assurance that income tax laws and laws relating to the banking industry will not be changed in a manner which adversely affects the Corporation or distributions received by its security holders.

10.1.6 Speculative participation

A participation in the Crowdsale is highly speculative. Purchasing the MPK currency in advance should be considered only by participants who are able to make a long term commitment and are aware of the risk factors involved in such a participation. You should only purchase the MPK currency if you are able to bear the risk of the entire loss of your participation and have no need for immediate liquidity in such purchase.

10.1.7 MPK Holders may experience more dilution.

The Corporation is authorized to issue the MPK cryptocurrency according to the terms described in this White Paper. MPK holders may experience more dilution in the future.

10.1.8 No guaranties of liquidity for the MPK.

There is absolutely no guarantee that impak Coin holders will be able to sell Coins through the MPK marketplace as there is a high risk of having no buyers or sellers if the impak Project is not a commercial success. Consequently, it may be difficult or even impossible for Users to sell impak Coins.

10.1.9 Restrictions on resale of MPK.

There are restrictions on resale of the impak Coin for participants of this Crowd sale. Such restrictions on resale are described in Section 10 of this White Paper.

10.1.10 MPKs are not insured.

The Corporation is not a member institution of the Canada Deposit Insurance Corporation and MPKs pre-sold in this crowdsale are not insured against loss.

10.1.11 Less than Full Amount pre-sold

There can be no assurance that more than the minimum amount will be pre-sold. In that case, less than the maximum funds will be available to the Corporation and, consequently, its technology development and business development plans and prospects could be adversely affected.

10.1.12 Absence of validation of the information provided to the Corporation and reproduced in this Offering Memorandum

The information provided to the Corporation by any person and reproduced in this Offering Memorandum about such persons or about activities of any other person than the Corporation has not been at this stage verified by the Corporation and as such, might not be accurate in whole or in part and no one shall rely on any of such information for the purposes of participating in the Offering.

10.1.13 Main Principles of MPK CrowdSale

By transferring Ether (ETH) or Bitcoin (BTC) to the MPK Crowd sale platform and the MPK Software System creating and assigning impak Coins to User, User confirms to understand and accept that User makes a contribution into the MPK Crowd sale platform for the development of software, in particular the impak Coin, eWallet, and impak.eco social network, and the respective IP rights, including security audits, marketing & communication and research activities related to the development of impak.eco and impak Coin (together "IMPAK PROJECT").

10.1.14 Development on a best effort basis

User and Participant in the MPK Crowd sale further confirms to understand and accept that while the individuals and entities assigned to this task, in particular the Corporation and its subcontractors, will make reasonable efforts to develop and complete the impak Project, it is possible that such development may partially or fully fail and User's impak Coins become useless-and/or valueless due to technical, commercial, regulatory or any other reasons (see Section 6.1. regarding risks).

10.1.15 Complete loss due to Commercial Risk

User is also aware of the risk that even if all or parts of the impak Coin are successfully developed and released in full or in parts, due to a lack of public interest, the impak Project could be fully or partially abandoned, remain commercially unsuccessful or be shut down for lack of interest or other reasons. User therefore confirms to understand and accept that the transfer of Ether (ETH) or Bitcoin (BTC) or FIAT CURRENCY to the MPK Crowdsale platform and the creation of impak Coins carry significant financial and/or regulatory risks (including the complete loss of the contributed Ether (ETH) or Bitcoin (BTC) or FIAT CURRENCY or the loss of any value or functionality of allocated impak Coins .

10.1.16 Complete understanding of terms and conditions

By transferring Ether (ETH) or Bitcoin (BTC) or FIAT CURRENCY to the MPK Crowdsale platform User expressly agrees to all of the terms and conditions set forth on the MPK Crowdsale platform (together the "Terms"). User further confirms to have carefully reviewed this White Paper and the terms and conditions set forth in this document and fully understands the risks and costs of participating in contribution and contributing Ether (ETH) or Bitcoin (BTC) or FIAT CURRENCY to the MPK Crowdsale platform for the development of the impak Project.

10.1.17 Usage License. No Ownership, Revenue or Governance Rights.

Ownership of impak Coin (MPK) carries no rights express or implied other than a limited right (license) to use the MPK Software System and digital means of exchange in the MPK Blockchain network, if and to the extent the MPK Software System has been successfully completed and deployed. In particular, User understands and accepts that impak Coin do not represent or constitute any ownership right or stake, share or security or equivalent rights nor any right to receive future revenues shares or any other form of participation or governance right in or relating to the impak Project (i.e. the MPK Software System) and/or the Corporation.

10.2 Business Risk

10.2.1 No assurance of profitability

The Corporation operates at a loss and there is no assurance that the Corporation will ever be profitable. No revenues have been recorded as of the date of this Offering Memorandum, as the revenue model is contingent on the interactions generated on the impak.eco platform.

10.2.2 Financial Hardship

Most of the proceeds from an equity crowdfunding campaign the Corporation has conducted in Q4 2016 have been utilized to start coding the impak.eco platform (including the MPK) and to assemble the team required to achieve the Corporation's business objectives. As of the date of this offering memorandum, the Corporation would not have the financial resources to complete the development of the impak.eco platform and the MPK without the proceeds of this ICO.

10.2.3 *There is no guarantee that the Corporation will obtain status as a Schedule I Bank under the Bank Act.*

After the completion of the Crowdsale and subject to receiving sufficient funds, the Corporation intends to apply to obtain status as a Schedule I Bank as defined under the *Bank Act*. There is no guarantee as to when the Corporation will obtain status as a Schedule I Bank, or if it will ever obtain such status. If the Corporation's application is rejected, the Corporation will modify its business plan and it could adversely affect the Corporation's business and financial condition.

10.2.4 *Personal data*

The Corporation receives, transmits and stores a large volume of personally identifiable information and other sensitive data from its customers and potential customers. There are federal, provincial and foreign laws regarding privacy and the storing, sharing, use, disclosure and protection of personally identifiable information and sensitive data. Specifically, personally identifiable information is increasingly subject to legislation and regulations to protect the privacy of personal information that is collected, processed and transmitted. Any violations of these laws and regulations may require the Corporation to change its business practices or operational structure, address legal claims and sustain monetary penalties and/or other harms to its business.

The regulatory framework for privacy issues in Canada is constantly evolving and is likely to remain uncertain for the foreseeable future. The interpretation and application of such laws is often uncertain, and such laws may be interpreted and applied in a manner inconsistent with the Corporation's current policies and practices or require changes to the features of its platform. If either the Corporation or its third-party service providers are unable to address any privacy concerns, even if unfounded, or to comply with applicable laws and regulations, it could result in additional costs and liability, damage its reputation and harm its business.

10.2.5 *Additional capital may be required*

The Corporation intends to continue to make investments to support the growth of its business. As such, it may require additional capital to pursue its business objectives and respond to business opportunities, challenges or unforeseen circumstances, including increasing its marketing expenditures to improve its brand awareness, developing new products or services or further improving existing products or services, enhancing its operating infrastructure and acquiring complementary businesses and technologies. Accordingly, it may need to engage in equity or debt financings to secure additional funds. However, additional funds may not be available when the Corporation needs them, on terms that are acceptable to the Corporation, or at all. In addition, the Corporation's agreements with other lenders may make it more difficult for it to obtain additional capital and to pursue business opportunities.

If the Corporation raises additional funds through further issuances of equity or convertible debt securities, its existing shareholders could suffer significant dilution, and any new equity securities the Corporation issues could have rights, preferences and privileges superior to those of holders of its common stock. If the Corporation is unable to obtain adequate financing or financing on terms satisfactory to the Corporation, when it requires, its ability to continue to pursue its business objectives and to respond to business opportunities, challenges or unforeseen circumstances could be significantly

limited, and its business, operating results, financial conditions and prospects could be adversely affected.

10.2.6 *Risks Inherent to the WAVES Platform*

Waves is a public blockchain and therefore its content is accessible to any of its participating peers. Anyone can join Waves by creating a node and have access to all its content. The Corporation will only store encrypted content on the Waves platform, but cannot guarantee that the Waves platform will not be hacked and data compromised.

10.2.7 *Security breaches of customers' confidential information*

The Corporation stores customers' personal and banking information and other sensitive data. Any accidental or wilful security breaches or other unauthorized access could cause the theft and criminal use of this data. Security breaches or unauthorized access to confidential information could also expose the Corporation to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in the Corporation's software are exposed and exploited, and, as a result, a third party obtains unauthorized access to any of its customers' data, the Corporation's relationships with its customers will be severely damaged, and the Corporation could incur significant liability.

Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, the Corporation and third-party hosting facilities may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, certain provinces have enacted laws requiring companies to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause the Corporation's customers to lose confidence in the effectiveness of its data security measures. Any security breach, whether actual or perceived, would harm its reputation and the Corporation may lose customers.

10.2.8 *If products and platform enhancements do not achieve sufficient market acceptance*

The Corporation incurs expenses and expends resources upfront to develop, acquire and market new products and platform enhancements to incorporate additional features, improve functionality or otherwise make its platform more desirable to its customers.

10.2.9 *It may be difficult and costly to protect the intellectual property rights, and the Corporation may not be able to ensure their protection.*

The Corporation's ability to service its customers depends, in part, upon its intellectual property. It primarily relies on copyright, trade secret and trademark laws, trade secret protection and confidentiality or license agreements with its employees, customers and others to protect its intellectual property rights. However, the steps it takes to protect its intellectual property rights may be inadequate. The Corporation currently does not have any issued patents.

In order to protect its intellectual property rights, the Corporation may be required to spend significant resources to monitor and protect these rights. Litigation brought to protect and enforce its intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of its intellectual property. Furthermore, its efforts to enforce its intellectual property rights may be met with defences, counterclaims and countersuits attacking the validity and enforceability of its intellectual property rights. The Corporation's failure to secure, protect and enforce its intellectual property rights could seriously harm its brand and adversely affect its business.

10.2.10 The Corporation's success and future growth depend in part on its successful marketing efforts and increased brand awareness.

The Corporation believes that an important component of its growth will be continued market penetration through its direct marketing channel. To achieve this growth, the Corporation anticipates relying heavily on marketing and advertising to increase the visibility of the impak brand with potential customers. The goal of this marketing and advertising is to increase the strength, recognition and trust in the impak brand, drive more unique visitors to submit applications on its mobile platform, and ultimately increase the number of customers banking with the Corporation or the number of loans made to its customers.

If the Corporation is unable to recover its marketing costs through an increase in the number of saving accounts opened and in the number of loans made, or if it discontinues its broad marketing campaigns, it could have a material adverse effect on its growth, results of operations and financial condition.

10.2.11 The Corporation relies on its management team and need additional key personnel to grow its business, and the loss of key employees or inability to hire key personnel could harm its business.

The Corporation believes its success has depended, and continues to depend, on the efforts and talents of its executives and employees, including Paul Allard, Tima Gros, Philippe Gablain, Pierre-Étienne Vachon, François Le Bel, Stéphane Dumont, Armen Ouzounian and Jean Oulhen. Its future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Corporation may incur significant costs to attract and retain them. In addition, the loss of any of its senior management or key employees could materially adversely affect its ability to execute its business plan and strategy, and it may not be able to find adequate replacements on a timely basis, or at all.

10.2.12 Litigation may adversely affect the Corporation's business and financial condition.

The Corporation's business is subject to the risk of litigation by employees, customers, consumers, suppliers, competitors, shareholders, government agencies, or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. The outcome of litigation, particularly class action lawsuits, regulatory actions and intellectual property claims, is difficult to assess or quantify. Plaintiffs in these types of lawsuits may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to these lawsuits may remain unknown for

substantial periods of time. In addition, certain of these lawsuits, if decided adversely to the Corporation or settled by the Corporation, may result in liability material to its financial statements as a whole or may negatively affect its operating results if changes to its business operations are required. The cost to defend future litigation may be significant. There also may be adverse publicity associated with litigation that could negatively affect customer perception of its business, regardless of whether the allegations are valid or whether the Corporation are ultimately found liable. As a result, litigation may adversely affect its business and financial condition.

10.3 Industry Risk

10.3.1 *Limited operating history in an evolving industry*

The Corporation has no operating history in an evolving industry that may not develop as expected. Assessing its business and future prospects is challenging in light of the risks and difficulties it may encounter. These risks and difficulties include its ability to:

- > navigate complex and evolving regulatory and competitive environments;
- > increase the number of customers;
- > successfully maintain and evolve our internal controls to manage compliance with an evolving and complex regulatory environment;
- > improve the terms on which the Corporation lends to its customers as its business becomes more efficient;
- > increase the effectiveness of its direct marketing and ability to identify the trends relevant to its targeted demographics;
- > successfully develop and deploy new products;
- > successfully maintain its funding strategy;
- > favorably compete with other companies that are currently in, or may in the future enter, the business of financial services to its targeted demographics;
- > successfully navigate economic conditions and fluctuations in the financial services market;
- > effectively manage the growth of its business;
- > successfully expand its business;
- > continue to revise its platform's proprietary credit model;
- > continue to develop, maintain and scale its platform;
- > effectively use limited personnel and technology resources;
- > effectively maintain and scale its financial and risk management controls and procedures;
- > maintain the security of its platform and the confidentiality of the information provided and utilized across its platform; and
- > attract, integrate and retain an appropriate number of qualified employees.

10.3.2 The financial services industry is highly regulated

The Corporation's business is subject to numerous federal, provincial and other local laws, ordinances and regulations in each of the jurisdictions in which it operates, which are subject to change and which may impose significant costs or limitations on the way the Corporation conducts or expands its business. These regulations govern, or affect, among other things:

- > lending and collection practices, such as truth in lending and short-term and instalment lending and continuous payment authority;
- > interest rates and usury;
- > loan amount and fee limitations;
- > licensing and posting of fees; and
- > privacy of personal consumer information.

As the Corporation develops and introduces new products and services, it may become subject to additional laws and regulations. Future legislation or regulations may restrict the Corporation's ability to continue its current methods of operation or expand its operations and may have a negative effect on its business, results of operations and financial condition. In addition, future legislation or regulations, or amendments to existing regulatory regime, could require the Corporation to modify its platform and processes, which may cause the Corporation to incur additional costs.

10.3.3 Changes in Legislation

There can be no assurance that income tax laws and laws relating to the industry in which the Corporation operates will not be changed in a manner which adversely affects the Corporation business plan.

11. Tax Matters

11.1 Income Tax Consequences and RRSP Eligibility

You should consult your own professional advisors to obtain advice on the income tax consequences that apply to you.

11.2 Changes in Legislation

impak Coin usage is subject to changes in Canadian federal and provincial tax laws, tax proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation of the same. There can be no assurance that tax laws, tax proposals, policies or regulations, or the interpretation thereof, will not be changed in a manner which will fundamentally alter the tax consequences to impak Coin holders acquiring, holding or disposing of MPKs.

For all of the aforesaid reasons and others set forth and not set forth herein, impak Coin involves a certain degree of risk. Any person considering the purchase of MPKs should be aware of these and other factors set forth in this document and should consult with

his/her legal, tax and financial advisors prior to making an investment in MPKs. MPKs should only be purchased by persons who can afford to lose all of their total investment.

12. Waiver of Liability

12.1 Direct or Indirect Damages

The User acknowledges and agrees that, to the fullest extent permitted by any applicable law, the disclaimers of liability contained herein apply to any and all damages whatsoever caused by or related to use of, or inability to use, *impak Coin* or the *impak Coin Software* 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). User acknowledges and agrees that neither IMPAK (including IMPAK's founders, officers, directors, agents, joint ventures, employees, advisors and suppliers), nor any other person, entity and/or affiliates involved with the deployment of the *impak Coin Software* and the setting up of *impak.eco Platform* and/or the *impak Coin*, nor any developer, subcontractor or founder of IMPAK shall be liable for any damages, including direct or 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 inability to use, or creation of, or inability to create, *impak Coin*.

12.2 Third-Party Conduct

The User further specifically acknowledges that neither IMPAK (including IMPAK's officers, directors, agents, joint ventures, employees, advisors and suppliers), nor any other person, entity and/or affiliates involved with the deployment of the *impak Coin Software* and the setting up of *impak.eco Platform* and/or the *impak Coin*, the developers, subcontractors or founders of IMPAK are liable, and the User agrees not to seek to hold any of the them liable, for the conduct of third parties, including other Users of *impak Coin*, and that the risk of creating, receiving, holding and using *impak Coin* rests entirely with the User. The User further agrees not to hold liable IMPAK (including IMPAK's founders, officers, directors, agents, joint ventures, employees, advisors and suppliers), nor any other person, entity and/or affiliates involved with the deployment of the *impak Coin Software* and the setting up of *impak.eco Platform* and/or the *impak Coin*, nor any developer, subcontractor or founder of IMPAK for any regulatory implications or liability associated with or arising from the creation, allocation, ownership or use of *impak Coin* or any other action or transaction related to the *impak Coin Software* and the setting up of *impak.eco Platform* and/or the *impak Coin*.

13. Miscellaneous

13.1 Privacy

impak Finance will not sell, rent or share User's personal information with a 3rd party without User's express permission, unless required by law.

13.2 Launch Location

The development and launch of the impak Coin Software and the setting up of impak.eco Platform and/or the impak Coin is located in Canada. Consequently, the creation and allocation of impak Coin and the assignment of the development of the impak Coin Software to IMPAK are considered to be executed in Canada.

13.3 Applicable Law

The applicable law is Canadian and specifically the province of Quebec Law.

13.4 Dispute Resolution

Any dispute arising out of or in connection with the creation of the impak Coin and the development of the impak Project shall be finally settled by the courts of Montreal, Quebec, Canada.

13.5 Complete Sales Governance Terms

These Terms along with the impak White Paper, sets forth the entire understanding of each User with respect to the purchase and sale of impak Coin. User agrees to rely only on these Terms and the impak White Paper in determining purchase decisions and understands that these Terms and the impak White Paper govern the creation and allocation of impak Coin and supersede any public statements about the Launch made by third parties or by IMPAK, the IMPAK Team or individuals associated with IMPAK or the IMPAK Team, past and present and during the Launch.

13.6 Severability

If any provision 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.

13.7 Updates to the Terms

IMPAK reserves the right, at its sole discretion, to change, modify, add, or remove portions of the Terms at any time during the contribution by posting the amended Terms on the website. Any User will be deemed to have accepted such changes by creating, receiving, holding or using impak Coin.

13.8 User's Discretion

If at any point User do not agree to any portion of the then-current version of the Terms, User should not contribute, receive, hold or use impak Coin.

13.9 Whitepaper Supersedes

To the extent these Terms conflict with the impak White Paper, the impak White Paper shall govern.