

Royalty Agreement

Parties

This Royalty Agreement is between T3 Play Limited (“the Company”) and holders or owners of a T3 Royalty Pass NFT (“the Holder”).

Background

The Company is a registered New Zealand business specializing in gaming and the creation of NFTs for the general public. The Holder may acquire the T3 Royalty Pass NFT by minting on the Company’s official website or from any secondary market. The Holder may receive royalties generated from the Company’s gaming platform (“T3 Play”). Once the T3 Royalty Pass NFT is acquired, the parties are bound by the terms and conditions of this agreement.

1. Definitions:

- (a) **Airdrop:** The distribution of \$T3P or XP tokens to the Holders
- (b) **Company:** T3 Play Limited
- (c) **Circulating:** The live supply of T3 Royalty Pass NFT’s (T3RP NFT) minted from <https://www.t3play.com>
- (d) **DApp:** A decentralized application (dApp) is an application that can operate autonomously, typically through the use of smart contracts, running on a decentralized computing, blockchain, or other distributed ledger system. Like traditional applications, DApps provide some function or utility to its users.
- (e) **ETH Token:** In the context of this agreement, a form of payment for any T3 Royalty Pass NFT (T3RP NFT) on the T3 Play website minting dApp will be ETH - The native token for the Ethereum network
- (f) **FF4 (Flight Force 4):** The flagship game being built by the Company and hosted on the T3 Play platform
- (g) **Full Acquisition:** An external entity purchasing 100% of the shares in T3 Play for an agreed price
- (h) **Holder:** Purchaser or Owner of any T3 Royalty Pass NFT (T3RP NFT)
- (i) **MetaData:** Metadata is "data that provides information about other data", but not the content of the data, such as the text of a message or the image itself. There are many distinct types of metadata, including: Descriptive metadata – the descriptive information about a resource. It is used for discovery and identification.
- (j) **Mint (Minting):** Process of creating new T3 Royalty Pass NFT’s (T3RP NFT) on a blockchain network.
- (k) **NFT:** Non-Fungible Token
- (l) **Partial Acquisition:** An external entity purchases a percentage of shares in T3 Play for an agreed-upon price
- (m) **Platform:** The T3 Play game launcher and platform on which games like FF4 are listed and hosted
- (n) **Poly Gunnerz:** A T3 Play owned game
- (o) **Royalties:** Rewards distributed to the Holders outlined in this agreement

- (p) **Secondary Market:** Any platform allowing the transfer of T3 Royalty Pass NFT's (T3RP NFT) between the Holders and third parties outside of the original purchase/minting website <https://www.t3playmint.com>
- (q) **T3RP NFT:** T3 Royalty Pass - An NFT on the Ethereum blockchain giving royalty benefits outlined in this agreement to the Holder.
- (r) **Space Kartz:** A T3 Play owned game
- (s) **Snapshot:** In the context of this agreement, the process of capturing the state of a blockchain at a specific block height is frequently referred to as taking a snapshot. In this instance, the snapshot captures the entirety of the blockchain ledger for the T3 Royalty Pass NFT (T3RP NFT) contract, including all the current Holder wallet addresses and how many T3 Royalty Pass NFT's they hold.
- (t) **Stablecoin:** A stablecoin is a type of cryptocurrency where the value of the digital asset (token) is supposed to be pegged 1:1 to a reference asset, in the case of this agreement \$USD. Examples: Tether USDT, USD-coin, Binance USD, Dai
- (u) **TGE:** Token generation event, the public launch of \$T3P
- (v) **Token:** In the context of this agreement represents any form of cryptocurrency or NFT stored on the blockchain
- (w) **Wallet:** a wallet is used to store users' public and private keys while providing an easy-to-use interface to manage crypto balances. They also support cryptocurrency transfers through the blockchain, as well as interacting with decentralized applications (dApps) like the T3 Play minting dApp.
- (x) **(\$ \$T3P Token:** The native token for the T3 Play platform, similar to ETH for Ethereum

2. Eligibility:

By agreeing or digitally signing this Agreement, the Holder represents and warrants that the Holder is not a resident or citizen of any country, territory, or state that prohibits the Holder from entering a legally binding royalties' contract. It is the Holder's responsibility to perform due diligence and find out if any local laws may affect them entering this agreement. If there are laws preventing the Holder from entering into a royalty agreement or if those laws are unclear, the Holder is prohibited from purchasing or owning the T3RP NFT's offered by the Company.

3. Purchase Price:

As consideration for the Company's payment of the Royalty, the Holder shall pay either a one-time purchase price of USD\$250 (Or nearest to that USD\$250 value in ETH token "Ethereum"), OR any purchase price of a T3RP NFT from any secondary market. Ownership of the T3RP NFT begins as soon as the T3RP NFT is in the custody of the Holder's personal Wallet. This is the Wallet that any royalty payment shall be distributed to; there are no exceptions to this rule.

T3RP NFT's will initially be offered on the T3 Play website to be minted in ETH to the value of \$250, or as close as possible to that value. The price will be updated daily as a minimum to compensate for fluctuations in ETH price in dollar value. This means there will be times when the actual minting cost may be higher than \$250 or may be lower than \$250 in ETH for a short period of time. Payment by card will also be permitted and will be USD\$250 per Series A NFT. Prospective Holders are not permitted to mint unless this Royalty Agreement has been accepted and therefore digitally signed. to be minted in ETH to the value of \$250, or as close as possible to that value. The price will be updated daily as a minimum to

compensate for fluctuations in ETH price in dollar value. This means there will be times when the actual minting cost may be higher than \$250 or may be lower than \$250 in ETH for a short period of time. Payment by card will also be permitted and will be USD\$250 per T3RP NFT. Prospective Holders are not permitted to mint unless this Royalty Agreement has been accepted and therefore digitally signed.

4. Secondary Market Sales:

All secondary market sales will incur a 50% royalty fee regardless of the value of the final sale. This royalty fee will be clearly displayed in the metadata description as well as the collection details. A link to this agreement will be permanently stored in the metadata that can be seen when viewing each T3RP NFT. All Secondary Market sales are subject to this agreement, and in purchasing the T3RP NFT from minting or from the secondary market, the Holder agrees in full to this. All fees from secondary market sales will be distributed equally to each minting (circulating) T3RP NFT.

5. Royalties from 10% from T3 Play Revenue:

By Holding any T3RP NFT, the Holder acknowledges and agrees to participate in the Company's royalty system. The system is designed to share 10% of T3 Play revenue generated from the following sources only as royalties:

- All Platform asset purchases for T3 Play owned games
 - A T3 Play owned game is a game that T3 Play owns, currently FF4 (Flight Force 4), Poly Gunnerz, and Space Kartz. T3 Play will build and acquire more games in the future.
- T3 Play Platform fees
 - Platform fees consist of:
 - All transaction fees using the \$T3P token on the T3 Play blockchain
 - All P2P (Person to person) rental contract fees
 - All T3 Play Marketplace fees (All P2P asset sales on the T3 Play marketplace)
 - All High stakes game mode fees

The company will distribute 10% of all above such revenue to the Holders as a royalty. The initial distribution will be equally divided among the Holders based on a snapshot taken 2 hours before distribution.

6. Royalty Distribution:

The initial distribution of royalties will be made in a Stablecoin or ETH (Ethereum) until the launch of the \$T3P token. Once the \$T3P token is launched, the distribution may include a combination of Stablecoin, ETH, or \$T3P tokens. These distributions will be monthly and will be airdropped directly to the wallet that the T3RP NFT's are held in. Any revenue generated post initial T3RP NFT mint date will be included in the first monthly distribution. The specifics of the distribution method and timing will be determined by the Company and communicated to the Holder

It is likely that in future the Holders will need to interact with a dApp on the T3 Play website each month to be eligible for the royalty distribution. It will be the Holder's OBJOBJOBJOBJ distribution.

This 10% will be distributed evenly among the circulating T3RP NFTs. This means that the fewer T3RP NFTs minted, the higher the royalty distribution per T3RP NFT, and vice versa, the more T3RP NFTs minted, the less each individual T3RP NFT will receive in total.

Example 1: 200 T3RP NFTs minted (200/5000), total monthly T3 Play revenue = \$200,000
10% of \$200,000 = \$20,000 split evenly between 100 T3RP NFTs
Royalties distributed per T3RP NFT held = \$200 each

Example 2: 1000 T3RP NFTs minted (1000/5000), total monthly T3 Play revenue = \$200,000
10% of \$200,000 = \$20,000 split evenly between 1000 T3RP NFTs
Royalties distributed per T3RP NFT held = \$20 each

5% in royalties from \$T3P Token sales (Distributed after public sale and token launch): 5% of total funds raised from \$T3P token sales, including public sale, will be distributed as royalties to all minted (circulating) T3RP NFTs once the \$T3P token has launched.

Example: The company raises a total of \$10 Million from \$T3P token raise, 5% = \$500,000 distributed equally to all minted (circulating) T3RP NFTs as a lump sum 1 month after \$T3P token launch (TGE).

1% of total \$T3P token supply (Airdropped over 4 years) equally to the Holders: All the Holders will receive a share in 1% of the total \$T3P token supply. These airdrops will begin 6 months post \$T3P TGE. Once the Holder receives the token, there are no restrictions on use of their \$T3P tokens. The fewer total T3RP NFTs minted (circulating), the more tokens each T3RP NFT will be airdropped, and vice versa, the more T3RP NFTs minted (circulating), the fewer tokens per T3RP NFT. The monthly total of \$T3P tokens airdropped will always be 625,000. \$T3P token airdrops will begin after the token has launched (TGE) and will be airdropped monthly, coinciding with all other monthly royalty payouts.

5% of proceeds generated from any full or partial acquisition/sale of the company: The Holder's will also have royalties paid out when the company encounters a partial or full acquisition. The Holders will vote on whether they want to continue this agreement with the new owner/equity holder, or if they want to vote YES to activate the 5% payout clause.

Example 1 (partial acquisition): An external entity wishes to buy into the company at a current market value of \$20 Million as a 20% Equity holder. They pay \$5 Million for a 20% share in the company at a valuation of \$25 Million, the Holders would be entitled to 5% of this total if they activate the acquisition clause.

The Holders vote to NOT activate the acquisition payout clause. In this case the company and new shareholders also agree to continue this agreement with all the Holders. In this case there will be no change to this agreement or the benefits for the Holders of T3RP NFTs.

Example 2 (full acquisition): An entity wishes to acquire the entire T3 Play company as the new 100% shareholder for \$50 Million. The Holders vote YES to activate the acquisition payout clause. In this case, the payout will be 5% of \$50 Million (\$2.5M) distributed equally between the minted (circulating) T3RP NFTs. - *Once a payout clause is complete, the 5% of funds will be distributed equally to all minted (circulating) T3RP NFTs, and this agreement between T3 Play and the T3RP NFTs will cease immediately.*

It's important to note that there can be no vote for an acquisition payout until 6 months after the public \$T3P token launch (TGE) unless otherwise voted on and agreed upon by all parties. This is to protect the

Holders from an early cheap exit by the company. Note: T3 Play cannot overrule a YES vote to activate the acquisition payout clause if there is a genuine acquisition/sale and is 6 months post-public \$T3P token launch (TGE).

50% Royalty fee from every secondary market T3RP NFT sales (All proceeds to the Holders): Any secondary market sale of a T3RP NFT will incur a 50% royalty fee. This gives the Holders a way to sell without imposing a long cliff period (e.g., no selling for 12 months), at the same time acting as a deterrent to sell unless absolutely necessary. The Holders benefit from this system too, so when NFTs are sold, 50% of the sale price goes back to the Holders equally as a monthly royalty payment.

7. T3RP NFT Governance and Voting:

The Holder will have access to the T3RP NFT holder-only governance channel within the T3 Play Discord. This is where discussions about how to improve the business and work together as a collective will take place. This is also where all T3RP NFT voting will take place. Anything can be proposed in the Discord, and the company will review every proposal after a YES vote with a decision on that proposal a YES vote must reach 70% consensus to pass. However, there are 2 clauses that the Holders have the right to vote on 6 months post \$T3P token launch (TGE). These are both to activate, or not activate the acquisition payout clause, whether partial or full acquisition. The company cannot deny the acquisition payout clause if the vote is YES. The company can choose to overrule a NO vote for an acquisition 6 months post \$T3P token launch (TGE); in this case, the Holders would be paid out and still receive the \$T3P token airdrops until complete, but all other Holder benefits in this agreement would end immediately.

8. Secondary Market purchased T3RP NFTs:

The Holder of any T3RP NFT acquired from any secondary market will begin receiving benefits from the next payout so long as the NFT transfer does not happen after the snapshot period. The snapshot will always be 24 hours before the royalty distribution each month. Regarding the \$T3P token airdrop, it is up to the Holder to do due diligence to find out how many tokens have been airdropped to the Holders and how many remain. This information will be available each month.

9. Royalty Distribution Process:

All royalty distributions to the Holders will be sent to the wallet holding the T3RP NFT at the time of the snapshot. There will be no exceptions to this; the Holder will need to make sure they hold their T3RP NFTs in a safe wallet that has not been compromised. Wallet security is the responsibility of the Holder, and the company will not be held liable or accountable for any damages or financial loss of the Holder's wallet being compromised in any way.

10. Reporting and Compliance:

The Holder agrees to report and comply with any tax or regulatory requirements applicable to the royalties received through the Holder's ownership of any T3RP NFTs. It is the Holder's responsibility to determine and fulfill any obligations arising from such earnings, in accordance with the Holder's local laws.

11. Modifications to the Agreement:

The Company reserves the right to modify or amend this Agreement at any time, in its sole discretion. Any modifications or amendments will be effective immediately upon posting on the T3 Play website or platform. The Holder's continued use of the platform or ownership of any T3RP NFTs after such modifications or amendments constitute the Holder's acceptance of the revised agreement.

12. Intellectual Property:

T3RP NFTs and all related intellectual property rights, including but not limited to trademarks, copyrights, and proprietary information, are owned by the Company. By owning a T3RP NFT, the Holder acknowledges and agrees that the Holder does not acquire any ownership or intellectual property rights to the T3RP NFT or any associated materials, except as expressly granted by the Company.

13. Royalty Agreement Termination:

There are only 3 ways this royalty agreement can be terminated:

- 1) There is a successful YES vote to activate the acquisition payout clause, and the details of that payment are met in full. If so, this agreement will be terminated immediately.
- 2) The company becomes subject to bankruptcy, liquidation, or receivership.
- 3) The company reserves the right to suspend or terminate the Holder's access to the T3 Play platform and ownership of T3RP NFTs, without prior notice, if the Holder violates any provision of this Agreement. Upon termination, all rights granted to the Holder under this Agreement shall cease, and the Holder must cease all use of the platform and return any copies of T3RP NFTs in the Holder's possession.

In the case of "2)", depending on the remaining assets of the company, it is possible the Holders may receive a final payout once all other financial liabilities have been compensated. The company's financial statements relating to this agreement will be made available to the Holders monthly/quarterly on request. Any above proceedings will be communicated transparently to the Holders.

14. Additional T3RP NFT Holder Royalty Share or Benefits:

There will be no further benefits to the Holders outside of those outlined in this agreement unless otherwise agreed upon in writing between both parties.

15. Independent Contracting Parties:

The Parties are not joint venturers, partners, principal and agent, master and servant, or employer and employee, and have no relationship other than as independent contracting parties. Neither Party shall be a legal representative of the other or have the power to bind or obligate the other in any manner.

16. Limitation of Liability:

To the fullest extent permitted by applicable law, the Company and its officers, directors, employees, and affiliates shall not be liable for any indirect, incidental, special, consequential, or punitive damages arising out of or in connection with this Agreement, the T3RP NFTs, or the use of the T3 Play platform.

17. Governing Law and Jurisdiction:

This Agreement shall be governed by and construed in accordance with the laws of the jurisdiction in which the Company is incorporated, without regard to its conflict of law principles. Any disputes arising under or in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts in that jurisdiction.

18. Prohibitions:

By owning a T3 Play T3RP NFT, the Holder agrees to the following prohibitions:

- **Prohibition of Reproduction and Distribution:** The Holder shall not reproduce, duplicate, copy, or distribute the T3RP NFT, in whole or in part, without the express written permission of the Company. This includes any attempts to create counterfeit or fraudulent versions of the .
- **Prohibition of Misrepresentation:** The Holder shall not misrepresent or falsely advertise the T3RP NFT, its benefits, or any claims related to the T3 Play platform, the Company, or its products and services.
- **Prohibition of Unauthorized Use of Intellectual Property:** The Holder shall not use the Company's trademarks, logos, or any other intellectual property without obtaining proper authorization from the Company in writing.
- **Prohibition of Illegal or Harmful Activities:** The Holder shall not use the T3RP NFT or the T3 Play platform for any illegal, harmful, or unethical purposes, including but not limited to money laundering, terrorism financing, or any other criminal activities.
- **Prohibition of Disruption:** The Holder shall not engage in any activities that may disrupt or interfere with the proper functioning of the T3 Play platform, the T3RP NFTs, or any other user's experience on the platform.
- **Prohibition of Exploitation of Vulnerabilities:** The Holder shall not attempt to exploit any vulnerabilities or security flaws in the T3 Play platform or any associated systems for personal gain or to cause harm to the platform or its users.
- **Prohibition of Unauthorized Access:** The Holder shall not attempt to gain unauthorized access to any accounts, data, or information on the T3 Play platform or any other systems associated with the Company.
- **Prohibition of Malicious Software:** The Holder shall not upload or distribute any malicious software, viruses, or harmful code that could potentially damage, disable, or impair the T3 Play platform or any user's devices.

19. Acknowledgment of Violations:

If the Company becomes aware of any violations of the prohibitions listed above or any other breaches of this Agreement, the Company reserves the right to take appropriate actions, including but not limited to the suspension or termination of the Holders access to the T3 Play platform and the forfeiture of the Holders ownership rights to the T3RP NFT, without prior notice.

20. Severability:

If any provision of this Agreement is determined to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect,

and the invalid, illegal, or unenforceable provision shall be modified or severed to the extent necessary to comply with applicable law and reflect the original intent of the parties.

By owning a T3 Play T3RP NFT, the Holder acknowledges and agrees to comply with all the prohibitions set forth in this section. Failure to adhere to these prohibitions may result in legal action, including but not limited to claims for damages and injunctive relief.

21. Entire Agreement:

This Agreement constitutes the entire agreement between the Holder, and the Company regarding the Holder's use of the T3 Play platform and ownership of T3RP NFTs, superseding any prior agreements or understandings, whether written or oral.

By owning a T3RP NFT, the Holder acknowledges that they have read, understood, and agree to be bound by all the terms and conditions of this Agreement. If the Holder does not agree to any provision of this Agreement, the Holder must not acquire or own any T3RP NFTs offered by the company.

Contact Us:

If the Holder has any questions about these Terms and Conditions, they can contact us by visiting this page on our website: <https://www.t3play.com> or, by sending us an email: info@t3play.com