

## **Terms of Use**

### **Preamble**

Project Meta Toy DragonZ is a digital artwork collection project that runs on the Klaytn Network. The owners who purchase or own Project Meta Toy DragonZ's Meta Toy DragonZ, Meta Toy Gamers and Meta Toy Bricks in accordance with these Terms of Use shall be deemed to have agreed to the use of the digital artwork collection and take all the responsibility for all transactions related to the digital artwork collection.

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### **Ownership, Intellectual Property Rights**

#### **Definitions**

1. "Meta Toy DragonZ," "Meta Toy Gamers," and "Meta Toy Bricks" are digital artwork collections in the form of NFTs (Non Fungible Tokens) that run on the Klaytn Network.
2. "NFT" means a token that cannot be replaced, which exists in the blockchain network.
3. "Digital Art" means any art, graphics, images, designs, etc. related to an "NFT" that you possess in accordance with these Terms of Use.
4. "Derivative Works" mean any creative works produced by means of translation, arrangement, alteration, dramatization, cinematization, etc. of an original work; provided, however, that mere copies of "Digital Art" or any alterations that do not actually change the "Digital Art" do not constitute Derivative Works.

#### **OWNERSHIP**

You completely own the Meta Toy DragonZ that you have purchased. Ownership of the "NFT" is mediated entirely by the Smart Contract on the Klaytn Network: at no point may we (Sandbox Network Inc.) seize, restrict, or otherwise modify the ownership of any Meta Toy DragonZ that you own.

#### **INTELLECTUAL PROPERTY RIGHTS**

##### **1. The Intellectual Property Rights of the Digital Art**

You acknowledge and agree that we retain all intellectual property rights to the "Digital Art" linked to "NFT"s you own; provided, however, that you retain the right to use the "Digital Art" linked to "NFT"s you own in accordance with the conditions below.

## **2. LICENSE OF THE DIGITAL ART**

### **A. Right of Production of Derivative Works**

You may create "Derivative Works" based on Meta Toy DragonZ "Digital Art" linked to "NFT"s you own as long as you comply with the conditions below.

- a. The original work for which you may produce "Derivative Works" are limited to "Digital Art" linked to "NFT"s you own.
- b. If you wish to modify, transform or change "Digital Art" linked to "NFT"s you own when you produce a Derivative Work, you shall not modify, transform, or change the essential elements of each dragon in the "Digital Art" and may only make modifications, transformations or changes in the direction of adding additional elements other than those of the essential elements to the dragon of the original "Digital Art".
- c. The "Derivative Works" that do not comply with the conditions above or the Derivative Work similar to the works (including the "Derivative Works") of others may infringe our or a third party's intellectual property rights, and we have no liability to you or to any third party for any damages or losses arising therefrom.

### **B. Personal Use**

Solely for the following purposes and subject to your continued compliance with these Terms of Use, we grant you a worldwide, non-exclusive license to use the "Digital Art" related to the "NFT"s that you own, along with any "Derivative Works" you create in accordance with the provisions of Paragraph A:

- a. For your own personal, non-commercial use;
- b. As part of a marketplace that permits the purchase and sale of your Meta Toy DragonZ, provided that the marketplace cryptographically verifies each owner's rights to display the "Digital Art" related to the Meta Toy DragonZ to ensure that only the actual owner can display the "Digital Art"; or

- c. As part of a third party website or application that permits the inclusion, involvement, or participation of your Meta Toy DragonZ, provided that the website/application cryptographically verifies each owner's rights to display the "Digital Art" related to Meta Toy DragonZ to ensure that only the actual owner can display the Digital Art, and provided that the "Digital Art" is no longer visible once the owner of the Meta Toy DragonZ leaves the website or application.

### **C. Commercial Use**

Subject to your continued compliance with these Terms of Use, we grant you a worldwide, royalty-free, non-exclusive license to use the "Digital Art" related to the Meta Toy DragonZ you own or to create and use the "Derivative Works" of the "Digital Art" related to the Meta Toy DragonZ you own that you have created in accordance with Paragraph A ("Commercial Use"). Examples of such Commercial Use include the use of the "Digital Art" or the "Derivative Works" for your own project, to produce and sell merchandise products (e.g., t-shirts) using the "Digital Art" or the "Derivative Works", or displaying copies of "Derivative Works".

For the sake of clarity, nothing in this Section restricts you from the following:

- a. Owning or operating a marketplace that permits the use and sale of Meta Toy DragonZ generally, provided that the marketplace cryptographically verifies each owner's rights to display the "Digital Art" related to the Meta Toy DragonZ to ensure that only the actual owner can display the "Digital Art";
- b. Owning or operating a third party website or application that permits the inclusion, involvement, or participation of Meta Toy DragonZ generally, provided that the third party website or application cryptographically verifies each owner's rights to display the "Digital Art" related to the Meta Toy DragonZ to ensure that only the actual owner can display the "Digital Art", and provided that the Art is no longer visible once the owner of the purchased Meta Toy DragonZ leaves the website or application; or
- c. Earning revenue from any of the foregoing.

### **D. Prohibited Uses**

Notwithstanding the foregoing, you agree that you and any third party may not engage in the following acts without our expressed prior written consent. If we confirm that you have engaged in any of the following acts, you may lose your right to use your Meta Toy DragonZ which has been granted to you pursuant to these Terms of Use:

- a. Use Meta Toy DragonZ or any related "Digital Art" (including "Derivative Works")
  - (1) in a way that violates the laws of the Republic of Korea, or for criminal acts or other illegal acts under the Criminal Act and related respective Special Acts, (2) for pornography, instigation, fake news, sexually explicit activities, massage parlors, prostitution or any dating or escort activities, or any other such offensive actions, (3) in a way that denigrates, discriminates, or expresses hate against individuals based on race, national origin, gender, religion, disability, ethnicity, sexual orientation, gender identity or age, medical conditions and/or political campaigns or causes, (4) for the transmission or procuring of the transmission of any mass advertising or promotional material, including any spam emails or any other similar solicitation, or (5) in order to impersonate or attempt to impersonate Sandbox Network Inc., a Sandbox Network Inc. employee, or any other person or entity.
- b. Any other uses of Meta Toy DragonZ or connected digital products (including extended deliverables) which may hinder any business of Project Meta Toy DragonZ or damage the reputation or credibility of Sandbox Network Inc., including creating products or services that compete with Project Meta Toy DragonZ.

#### **E. Termination of License**

You may only exercise the rights that you hold under these Terms of Use while you own Meta Toy DragonZ. If you relinquish your ownership of Meta Toy DragonZ through sale, transfer, donation, or through any other disposal, you may not exercise any rights under these Terms of Use from the time you relinquish your ownership nor use the "Derivative Works" you created.

#### **TRADEMARK**

The Meta Toy DragonZ name, marks including the Meta Toy DragonZ logos, and all related names, logos, product and service names, designs, and slogans are trademarks of Sandbox

Network Inc. You must not use such marks without the prior written permission of Sandbox Network Inc. The fact that you own the "NFT" does not mean that we grant you permission to use our trademarks.

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## **FEES AND PAYMENT**

To purchase the "NFT", you are required to make the payment of a transaction fee ("gas fee") to use Klaytn network. Your payment is final and you cannot undo, reverse, or restore any transactions. You acknowledge that we have no control over these transactions of "NFT"s or the Klaytn Network and we have no liability to you or to any third party for any damages or losses which may arise as a result of transactions of "NFT"s including any gas fees for failed transactions, any excessive gas fees charged due to website or smart contract bugs, and any loss of any "NFT" due to website or smart contract bugs, and you shall indemnify us and our affiliates from and against any damages or losses arising therefrom.

## **RISK ASSUMPTION**

You acknowledge and agree to the following provisions:

1. Please note that the prices of "NFT"s are extremely volatile, and the fluctuations in the prices of other "NFT"s impact the price of the "NFT" you have purchased both positively and negatively. Given the volatility, "NFT"s such as Meta Toy DragonZ should not be considered as a financial investment instrument and do not constitute securities or derivatives pursuant to the Financial Investment Services and Capital Markets Act.
2. You represent and warrant that your purchase of "NFT"s is solely for your personal collection, use and enjoyment, and not for speculative or investment purposes, for use as a substitute for currency or other medium of exchange, or for resale or redistribution.
3. You agree to accept all risks associated with your purchase and transaction of "NFT"s, including changes in the value of your "NFT"s.
4. Ownership of Meta Toy DragonZ confers only ownership of the "NFT" related to the "Digital Art". Accordingly, no information on this website (or any other documents mentioned therein) is or may be considered to be advice or an invitation to enter into an agreement for any investment purpose. Further, nothing on this website qualifies as

or is intended to be an offering of securities in any jurisdiction nor does it constitute an offer or an invitation to purchase shares, securities or other financial products. Due to the artistic nature of the project, Project Meta Toy DragonZ has not been registered or approved by any regulator in any jurisdiction. It remains your sole responsibility to confirm that the purchase of the Meta Toy DragonZ and the associated "Digital Art" is in compliance with the laws and regulations in your jurisdiction.

5. You acknowledge and understand that by purchasing an "NFT", you are not acquiring any equity or other ownership or profit-sharing interest in Sandbox Network Inc., or any of its affiliates or any brand or other business venture.
6. You will not portray any "NFT" as an opportunity to gain economic benefit or profit, or as an investment, equity, or other ownership or profit-sharing interest in Sandbox Network Inc., or any of its affiliates or any brand or other business venture.
7. "NFT"s, digital assets and blockchain technology are relatively new and the regulatory landscape is unsettled. New regulations could negatively impact such technologies impacting the value of your Meta Toy DragonZ. You understand and accept all risks in this regard.
8. You acknowledge and agree that you assume all risks associated with your use of the Klaytn Network, including without limitation risks posed by disruptions to the Klaytn Network, or the Klaytn platform service, hardware and software failures, internet connection failures, malware, and unauthorized access to your wallet by third parties.
9. All "NFT" transactions take place on the Klaytn blockchain. Accordingly, you are solely responsible for the safety and management of your Klaytn wallet (private keys for the wallet, etc.) and the validation of all transactions and contracts generated by this website before approval.

#### **LINKS FROM THE THIRD PARTY SERVICES**

1. If our website or other services contain links to other sites or resources provided by third parties, these links are provided for your convenience only (this includes links contained in any third-party product marketplaces and in advertisements, including banner advertisements and sponsored links). We have no control over the contents of such third-party sites or resources, and accept no responsibility for them or for any loss or damage that may arise from your use of them.

2. If you decide to access any of the third-party websites linked in our website or other services, you do so entirely at your own risk and shall access and use such websites in accordance with the terms and conditions of use for, and privacy policies applicable to, such websites.

## **DISCLAIMERS**

1. All the information (including benefits) you obtained through the website operated by us or the content or services provided by us is provided "AS IS" and "AS AVAILABLE" without warranties of any kind, either express or implied. Therefore, to the fullest extent permitted by applicable law, we disclaim all warranties of any kind, whether express or implied, statutory, or otherwise.
2. We make no representation or warranty as to the accuracy, reliability, timeliness or completeness of any material on or accessible through the website operated by us or the contents provided by us. Any reliance on or use of such materials shall be at your sole risk.
3. To the fullest extent provided by law, we will not be liable for any loss or damage caused by a distributed denial-of-service attack, viruses, or other technologically harmful material.
4. If we are unable to comply with these Terms of Use or provide the benefits posted on the website due to the amendment and repeal of relevant laws, changes in government policies (including regulatory guidelines), administrative disposition or order, or any other similar cause, we shall be indemnified from any liability.

## **LIMITATION OF LIABILITY**

To the fullest extent permitted by applicable law, we will not be liable for the following losses or damages:

1. We will not be liable for loss or damages under any other theory of negligence or other forms of action or liability, and regardless of whether you have been informed of the possibility of such loss or damages, unless the loss or damages are reasonably foreseeable and directly result from our gross negligence or willful misconduct.

2. To the fullest extent provided by law, in no event will Sandbox Network Inc. be liable for damages of any kind arising out of or in connection with the "NFT"s we have created, nor with your use, or inability to use, the services, the websites, or any other content of the websites provided by Sandbox Network Inc., including any incidental, consequential, exemplary, indirect, or punitive damages.

## **WARRANTY**

You agree to defend, indemnify, and hold harmless Sandbox Network Inc., our affiliates, our successors, and assigns from and against any claims, liabilities, damages, judgments, awards, losses, costs, expenses, or fees (including reasonable attorneys' fees) arising out of or relating to (1) your violation of these Terms of Use, (2) your use of the services, (3) your production of "Derivative Works", (4) your use of the content, functions, or products other than as expressly authorized in these Terms of Use, or (5) your use of any information obtained from our website or through the contents or services that we have provided.

## **CHANGES TO THE TERMS OF USE**

1. We may make changes to these Terms of Use at our discretion. We are planning to update these Terms of Use periodically on the website; accordingly, please check these Terms of Use periodically for changes. We cannot provide you with any separate notices of these updates because there are no subscription procedures, and we do not collect your personal information.
2. The changes to these Terms of Use shall be announced on our website seven (7) days before the date on which the amended Terms of Use become effective, and shall include the effective date, and the reasons for the amendments.
3. Provided, however, any changes that are detrimental to the users' shall be announced at least thirty (30) days before the effective date
4. Your continued access to or use of our website after these Terms of Use have been updated will constitute your binding acceptance of the updates. If you do not agree to the amended Terms of Use, you may not access or use the website.

## **GOVERNING LAW AND JURISDICTION**

These Terms of Use (including without limitation, your access to and use of our website, the "NFT"s, or any goods purchased or distributed through the website, etc.) shall be governed by and construed in accordance with the laws of the Republic of Korea. Any disputes arising out of or in connection to these Terms of Use shall be resolved by the competent court in accordance with the procedures set out in the Civil Procedure Act of the Republic of Korea.