

## Social Reality, Inc. (SRAX) Dividend Right FAQs

### *Why did I receive the Dividend Right?*

On September 5, 2018, Social Reality, Inc. announced that it will issue a stock dividend right. On September 14, 2018, the company updated the status of the dividend right by providing additional details as to the special dividend and established September 17, 2018 at 5:00 p.m. as the record date for receipt of the dividend right. You received the dividend right because you were a qualifying record holder on the record date.

### *What is the Dividend Right?*

The dividend right gives the holder the right to receive a special dividend, when and if declared, consisting of securities in such number and designation of BIGtoken, Inc., the company's wholly owned subsidiary, as determined by management.

### *Who will be entitled to receive the special dividend, when and if declared?*

Only qualifying holders on the Record Date. The qualifying holders were the:

- Holders of the Company's Class A common stock, par value \$0.001 per share (the "Common Stock").
- Holders of the Company's 12.5% Senior Secured Convertible Debentures issued in the April and October 2017 private placements on an as converted to Common Stock basis,
- Holders of the Company's Common Stock purchase warrants issued to investors in the Company's January 2017 registered offering.
- Holders of the Company's Common Stock purchase warrants issued in the Company's April and October 2017 private placements.

Additionally, the Company is obligated to issue the dividend right to the following groups, when and if such holders exercise their outstanding warrants:

- Holders of outstanding Common Stock purchase warrants issued to investors and placement agents in the Company's September through December 2016 private placement.
- Holders of outstanding Common Stock purchase warrants issued to the Company's placement agents in the Company's January 2017 registered offering.
- Holders of outstanding Common Stock purchase warrants issued to consultants in November 2016.
- Holders of outstanding Common Stock purchase warrants issued to the Company's placement agents in the Company's April and October 2017 private placements.

### *Will a special dividend be declared?*

Whether a special dividend will be declared is at the discretion of the Company's management. There is no assurance that management will ever declare a special dividend. Accordingly, holders of the dividend right may never receive the special dividend.

### *When will I receive the special dividend?*

At present a special dividend has not been declared and accordingly, you will not receive a special dividend at this time or at any time in the future until such dividend is declared, if at all. Instead, the dividend right gives you the right to receive the special dividend, if and when declared.

*When can I subscribe for the special dividend?*

At present a special dividend has not been declared and accordingly, you are not able to subscribe to receive a special dividend. If and when a special dividend is declared, you will be provided with instructions as to the time period during which the special dividend can be subscribed for.

*When will the Company issue the special dividend?*

At present the Company does not know if or when it will declare a special dividend. Accordingly, there is no assurance that a special dividend will be declared or issued, nor when a special dividend will be declared, if at all.

*If a special dividend is declared, what will the special dividend consist of?*

At present management does not know if a special dividend will be declared. In the event that it is declared, management will have the ability to determine the amount, rights and preferences of the securities to be received as the special dividend. Notwithstanding the foregoing, the special dividend, if declared, is currently anticipated to (i) be an analog security, not a cryptocurrency, (ii) be a fractional non-voting security and (iii) participate only in the revenue of the BIGtoken platform, if and when such revenue is generated.

*Will the special dividend be traded on an exchange or quotation system?*

At present management does not know if a special dividend will be declared. Accordingly, management has not applied for the listing nor the quotation of the special dividend. Holder's of the dividend right are cautioned not to rely on the receipt or any value of the special dividend. Even if the special dividend is declared, there can be no assurance that a market for the special dividend will ever develop or that the special dividend will have any value at all.

*Is management declaring the special dividend the only condition precedent to the Company issuing the special dividend?*

No, the declaration and issuance of the special dividend is subject to substantial state and federal regulation as well as the possible approval of any exchange on which the shares of the Company's securities are traded. Accordingly, holders of the dividend right are cautioned to not place any reliance upon its ability to receive the special dividend in the future or the value, if any, that such special dividend may have.

*Does the dividend right expire?*

Yes, if a special dividend is not declared on or before December 31, 2019, the dividend right will expire, and the holder will no longer be entitled to receive a special dividend.

*Is the dividend right transferable?*

No, the dividend right is not transferable.

*If a special dividend is declared, will that mean that BIGtoken, Inc. is being Spun-Out?*

At present management does not know if and when a special dividend will be declared or the number of securities, if any, will be issued to each holder of the dividend rights. Accordingly, if and when declared, the special dividend, in the aggregate, may only account for a small percentage of the issued and outstanding shares of BIGtoken, Inc. Accordingly, there may or may not be a spin-out based on the number of shares issued in the special dividend, if and when declared.

*If and when the special dividend is declared, will I automatically receive it?*

No, in order to receive the special dividend, you will need to submit your subscription documents and follow the subscription procedures contained therein.

*Will I be required to pay for the special dividend?*

No, the special dividend, if and when declared, will be issued free of charge to the qualified holders that subscribe for it, subject to any conditions that must be satisfied by the Conditional Holders.

*What are the subscription documents and procedures?*

The Company, along with your broker dealer, has sent out instructions regarding how to subscribe for the special dividend when and if declared. If you have any questions, require assistance regarding the method of exercising the dividend right or require additional copies of relevant documents, please contact the information agent, Transfer Online, Inc. at (503) 227-2950.

Additionally, copies of the instruction can be accessed on the Company's website at: [\[REDACTED\]](#).

*How will I know if the Company issues a special dividend?*

In the event the Company declares a special dividend, it will issue a press release related to the special dividend that will describe the special dividend and provide a time during which you may subscribe. The Company will also file the press release with the United States Securities and Exchange Commission on Form 8-K.

*What is the value of the dividend right and/or special dividend?*

At present, neither the dividend right nor special dividend has any ascertainable value.

*Is the dividend right and/or special dividend taxable?*

Your receipt of dividend right is not a taxable event. However, if and when a special dividend is declared, and you elect to receive it, it may be a taxable event. You are urged to contact your own tax professional regarding your specific tax issues.

*Where can I get more information regarding the dividend right and/or special dividend?*

If you have any questions, require assistance regarding the dividend right or require additional copies of relevant documents, please contact the information agent, Transfer Online, Inc. at (503) 227-2950.

Please note that a special dividend has not been declared. Accordingly, except as contained in this FAQ, there is no additional information with regard to the special dividend at this time.

