



How Co-Funded Works

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What Is Co-Funding?

Co-Funded.com allows users ("**Co-Funder**" or "**you**") to commit certain amounts of money to fund an improvement, change, modification, or alteration ("**Suggestion**") to, in, or on a third party company, group or individual's ("**Actioning Party**") website, service, store, software, product, or business. If an Actioning Party accepts your Suggestion, then the Actioning Party creates a proposal and Co-Funded, L.L.C. ("**Co-Funded**") will coordinate with the Actioning Party to implement and track the Actioning Party's progress with implementing the Suggestion.

Making a Suggestion

If you have an idea on how to improve, change, modify, or alter an Actioning Party's business process or methods, website, software, product or services, then you can make a Suggestion at Co-Funded.com. Your Suggestion must be accompanied with the website for the Actioning Party. If known, you may, but are not required to, provide additional information about the Actioning Party, such as the name or operating currency. Co-Funded will coordinate with the Actioning Party to ascertain whether the Actioning Party will implement your Suggestion and track the Actioning Party's performance of implementing the Suggestion.

Co-Funded.com reserves the right, in its sole discretion, to edit your Suggestion. This may include but is not limited to correcting typos or rephrasing portions of a Suggestion to clarify the language, or to merge similar Suggestions. If you believe that any edits are inappropriate, you may contact us with the details of the issue so we may correct the edits.

Co-Funded reserves the right to cancel, interrupt, remove, or suspend a Suggestion at any time and for any reason. Co-Funded is not liable for any damages that may result from those actions. Co-Funded reserves the right not to comment on the reasons for any of those actions.

When a Suggestion is accepted by an Actioning Party, the Actioning Party will create a proposal based on the Suggestion outlining the details of what the Actioning Party will implement, including a target funding amount and timeline. This must be approved by Co-Funded before the Suggestion moves to the Accepted status.

Committing Money to a Suggestion

Your commitment ("**Commitment**") indicates the amount of money that you would pay for the Actioning Party

to implement a Suggestion Co-Funded does not ask you to make any payment until the Actioning Party has accepted the Suggestion. Once the Suggestion has been accepted by the Actioning Party, you will be able to track the Actioning Party's progress towards implementing the Suggestion on Co-Funded's website here [insert hyperlink]. Co-Funded will not pay the Actioning Party until the Co-Funders have confirmed that the Actioning Party implemented the Suggestion satisfactorily.

You may cancel a Commitment you have made if 30 business days have elapsed and the Suggestion is still in the "open" or "suggested" status on the website. Commitments may also be cancelled at Co-Funded's sole discretion.

Commitment amounts referenced in this document are in US Dollars. For Commitments or Suggestions in other currencies, the current exchange rate should be used to determine the equivalent amount in US Dollars. The limit for all Commitments in non-US Dollars is determined by the US exchange rate for the non-US currency for the date the Commitment is made. Due to the nature of exchange rates, this amount may fluctuate on a day to day basis.

Your Account

In order to make a commitment, you must create a user account on Co-Funded.com.

Once you have created a user account, you are able to make new Suggestions, commit money and make payments towards Suggestions. All Commitments and payments must be in whole numbers.

With a basic user account, the minimum Commitment amount is \$1 and the maximum Commitment amount for a Suggestion is \$25. Your total Commitment limit for Suggestions is \$100.

Examples:

If you commit \$25 to one Suggestion, then you have up to \$75 to commit to other Suggestions.

If you commit \$1 to three Suggestions, and \$4 to two other Suggestions, then you can commit up to \$89 to other Suggestions, at a later time.

In the event you wish to exceed the maximum Commitment limits, you have the option of (a) providing secondary verification by means of connecting via facebook, (b) gaining status or (c) authorizing your credit card for the amount you wish to commit.

Secondary verification allows you to commit up to \$100 to a Suggestion and increases your total Commitment limit for Suggestions to \$500.

Gaining Status allows you to commit more than the base limits. Any user will automatically gain status by paying \$100 or more within the past 12 months. A user with status can commit up to \$250 to one Suggestion and have up to \$1,000 committed overall.

If you wish to commit more than \$250 to a Suggestion, you must authorize your credit card for the amount you wish to commit. Authorization will only succeed if you have the funds you wish to commit available at the time of Commitment. The funds will be released immediately after authorization.

Co-Funded will never withdraw the funds from your account. If and when you wish to make payment, your payment is a separate transaction that is processed through a third party payment vendor. The authorization is solely used to confirm your Commitment.

Making Payment

By Accepting a Suggestion, the Actioning Party allows payments to be made. If you previously made a Commitment to the Suggestion, Co-Funded will ask you to make payment. While we ask that you pay what you said you would, you may pay less or more. If you did not make a Commitment, you may pay directly towards the Suggestion without first making a Commitment. There is no limit on how much you can pay towards an accepted Suggestion. If the target amount has already been reached, you may still pay towards the Suggestion. The Actioning Party will receive all funds paid towards a Suggestion after transaction and administrative fees have been deducted.

Payments made by Co-Funders are made via Braintree Payments. Your payment is held in escrow by Braintree Payments until the suggestion has been implemented and approved.

Co-Funded will never ask for your credit card information.

Unpaid Commitments may be released by providing Co-Funded with an explanation for the non-payment. Consistently committing to Suggestions but not paying may result in your account being suspended.

Refunds

Under certain circumstances, you may request or receive a refund for your payment.

Circumstances where this applies are:

If 90 days have passed since your payment and there have been no payments or other activity for the Suggestion in the last 14 days.

If a Suggestion is completed but the implementation is voted as unsatisfactory by the Co-Funders **and** you voted the implementation as unsatisfactory. In this circumstance, the refund will be automatic.

Approving the Implementation of a Suggestion

When the Actioning Party indicates that it has implemented the Suggestion, you may review and provide feedback on the Actioning Party's implementation of the Suggestion.

Each Co-Funder that paid towards the Suggestion may vote on the implementation of the Suggestion. Once the Suggestion has been implemented, Co-Funders have 30 days to vote. Each dollar paid is worth one vote. After 30 days, the Actioning Party will be paid unless more than 30% of the total possible voters vote "unsatisfactory" on the Actioning Party's implementation.

If more than 30% of the eligible voters vote that the implementation of the Suggestion was unsatisfactory, then the Actioning Party will have 30 days resolve the issues identified by eligible voters.

A second vote by the eligible voters will take place 30 days thereafter.

In the event the vote fails again, then Co-Funded in its sole discretion may decide whether to repeat the process. Otherwise, the Actioning Party's implementation will be considered to be a failure and any payments made by Co-Funders who voted for failure become available for transfer to another Suggestion or for refund (minus transaction costs).

In the event that the vote indicates that the Co-Funders are satisfied with the implementation, the Actioning Party will be paid the total amount received (even if it is more than the target), minus transaction and administrative fees.

How Do Companies Use Co-Funded.com?

Actioning Party's Domain and Verification

Before an Actioning Party can benefit from the Co-Funded service, a representative of the Actioning Party must claim ownership of the Actioning Party's website domain. This can be done with an email to the domain administrator, via DNS modifications or by contacting Co-Funded. By doing so, the representative agrees, represents and warrants that he or she has the authority to act on behalf of the Actioning Party.

Approving a Suggestion

Before a Suggestion becomes publicly visible, it must be approved. This is normally done by Co-Funded, however you are able to approve Suggestions for your domain. Once approved, Co-Funders may commit money to the Suggestion.

Opening a Suggestion

After the Actioning Party claims the domain as described above, the Actioning Party may Open a Suggestion at any time. The Actioning Party prepares and submits a proposal and designates a target amount (minimum \$100 US Dollars, no maximum), the Actioning Party may update these items at any time. If the amount of Commitments reaches the target amount, the Actioning Party will be notified, but is under no obligation to do anything further.

Accepting a Suggestion

The Actioning Party may change the status of a Suggestion to "Accepted" once they have setup their merchant account. This includes agreeing to the Braintree Payments CEA (www.braintreepayments.com/agreements/merchant). Once approved, the Actioning Party prepares and submits a proposal, designating a target amount (minimum \$10, maximum is the current committed amount), an estimated completion timeline and a description of how the money will be used. **By marking a Suggestion as "Accepted," the Actioning Party agrees that it will start implementing the Suggestion within 60 days of payments reaching the Actioning Party's target amount.** For example, if the target amount is \$1,000, the Actioning Party must start work once Co-Funded has received \$1,000. The total that the Actioning Party will receive may vary, but at a minimum in this example, the Actioning Party will receive \$1,000 less all transfer fees and Co-Funded's administrative fee (5% of the total payments received). These fees should be taken into consideration in advance when setting the target amount. Details of transfer fees will vary depending on the amount paid, the currency and

vendor used for merchant services. On completion of a suggestion, the Actioning Party will be able to download the full list of payments, transfer fees, dates and the Co-Funder's display name. If the user chose to opt in, the Actioning Party will also see the email address for those Co-Funders.

If Actioning Party marks a Suggestion as "Accepted", then once the target amount is achieved, the Actioning Party shall start the implementation of the Suggestion within 60 days of the target amount being achieved.

Starting Implementation of a Suggestion

By marking a Suggestion as "Started," the Actioning Party is indicating that the implementation of the Suggestion has started, in accordance with the Actioning Party's obligation to start implementation within 60 days of the target amount being paid to Co-Funded. The Actioning Party may also mark a Suggestion as "Started" at any time prior to reaching the target amount. If the Actioning Party chooses to mark a Suggestion as "Started" prior to reaching the target amount, the Actioning Party shall be entitled to a minimum of the amount of funds paid at the time that the suggestion was marked as Started, less all applicable fees.

Obtaining Funds after Implementation

By marking a Suggestion as "Completed", the Actioning Party is indicating that it has completed the implementation, and is ready to submit the improvement to Co-Funders for their approval, pursuant to the voting procedure ("User Acceptance"). If less than 30% of the total possible votes indicate that the implementation was unsatisfactory, then the Actioning Party will be entitled to receive the Actioning Party's target amount less all applicable fees, whichever is appropriate. If more than 30% of the total possible votes indicate that the implementation was unsatisfactory, the Actioning Party will have another 30 days to rectify the issue. After this period, a second vote occurs in which all Co-Funders may re-vote. The same rules as the first vote apply. If this vote also fails, the process repeats one more time. If it still fails, it indicates that the Actioning Party was unable to rectify the issues. If the Actioning Party believes that they have fulfilled the proposal fully and that the fail vote is due to vote rigging in order to not have to pay for the implementation, the Actioning Party may appeal to Co-Funded to investigate. In this case, Co-Funded will have the final say on whether the vote passes and the decision will be made with legal counsel. If the Actioning Party agrees that the implementation was unsatisfactory, then Co-Funded will release the payment of those Co-Funders who voted against the implementation in the final vote, and any funds remaining after this reduction and after any applicable fees will be paid to the Actioning Party.

Once the voting process is completed, Co-Funded will mark the Suggestion as "Completed," and within 30 days of being marked as "Completed", the funds will be released from escrow and sent to your account.

Actioning Party Verification and Tax Information

In order for the Actioning Party to accept suggestions or receive any funds, the Actioning Party must be verified by following the merchant application process and agreeing to the Braintree Payments terms. In addition, if requested, Actioning Party must provide Braintree Payments or Co-Funded with any necessary tax information in order to allow Braintree Payments and Co-Funded to properly report any payment made to Actioning Party to the United States Internal Revenue Service and/or other appropriate tax authorities. The Actioning Party agrees to pay all taxes, fees, and other expenses levied on the Actioning Party in connection with or incident to the receipt of any funds from Co-Funded or Braintree Payments and otherwise to comply with all applicable laws.

Compliance with the Patriot Act

Co-Funded and Actioning Party will comply with the Patriot Act and any other applicable rules and regulations that require Co-Funded, Braintree Payments and/or, Actioning Party to take additional steps to verify funds received from any individual or entity outside of the United States or funds being sent to any individual or entity outside of the United States. Actioning Party agrees to fully comply with any requests for information from Co-Funded or Braintree Payments to carry out such verification process.

No Securities Offered or Sold

Actioning Party agrees and acknowledges that no securities or any other type of equity or ownership interest is being offered or sold on Co-Funded's website.

How Co-Funded is Compensated

Co-Funded receives 5% of the total amount raised for any completed and approved Suggestion. Actioning Parties should include Co-Funded's fee and the estimated transfer fee, if applicable, into the target amount it determines is required to implement the Suggestion. A calculator is available to assist the Actioning Party determine the target amount.