



## **TOKEN SALE AGREEMENT**

**PLEASE READ THIS DOCUMENT CAREFULLY BEFORE MAKING ANY PAYMENT FOR TOKENS, AS IT AFFECTS YOUR OBLIGATIONS AND LEGAL RIGHTS, INCLUDING, BUT NOT LIMITED TO, WAIVERS OF RIGHTS AND LIMITATION OF LIABILITY. IF YOU DO NOT AGREE WITH THIS DOCUMENT, YOU SHALL NOT MAKE ANY PAYMENT FOR TOKENS. BY PURCHASING THE TOKENS, YOU ACKNOWLEDGE THAT YOU HAVE READ THIS DOCUMENT AND THAT YOU AGREE TO BE BOUND BY IT.**

**TOKENS ARE NOT BEING OFFERED OR DISTRIBUTED TO, AS WELL AS CANNOT BE RESOLD OR OTHERWISE ALIENATED BY THEIR HOLDERS TO, CITIZENS OF, NATURAL AND LEGAL PERSONS, HAVING THEIR HABITUAL RESIDENCE, LOCATION OR THEIR SEAT OF INCORPORATION (i) IN THE UNITED STATES OF AMERICA (INCLUDING ITS STATES AND THE DISTRICT OF COLUMBIA), PUERTO RICO, THE VIRGIN ISLANDS OF THE UNITED STATES, ANY OTHER POSSESSIONS OF THE UNITED STATES OF AMERICA, OR (ii) IN THE COUNTRY OR TERRITORY WHERE TRANSACTIONS WITH DIGITAL TOKENS ARE PROHIBITED OR IN ANY MANNER RESTRICTED BY APPLICABLE LAWS OR REGULATIONS.**

**THE COMPANY RESERVES THE RIGHT TO CHANGE, MODIFY, ADD OR REMOVE PROVISIONS OF THIS AGREEMENT AT ANY TIME FOR ANY REASON. WE SUGGEST THAT YOU REVIEW THIS AGREEMENT PERIODICALLY FOR CHANGES. SUCH CHANGES SHALL BE EFFECTIVE IMMEDIATELY UPON POSTING THEM ON THE WEBSITE (AS DEFINED BELOW). YOU ACKNOWLEDGE THAT BY ACCESSING OUR WEBSITE AFTER WE HAVE POSTED CHANGES TO THIS AGREEMENT, YOU ARE AGREEING TO THE MODIFIED PROVISIONS.**

**TOKENS MAY HAVE NO VALUE. BUYER MAY LOSE ALL AMOUNTS PAID. THE COMPANY EXPRESSLY DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND WHATSOEVER ARISING DIRECTLY OR INDIRECTLY FROM: (I) RELIANCE ON ANY INFORMATION CONTAINED IN THIS DOCUMENT, (II) ANY ERROR, OMISSION OR INACCURACY IN ANY SUCH INFORMATION OR (III) ANY ACTION RESULTING THEREFROM.**

**VISION CITY RESOURCES LIMITED** (Company No. 1556861), a company incorporated and registered in British Virgin Islands with its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands ("**Company**") **HEREBY INVITES** everyone who (i) is interested to purchase the Tokens (as defined below) for use on the EDPOINTS mobile application and (ii) is not a Restricted Person (as it defined below) ("**Buyer**") to make an offer addressed to the Company to enter into this Agreement (as it defined below) upon the terms and subject to the conditions set out below.

*If you meet the criteria of being a Buyer, you are entitled to make an offer on an acquisition of ERC20 compatible tokens "EdCoin" distributed on the Ethereum blockchain ("**Tokens**") in the amount you want by sending the amount of payment into the Token Sale platform at [www.ed-coin.io](http://www.ed-coin.io) ("**Sale Platform**"). To do this, you should follow the instructions screened in your User Account on the Website.*

*Your transfer of the payment for the Tokens, either by way of fiat money or acceptable digital token, will constitute your willingness to enter into the Agreement with the Company upon the terms and subject to the conditions set out herein. If you do not agree to the terms and conditions set out herein, do not make any payment into the Sale Platform to purchase the Tokens.*

*If the Company agrees to your offer made in a specified manner, it will distribute the Tokens to you subject to the terms and conditions set out in the Agreement. Your receipt of the Tokens on your Ethereum ERC20 Wallet address (as it defined below) shall constitute due conclusion of the Agreement in respect of such Tokens.*

*If the Company for whatever reason rejects your offer, the Agreement shall not be deemed as concluded and your funds will be refunded by the Company. In this case, any refunds made in your favor will be reduced by an amount of any expenses that the Company has incurred or may incur in the future in this regard, including any exchange fees, bank fees, agency and brokerage fees, remunerations, taxes, charges, fees for blockchain transactions, etc.*

*The Company reserves its right to reject any of your offers, at its sole and absolute discretion, even if it is made in a proper manner.*

## **WHEREBY IT IS AGREED AS FOLLOWS:**

### **1. DEFINITIONS**

1.1. In addition to the definitions contained elsewhere in the text of this Agreement and unless the subject or context otherwise requires, the following words and expressions shall have the following meanings:

"**Agreement**" means this token sale agreement, together with all exhibits hereto, as may be amended, revived, replaced and/or reinstated from time to time;

"**Bonus Tokens**" has the meaning, set out in Clause 4.1 of Exhibit 1;

"**Buyer**" means any person who is not a Restricted Person (as defined in Clause 4.2.1 below), and who has made an offer addressed to the Company in order to enter into this Agreement;

"**Company**" means Vision City Resources Limited (Company No. 1556861), a company incorporated and registered in British Virgin Islands with its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands;

"**Company Affiliates**" means in respect of the Company:

- (a) any person who is related or inter-related to the Company;
- (b) any other person who directly or indirectly through one or more intermediaries controls or is controlled by, or is under common control with, such first-mentioned person and includes any subsidiary of any such person. For the purposes of this definition, "control" when used in

respect to any person means the power to direct or cause the direction of or influence the board, the management and the policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” shall have a corresponding meaning; or

- (c) any respective past, present and future employees, officers, directors, contractors, consultants, attorneys, accountants, financial advisors, equity holders, suppliers, vendors, service providers, affiliates, agents, representatives, predecessors, successors and assigns, and includes an individual reference to any one or more of them as the context may require;

**"Conversion Date"** has the meaning as set out in Clause 3.4 of Exhibit 1;

**"Cryptocurrency"** means Bitcoin (BTC), Ether (ETH) and other cryptocurrency which the Company will accept as the payment for Tokens;

**"Damages"** means damages, losses, liabilities, costs (including legal costs and experts' and consultants' fees), charges or expenses of any kind, whether direct or indirect, consequential, compensatory, incidental, actual, exemplary, punitive or special and including, without limitation, any loss of business, revenues, profits, data, use, goodwill or other intangible losses;

**"Disputes"** has the meaning as set out in Clause 11.2;

**"Ethereum"** means an open-source, public, blockchain-based distributed computing platform featuring smart contract (scripting) functionality;

**"Ethereum ERC20 Wallet"** has the meaning as set out in Clause 5.1(b) of Exhibit 1;

**"Fiat Currencies"** means the legal tender currency circulated in specific country or region, such as US Dollars, Singapore Dollars, Euros, Russian Rubles, etc.;

**"Intellectual Property"** means any right, title or interest, throughout the world, to any patents, rights to inventions, copyright and related rights, moral rights, trade-marks, trade names and domain names, rights in get-up, rights in goodwill or to sue for passing off, rights in designs, rights in models, rights in computer software, rights in smart contract, database rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world;

**"Minimum Threshold"** has the meaning as set out in Clause **Error! Reference source not found.** of Exhibit 1;

**"Notices"** has the meaning as set out in Clause 13.7.1;

**"Privacy Policy"** means the document describing the methods of how the Company and the Company Affiliates collect, use and release information collected from the Buyers available on the Website (as may be amended from time to time);

**"Refund Receiver"** has the meaning as set out in Clause 9.1 of Exhibit 1;

**"Reserved Tokens"** has the meaning as set out in Clause 6.4(iv) of Exhibit 1;

**"Restricted Persons"** has the meaning as set out in Clause 4.2.1;

**"Sale Launch Date"** means the calendar date when the Token Sale launches as set out in Clause 1.1 of Exhibit 1;

**"Sale Expiration Date"** means the calendar date when the Token Sale expires as set out in Clause 1.1 of Exhibit 1;

**"Services"** means the services and other use cases which the Company and/or the Company Affiliates provide to the holders of the Tokens and which are more specifically described in the White Paper;

**"Terms of Use"** means the document describing the terms of use of the Website available on the Website (as maybe amended from time to time);

**"Tokens"** means the ERC20 compatible tokens "EdCoin" distributed on the Ethereum blockchain as described in the Whitepaper;

**"Token Sale"** has the meaning as set out in Clause 1.1 of Exhibit 1;

**"Token Smart Contract"** means the Ethereum smart contract representing the mechanism of creation and distribution of the Tokens;

**"User Account"** has the meaning as set out in Clause 2.2(a) of Exhibit 1;

**"Web Application"** has the meaning as set out in Clause 2.1 of Exhibit 1;

**"Website"** means www.ed-coin.io and all sub-domains and all the respective pages; and

**"Whitepaper"** means the electronic document describing the Tokens and the Services, which has been made available on the Website (as may be amended from time to time).

## **2. ACCEPTANCE OF THIS AGREEMENT**

### **2.1 Acceptance of this Agreement, Terms of Use and Whitepaper**

2.1.1 This Agreement shall be effective and binding on the Company and the Buyer when the Buyer receives the Tokens on the Buyer's Ethereum ERC20 Wallet address in the amount calculated in accordance with the provisions of Exhibit 1 hereto.

2.1.2 The Company has established the Terms of Use, as may be amended from time to time upon the Company's sole discretion, which are hereby incorporated by reference. The Buyer has read, understood and agreed to those terms.

2.1.3 The Company has prepared the Whitepaper, as may be amended from time to time upon the Company's sole discretion, which is hereby incorporated by reference. The Buyer has read and understood the Whitepaper and its contents. The content of the Whitepaper is not binding on the Company and the Company Affiliates and is subject to change in line with ongoing research and development of the Tokens.

### **2.2 No Partner Relationship between Buyer and Company**

2.2.1 The Company and the Buyer are independent contractors, and neither party hereto, nor any of their respective affiliates, is an agent of the other party for any purpose somehow related to this Agreement or has the authority to bind the other party.

2.2.2 Purchasing of the Tokens from the Company does not create any form of partnership, joint venture or any other similar relationship between the Buyer and the Company.

### **3. LEGAL STATUS OF TOKENS**

#### **3.1 Restricted Use of Tokens**

3.1.1 The Tokens are intended to be used:

- (a) to enable usage of and interaction with the EDPOINTS application and to support its development, testing, deployment, and operation as described in the Whitepaper;
- (b) as payment tokens in countries which the Company and the Company Affiliates operate to combat the unstable fiat currencies when purchasing the products and services from the Company and the Company's Affiliates;
- (c) as part of the proposed loyalty rewards scheme offered within the EDPOINTS application to reward the loyal customers of the Company and the Company Affiliates;
- (d) to purchase the goods and services as described in the Whitepaper;
- (e) to access the proposed property timesharing projects as described in the Whitepaper; and
- (f) such other purposes as described in the Whitepaper.

3.1.2 The Buyer hereby explicitly accepts and agrees that:

- (a) it is the sole responsibility of the Buyer to determine if he can legally purchase the Tokens in his jurisdiction and whether the Buyer can then resell the Tokens to another purchaser in any given jurisdiction;
- (b) he is not acquiring the Tokens for any other uses or purposes, except for the purposes as specified in Clause 3.1.1 above; and
- (c) none of the Company and the Company Affiliates has other obligations, except as expressly stated in this Agreement.

3.1.3 Important additional details regarding the Tokens and the Services are provided in the Whitepaper.

#### **3.2 No Rights Created by Tokens**

3.2.1 Ownership of the Tokens carries no rights, express or implied, other than the right to use the Tokens as specified in Clause 3.1.1 above. In particular, the Tokens:

- (a) do not provide the Buyers with rights of any form with respect to the Company and/or any of the Company Affiliates or its revenues or assets, including any voting, distribution, redemption, liquidation, proprietary (including all forms of Intellectual Property), or other financial or legal rights;
- (b) do not represent a loan to the Company and/or any of the Company Affiliates; and
- (c) do not provide the Buyer with any ownership or other interest in the Company and/or any of the Company Affiliates.

3.2.2 Acquisition of the Tokens from the Company does not present an exchange of payment (Cryptocurrencies or Fiat Currencies) for any form of shares in the Company and/or any of the Company Affiliates or the Intellectual Property. For the avoidance of doubt and irrespective of the provisions of the Whitepaper, the Buyer is not entitled to any guaranteed form of dividends, revenue distributions, and voting rights.

3.2.3 For the purpose of this Agreement, the Tokens shall be viewed as a software with cryptographic elements that is sold out as a utility functionality. The Company may from time to time launch various incentive programs for the holders of the Tokens to encourage and promote usage of the Tokens.

### **3.3 Not for Investment Purposes**

3.3.1 Although the Tokens may be tradable, they are not an investment, currency, security, commodity, a swap on a currency, security or commodity or any other kind of financial instrument. The Tokens are not intended to be marketed, offered for sale, purchased, sold, or traded in any jurisdiction where they are prohibited by applicable laws or require further registration with any applicable governmental authorities.

3.3.2 The Tokens may be exchangeable on cryptographic token exchanges. However, none of the Company and the Company Affiliates shall give warranties or representations that the Tokens will be exchangeable on such exchanges.

3.3.3 This Agreement does not constitute a prospectus of any sort, is not a solicitation for investment and does not pertain in any way to an initial public offering or a share/equity offering and does not pertain in any way to an offering of securities in any jurisdiction. It is a description of the Token functionality and the smart contract.

### **3.4 Funds Collected through Token Sale**

3.4.1 Funds collected through the Token Sale will be utilized by the Company and/or the Company Affiliates in their sole discretion according to the plan specified in the Whitepaper, including for the development and implementation of the Company's business proposal and/or for launching any future Token functionality.

### **3.5 Possibility of Change in Functionality of Tokens**

3.5.1 The Company and the Company Affiliates are in the process of undertaking a legal and regulatory analysis of the functionality of the Tokens. Following the conclusion of this analysis, the Company and the Company Affiliates may decide to amend the intended functionality of the Tokens in order to ensure compliance with any legal or regulatory requirements to which the Tokens are subjected to. The Company and the Company Affiliates shall publish a notice on the Website of any changes in the functionality of the Tokens and it is the Buyer's responsibility to regularly check the Website for any such notices.

## **4. TOKEN SALE PROCEDURE**

### **4.1 General Provisions on Token Sale Procedures**

4.1.1 The substantial information about the procedures and material specifications of the Token Sale are provided in Exhibit 1, including details regarding the timing, pricing of the Token Sale, and the number of Tokens to be sold and distributed. The information about the specific procedures on how the Buyer should purchase the Tokens will be provided on the Website. The Company will never publish any token sale account or address anywhere except on the Website.

4.1.2 By sending payment for the Tokens, the Buyer acknowledges that he understands and has no objection to these procedures and material specifications. Failure to follow such procedures may result in the Buyer not receiving any Tokens.

- 4.1.3 The Buyer's purchase of the Tokens from the Company during the Token Sale period is final, and there will be no refunds of any payment or cancellations of any offer for the purchase of the Tokens except under any circumstances as may be expressly provided in the binding legal documentation published on the Website or as may be required by applicable laws or regulations.
- 4.1.4 The Company reserves the right to refuse or reject the offers made by any Buyer on the acquisition of the Tokens at any time at the Company's sole discretion, including cases when the information provided by the Buyer upon any request is not sufficient, inaccurate or misleading, the Buyer is deemed to be a Restricted Person, or the Buyer has not complied with any of the requirements of the Web Application (as defined in Exhibit 1 below).
- 4.1.5 To the extent that the Company refuses or rejects the offers made by any Buyer on acquisition of the Tokens, the Company will exercise reasonable endeavors to procure that the transferred payment is refunded to the Buyer in the amount defined in accordance with this Agreement subject to deduction of any expenses that the Company has incurred or may incur in the future in this regard, including any exchange fees, bank fees, agency and brokerage fees, remunerations, taxes, charges, fees for blockchain transactions, etc.. However, the Company does not warrant, represent or offer any assurances that the Company will successfully be able to recover and/or return any such transfers.
- 4.1.6 At any time prior to the expiration of the Token Sale (as defined in Exhibit 1 below), the Company may either temporarily suspend or permanently abort the Token Sale for security reasons. Any suspension or abortion of the Token Sale shall be deemed to commence from the moment that the Company publishes a notice to that effect on the Website.
- 4.1.7 The Buyer shall provide an accurate digital wallet address to the Company for receipt of any Tokens distributed to the Buyer pursuant to this Agreement.

## 4.2 Persons who are Restricted to Purchase Tokens

- 4.2.1 The Tokens are not being offered or distributed to, as well as cannot be resold or otherwise alienated by their holders to the following restricted persons ("**Restricted Persons**"):
- (a) citizens of natural and legal persons, having their habitual residence, location or their seat of incorporation in the United States of America (including its states and the district of Columbia), Puerto Rico, the Virgin Islands of the United States, or any other possessions of the United States of America; and
  - (b) citizens of natural and legal persons, having their habitual residence, location or their seat of incorporation in the country or territory where transactions of digital tokens are prohibited or in any manner restricted by applicable laws or regulations, or will become so prohibited or restricted at any time after this Agreement becomes effective.
- 4.2.2 Restricted Persons are strictly prohibited and restricted from purchasing the Tokens, and nothing in this Agreement shall constitute a solicitation from the Restricted Persons of offer for purchases of Tokens and usage by the Company and/or the Company Affiliates.
- 4.2.3 It is solely the Buyer's obligation to verify at the time of making payment for the Tokens:
- (a) whether or not the Buyer or a person he represents is a Restricted Person;
  - (b) whether or not the Buyer is restricted from purchasing the Tokens under any applicable laws and regulations; and

- (c) whether or not the Buyer is restricted under any applicable laws and regulations to use the Tokens in the manner specified on the Website.

4.2.4 If a Restricted Person purchases the Tokens, such Restricted Person has done so on an unlawful, unauthorized and fraudulent basis. In such a case, any transactions and operations entered into by the Restricted Person in respect of the Tokens shall be null and void, including, but not limited to the following:

- (a) transactions resulting from acceptance of this Agreement;
- (b) any transaction resulting from the acquisition of the Tokens; and
- (c) any payment operation.

4.2.5 None of the Company and the Company Affiliates shall be bound by a transaction or an operation specified in Clause 4.2.4 and the respective Company and/or the Company Affiliate may in its sole discretion:

- (a) take all necessary and appropriate actions to apply and enforce the consequences of the void transactions and operations specified above;
- (b) notify the relevant authorities on the nullified and void transaction or the nullified and void operation in question; and
- (c) retain all the funds paid by the Restricted Person and either freeze them until the situation is resolved by the respective authority or transfer to the account specified by the relevant authority, or apply the funds paid by the Restricted Person to cover any inflicted Damages on the Company and/or the Company Affiliates or discharge liabilities, or refund to the payer of the funds in accordance with the applicable legislation and provisions of this Agreement.

4.2.6 Any Restricted Person purchasing the Tokens shall be solely liable for Damages caused to the Company and/or the Company Affiliates and shall indemnify, defend and hold harmless the Company and the Company Affiliates from any Damages incurred by the Company and the Company Affiliates that arise from or as a result of such Restricted Person's purchase of the Tokens.

## **5. ACKNOWLEDGMENT AND ASSUMPTION OF RISKS**

5.1 The Buyer acknowledges and agrees that there are risks associated with purchasing the Tokens, holding the Tokens, and using the Tokens for receiving the Services, as disclosed and explained in Exhibit 2.

5.2 By sending payment for the Tokens, the Buyer expressly acknowledges and assumes these risks.

## **6. SECURITY OF THE BUYER'S TOKENS**

6.1 The Buyer shall implement reasonable measures to secure the Buyer's wallet, vault or other storage mechanisms utilized to receive and hold the purchased Tokens, including any requisite private keys or other credentials necessary to access such storage mechanisms.

6.2 In the event that the Buyer is no longer in possession of his/her private keys or any device associated with his/her account or is not able to provide his/her login or identifying credentials, he may lose all of his/her Tokens and/or access to the his/her User Account (as defined in Exhibit 1). The Company and the Company Affiliates are under no obligation to recover any Tokens for and on behalf of the Buyer and are not liable for any such loss of the Buyer's Tokens.

## **7. KNOW YOUR CUSTOMER AND ANTI-MONEY LAUNDERING**



- 7.1 The Company reserves the right to conduct "Know Your Customer" and "Anti-Money Laundering" checks on the Buyers if deem necessary or it becomes required under any applicable laws.
- 7.2 Upon the Company or the Company Affiliate's request, the Buyer shall immediately provide the necessary information and documents that the Company or the Company Affiliate, in its sole discretion, deems necessary or appropriate to conduct "Know Your Customer" and "Anti-Money Laundering" checks. Such documents may include, but are not limited to, passports, driver's licenses, utility bills, photographs of associated individuals, government identification cards or sworn statements. The Company may, in its sole discretion, refuse to distribute Tokens to the Buyer until such requested information is provided.
- 7.3 The Company reserves the right to refuse or reject the Buyer's offer for acquisition of the Tokens in the event that the Company and/or the Company Affiliates has reasons to suspect that the purchase or use of the Tokens is for purposes relating to or in connection with money laundering, terrorism financing, or any other illegal activity. In addition, the Company reserves its right to take any action as it deems necessary, at its sole and absolute discretion, to prevent any activities of money laundering and terrorism financing, including blocking of Buyer's wallet, disclosing any information about such Buyer to the state authorities on their request etc.
- 7.4 All payments by the Buyer under this Agreement shall only be made in the Buyer's name, from a digital wallet or bank account not located in a country or territory that has been designated as a "non-cooperative country or territory" by the Financial Action Task Force, and is not a "foreign shell bank" within the meaning of the U.S. Bank Secrecy Act (31 U.S.C. § 5311 et seq.), as amended, and the regulations promulgated thereunder by the Financial Crimes Enforcement Network, as such regulations may be amended from time to time.

## **8. BUYER'S RESPONSIBILITY ON TAXES**

- 8.1 The purchase price that the Buyer pays for the Tokens is exclusive of all applicable taxes. The Buyer is solely responsible for determining what, if any, taxes apply to the purchase of the Tokens, including sales, use, value-added and similar taxes.
- 8.2 The Buyer is responsible for withholding, collecting, reporting and remitting the correct taxes arising from the purchase of the Tokens to the appropriate tax authorities.
- 8.3 None of the Company and the Company Affiliates shall bear any liability or responsibility with respect to any tax consequences to the Buyer arising from the purchase of the Tokens.

## **9. REPRESENTATIONS AND WARRANTIES**

### **9.1 Buyer's Representations and Warranties**

9.1.1 By sending payment for the Tokens, the Buyer represents and warrants to each of the Company and the Company Affiliates that each of the following representations and warranties is true, accurate and not misleading as at the date of payment by the Buyer for the purchase of the Tokens and on the date of conclusion of this Agreement.

#### **9.1.2 Buyer's Awareness of such Transaction, Technology and Risks:**

- (a) The Buyer has read and understood this Agreement, the Whitepaper, the Terms of Use and the Privacy Policy;
- (b) the Buyer has read and understood the risks related to the Tokens and usage of the Tokens;

- (c) the Buyer has sufficient understanding of the functionality, usage, storage, transmission mechanisms and other material characteristics of cryptographic tokens, token storage mechanisms (such as token wallets), blockchain technology and blockchain-based software systems to understand this Agreement and to appreciate the risks and implications of purchasing the Tokens;
- (d) the Buyer has obtained sufficient information about the Tokens to make an informed decision to purchase the Tokens; and
- (e) the Buyer understands that the value of the Tokens may experience extreme volatility or depreciate in full over time.

**9.1.3 Authority to Enter into this Agreement:**

- (a) The Buyer has all requisite power and authority to execute and deliver this Agreement, to purchase the Tokens, and to carry out and perform his obligations under this Agreement;
- (b) if an individual, the Buyer is at least 18 years old and of sufficient legal age and capacity to purchase the Tokens; and
- (c) if a legal entity, the Buyer is duly organized, validly existing and in good standing under the laws of its domiciliary jurisdiction and each jurisdiction where it conducts business. The person purchasing the Tokens on behalf of the legal entity is duly authorized to accept this Agreement on such entity's behalf and that such entity will be responsible for breach of this Agreement.

**9.1.4 The Buyer is not a Restricted Person:** The Buyer is not a Restricted Person and does not represent a Restricted Person.

**9.1.5 No Forgery or Manipulation:** The Buyer will not forge, or otherwise manipulate any personal or non-personal data requested by the Company and/or the Company Affiliates in the process of the Buyer's registration (will not use the VPN or other means of distorting the data), or after its completion, will provide all necessary personal or non-personal data in the form and format requested by the Company and/or the Company Affiliates in the event such necessity arises in connection with the requirements of "Know Your Customer" and "Anti-Money Laundering" frameworks of the Company or in accordance with the applicable law and Clause 7 above.

**9.1.6 Compliance with Applicable Laws and Regulations:**

- (a) The entering into and the performance of this Agreement will not result in any violation of, be in conflict with, or constitute a material default under, with or without the passage of time or the giving of notice:
  - (i) any provision of the Buyer's constituent documents, if applicable;
  - (ii) any provision of any judgment, decree or order to which the Buyer is a party, by which it is bound, or to which any of its material assets are subjected to;
  - (iii) any material agreement, obligation, duty or commitment to which the Buyer is a party or by which it is bound;
  - (iv) any foreign exchange, anti-money laundering or regulatory restrictions applicable to the purchase of the Tokens; or
  - (v) any laws, regulations or rules applicable to the Buyer;
- (b) the Buyer will comply with any applicable tax obligations in the Buyer's jurisdiction arising from the respective purchase of the Tokens;
- (c) the Buyer will comply with all applicable anti-money laundering and counter-terrorism financing requirements; and

- (d) the execution and delivery of, and the performance under this Agreement require no approval or other action from any governmental authority or person other than the Buyer.

9.1.7 **Purpose of Purchasing Tokens:** The Buyer agrees and certifies that he is acquiring the Tokens for its own personal use and utility, and not for investment or any financial purposes.

9.1.8 **Legal Source of the Funds Used for the Purchase:** The funds, including any digital assets, fiat currency, virtual currency or Cryptocurrency the Buyer uses to purchase the Tokens are not derived from or related to any unlawful activities, including but not limited to money laundering or terrorist financing, and the Buyer will not use the Tokens to finance, engage in, or otherwise support any unlawful activities.

9.1.9 The Buyer agrees that if any of the representations and warranties specified in Clause 9.1 are no longer accurate, he shall immediately cease to use the Tokens.

## 9.2 No Company's and Company Affiliates' Representations and Warranties

9.2.1 The Buyer hereby acknowledges and agrees that the Tokens are sold on an "as is", "as available" and "with all faults" basis and the Tokens will be purchased by the Buyer exclusively at his own risk without any express or implied representations and/or warranties of any kind by the Company and/or the Company Affiliates.

9.2.2 The Company and the Company Affiliates (if applicable) expressly disclaim all express and implied warranties and representations as to the Tokens. None of the Company or the Company Affiliates shall make any representations or warranties, express or implied, including:

- (a) any warranties or representations of title;
- (b) any warranties or representations of merchantability or fitness for a particular purpose with respect to the Tokens or their utility, or the ability of anyone to purchase or use the Tokens;
- (c) the suitability, reliability, availability, timeliness, and accuracy of the Tokens, information, software, products, Services and related graphics contained on the Website for any purpose.

9.2.3 Without limiting the specified items in Clauses 9.2.1 and 9.2.2, neither the Company nor any of the Company Affiliates represent or warrant that the process of payment of the Tokens or receiving the Tokens will be uninterrupted, error-free, free or shall remain free of viruses or other harmful components, or that the Tokens are reliable and error-free. As a result, the Buyer acknowledges and understands that he may lose the entire amount he paid to the Company.

## 10. LIMITATION OF LIABILITY

### 10.1 Limitation of the Company's and the Company Affiliates' Liability

10.1.1 To the fullest extent permitted by applicable laws:

- (a) in no event will the Company or any of the Company Affiliates be liable for any Damages arising out of or in any way related to the sale or use of the Tokens or otherwise related to this Agreement, regardless of the form of action, whether based in contract, tort (including simple negligence, whether active, passive or imputed), or

- any other legal or equitable theory (even if the party has been advised of the possibility of such Damages and regardless of whether such Damages were foreseeable); and
- (b) in no event will the aggregate liability of the Company and/or the Company Affiliates (jointly), whether in contract, warranty, tort (including negligence, whether active, passive or imputed), or other theory, arising out of or relating to this Agreement or the use of or inability to use the Tokens, exceed the amount you pay to the Company for the Tokens.

10.1.2 To the fullest extent permitted by applicable laws, the Buyer disclaims any right or cause of action against the Company and/or any of the Company Affiliates of any kind in any jurisdiction that would give rise to any Damages whatsoever, on the part of the Company and/or any Company Affiliates.

10.1.3 The Company and the Company Affiliates will not be liable for any delay or failure to perform any obligation under this Agreement where the delay or failure results from any cause beyond the Company's and/or the Company Affiliates' reasonable control.

10.1.4 If the applicable laws do not allow all or any part of the above limitation of liability to apply to the Buyer, the limitations will apply to the Buyer only to the extent permitted by the applicable laws.

10.1.5 The Buyer understands and agrees that it is the Buyer's obligation to ensure compliance with any legislation relevant to his country of domicile concerning purchase and use of the Tokens, and that the Company and the Company Affiliates shall not and will not accept any liability for any illegal or unauthorized purchase or use of the Tokens.

## **10.2 Indemnification for Losses Incurred by the Company or any of the Company Affiliate**

10.2.1 To the fullest extent permitted by applicable laws, the Buyer will indemnify, defend and hold harmless and reimburse the Company and the Company Affiliates from and against any and all claims, demands, actions, proceedings, Damages incurred by the Company and/or any Company Affiliate arising from or relating to:

- (a) the Buyer's purchase or use of the Tokens;
- (b) the Buyer's responsibilities or obligations under this Agreement, the Terms of Use or the Privacy Policy;
- (c) the Buyer's violation of this Agreement, the Terms of Use or the Privacy Policy;
- (d) any inaccuracy in any representation or warranty of the Buyer;
- (e) the Buyer's violation of any rights of any other person or entity; and/or
- (f) any act or omission of the Buyer that is negligent, unlawful or constitutes willful misconduct.

10.2.2 The Company and/or the Company Affiliates reserves the sole and absolute right to defend any and all claims, demands, actions and/or proceedings brought against the Company and/or the Company Affiliates, at the Buyer's sole cost and expense and subject to the Buyer's indemnification under Clause 10.2.1. This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between the Buyer and Company.

## **10.3 Force Majeure**

10.3.1 The Company and the Company Affiliates shall not be liable and disclaim any and all liability to the Buyer in connection with any force majeure event, including acts of God, labour disputes or other industrial disturbances, electrical, telecommunications, hardware, software or other utility failures, software or smart contract bugs or weaknesses, earthquakes, storms,

or other nature-related events, blockages, embargoes, riots, acts or orders of government, acts of terrorism or war, technological change, changes in interest rates or other monetary conditions, and, for the avoidance of doubt, changes to any blockchain-related protocol.

10.3.2 If an event of force majeure occurs and a party is injured by the other party's inability to perform the Agreement, the injured party may by giving written notice to the other party elect to suspend this Agreement, in whole or in part, for the duration of the force majeure circumstances. The party hereto experiencing the force majeure circumstances shall cooperate with and assist the injured party in all reasonable ways to minimize the impact of force majeure on the injured party.

#### **10.4 Release**

10.4.1 To the fullest extent permitted by applicable laws, the Buyer releases the Company and the Company Affiliates from any responsibility, liability, claims, demands, and/or Damages (actual and consequential) of every kind and nature, known and unknown (including, but not limited to, claims of negligence), arising out of or related to disputes between the Buyer and the Company and/or the Company Affiliates or the acts or omissions of third parties.

10.4.2 The Buyer expressly waives any statute or common law principles that would otherwise limit the coverage of this release to include only those claims which the Buyer may know or suspect to exist in favor of the Buyer at the time of agreeing to this release.

### **11. GOVERNING LAW AND DISPUTE RESOLUTION**

#### **11.1 Applicable Law**

This Agreement will be governed by and construed and enforced in accordance with the laws of British Virgin Islands, without regard to conflict of law rules or principles.

#### **11.2 Informal Dispute Resolution**

The Buyer and the Company shall cooperate in good faith to resolve any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity, interpretation, breach or termination, and any non-contractual obligation or other matter arising out of or in connection with it ("**Disputes**"). If the parties hereto are unable to resolve a Dispute within 90 days of notice of such Dispute being received by all parties hereto, such Dispute shall be finally settled in arbitration proceedings pursuant to Clause 11.4.

#### **11.3 No Class Arbitrations, Class Actions or Representative Actions**

Any Dispute is personal to the Buyer and the Company and will be resolved solely through individual arbitrations and will not be brought as a class arbitration, class action or any other type of representative proceeding. There will be no class arbitration or arbitration in which an individual attempts to resolve a Dispute as a representative of another individual or group of individuals. Further, a Dispute cannot be brought as a class or other type of representative action, whether within or outside of arbitration, or on behalf of any other individual or group of individuals.

#### **11.4 Arbitration Proceedings**

11.4.1 Any Dispute shall be referred to and finally resolved by arbitration under the Rules of the Singapore International Arbitration Centre in force on the date on which the arbitration is commenced, which such rules are deemed to be incorporated by reference into this Clause 11.4.

11.4.2 The tribunal shall be conducted by a single arbitrator. The seat of the arbitration shall be Singapore. The language of the arbitration shall be English.

11.4.3 Any award of the tribunal shall be final and binding from the day it is made.

11.4.4 The parties hereto agree to keep confidential all matters relating to the arbitration, including related court proceedings, to the greatest extent practicable.

## **12. TERMINATION OF AGREEMENT**

12.1 This Agreement shall terminate upon the performance of all obligations of the parties hereof. In addition to the cases stated herein, the Company reserves the right to terminate this Agreement at any time at its sole discretion, including in the event that the Buyer breaches this Agreement.

12.2 Upon termination of this Agreement:

- (a) all of the Buyer's rights under this Agreement shall immediately terminate;
- (b) the Buyer is not entitled to a refund of any amount paid, unless otherwise strictly and expressly provided herein or under any applicable laws or regulations; and
- (c) Clause 5 (*Acknowledgment and Assumption of Risks*), Clause 8 (*Buyer's Responsibility on Taxes*), Clause 9 (*Representations and Warranties*), Clause 10 (*Limitation of Liability*), Clause 11 (*Governing Law and Dispute Resolution*), Clause 12 (*Termination of Agreement*) shall continue to apply in accordance with their terms.

## **13. MISCELLANEOUS**

### **13.1 Entire Agreement**

13.1.1 This Agreement together with the Whitepaper and other documents that might be published from time to time on the Website constitutes the entire agreement between the Buyer and the Company relating to purchase of the Tokens from the Company.

13.1.2 In the event that this Agreement conflicts with the Website or any other documents published from time to time on the Website (including but not limited to the Whitepaper), this Agreement shall prevail.

13.1.3 This Agreement supersedes all prior or contemporaneous representations, understandings, agreements, or communications between the Buyer and the Company or any of the Company Affiliates, whether written or verbal, regarding the subject matter of this Agreement.

### **13.2 Severability**

Should any provision of this Agreement, or any provision incorporated into this Agreement in the future becomes illegal, invalid or unenforceable under the laws of any jurisdiction, the legality, validity or enforceability in that jurisdiction of the other provisions of this Agreement shall not be affected thereby.

### **13.3 Amendments**

The Company reserves the right to change, modify, add, or remove portions of this Agreement for any reason at any time during the Token Sale and afterwards by posting the amended Agreement on the Website. The revised version will be effective at the time the Company posts it unless

indicated otherwise. If you do not agree to be bound by the amended or modified Agreement, you must cease accessing or using the Tokens.

#### **13.4 Assignment of Rights and Obligations**

The Company may assign its rights and obligations under this Agreement to any person without the Buyer's consent. The Buyer may not assign its right under this Agreement to any person without the Company's consent.

#### **13.5 No Company's Waiver of Rights**

The Company's failure to exercise or enforce any right or provision of this Agreement will not operate as a waiver of such right or provision and will not limit the Company's right to enforce such right or provision at a later time. All waivers by the Company must be unequivocal and be in writing to be effective.

#### **13.6 Third Party Rights**

Except as otherwise provided herein, this Agreement is intended solely for the benefit of the Buyer and the Company and is not intended to confer third-party beneficiary rights upon any other person or entity.

#### **13.7 Notices**

13.7.1 All notices, requests, claims, demands and other communications concerning this Agreement ("**Notices**") that the Company or the Company Affiliates provide to the Buyer, including this Agreement, will be provided in electronic form by:

- (a) posting a Notice on the Website; or
- (b) sending an email to the email address associated with the Buyer's account.

13.7.2 Notices provided by posting on the Website will be effective upon posting and Notices provided by email will be effective when the Company or the Company Affiliates send the email. It is the Buyer's responsibility to keep his email address current. The Buyer will be deemed to receive any email sent to the email address associated with his account when the Company or the Company Affiliates send the email, whether or not the Buyer actually receives or reads the email.

13.7.3 Notices that the Buyer provides to the Company must be in English language and delivered to the Company by email at **info@ed-coin.io**. Such Notices will be effective two business days after they are being sent.

#### **13.8 Forward-Looking Statements**

13.8.1 This Agreement, the Whitepaper, the Terms of Use and any other information provided by the Company or its representatives in writing or orally may include forward-looking statements. In general, forward-looking statements can be identified by the use of words such as "believes", "expects", "does not expect", "is expected", "targets", "outlook", "plans", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or variations of such words and phrases or statements in different languages that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

13.8.2 Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Although the Company believes it has a reasonable basis for making these forward-looking statements, the Buyer must not place undue reliance on such forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts and other forward-looking statements not occurring.

## 13.9 Interpretation

13.9.1 The Exhibits form part of this Agreement and any reference to this Agreement includes the Exhibits. In this Agreement, references to "**Clauses**" or "**Exhibits**" are references to Clauses of and Exhibits to this Agreement.

13.9.2 In this Agreement, unless the context indicates otherwise, or the contrary is expressly stated:

- (a) references to the singular include references to the plural and vice versa;
- (b) references to the male include references to the female and vice versa;
- (c) a reference to a person includes a reference to any individual, body corporate (wherever or however incorporated or established), association, partnership, government, state agency, public authority, joint venture, works council or other employee representative body in any jurisdiction and whether or not having a separate legal personality;
- (d) a reference to a person includes a reference to that person's legal personal representatives, successors, executors, heirs, permitted assigns and permitted nominees in any jurisdiction and whether or not having separate legal personality;
- (e) a reference to a company shall be construed so as to include any company, corporation or other body corporate or other legal entity, wherever and however incorporated or established; and
- (f) except as otherwise provided in this Agreement, when referring to time, time in British Virgin Islands shall apply.

13.9.3 The headings in this Agreement are inserted for convenience and reference purposes only and do not affect its interpretation.

13.9.4 The words "**hereof**", "**herein**", "**hereunder**" and "**hereby**" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

13.9.5 Wherever the word "**include**," "**includes**," or "**including**" is used in this Agreement, it shall be deemed to be followed by the words "without limitation".

13.9.6 In the event that this Agreement, the Whitepaper or any other documents that might be published from time to time on the Website conflict with their translated copies, the English version prevails.

*[the remainder of this page is intentionally left blank]*

## EXHIBIT 1: TOKEN SALE PROCEDURE

### 1. TOKEN SALE PERIOD



- 1.1 The Company will conduct a sale of the Tokens ("**Token Sale**"), which will begin at 00:00 AM GMT on 7 December 2018 ("**Sale Launch Date**") and end at 00.00 AM GMT on 8 December 2019 ("**Sale Expiration Date**").

## 2. PROCEDURE FOR BUYING AND RECEIVING TOKENS

- 2.1 The Company will make available on the Website a web application to facilitate the procedure of purchase and receipt of the Tokens ("**Web Application**"). The Buyer must ensure that the URL of the Buyer's web browser indicates that it is using a hypertext transport protocol secure connection ("**https**") and that the domain name is correct.
- 2.2 To purchase the Tokens through the Web Application, the Buyer shall:
- (a) undergo a registration procedure and obtain a personal user account available on the Website ("**User Account**"). The registration procedure, as well as terms and conditions of use of the User Account are specified in the Terms of Use of the Website;
  - (b) enter the Web Application using his User Account; and
  - (c) follow the on-screen instructions.

## 3. TOKEN PRICE AND PAYMENT FOR TOKENS

- 3.1 During the Token Sale, the Token price will be as follows:

Phase	Presale 1	Presale 2	Crowdsale
Price (in USD)	0.12	0.16	0.20

- 3.2 Payment for the Tokens shall be made, at the Buyer's discretion:
- (a) in Fiat Currency by wire transfer into the account of the Company the details of which will be available in the Web Application; and/or
  - (b) in Cryptocurrency by transfer to the unique Cryptocurrency wallet address the details of which will be available in the Web Application.
- 3.3 There is a minimal amount of payment for the Tokens that the Buyer will be able to make. At any specific time, such minimal amount may be different for different Fiat Currencies/Cryptocurrencies, depending on the applicable exchange rate between the payment currency and Ether (ETH). The information on such minimal amount will be available in the Web Application at any specific time.
- 3.4 To fix the number of Tokens which will be distributed to the Buyer in exchange for the payment made, the Buyer shall click the button "Convert to Tokens" in the Buyer's User Account. The time and date when the Buyer clicks such button shall hereinafter refer to as "**Conversion Date**".
- 3.5 In the case the Buyer makes payment for the Tokens in Fiat Currency/Cryptocurrency other than Ether (ETH), the exchange rate between the payment currency and Ether (ETH) published on the Coin Payments website (<https://www.coinpayments.net/>) as of the Conversion Date shall apply.
- 3.6 The Tokens are divisible, therefore fractional share of a Token may be purchased.

## 4. BONUS PROGRAMS

- 4.1 Depending on the date when the Conversion Date occurs, the Buyer may receive additional Tokens ("**Bonus Tokens**") in the number calculated in accordance with the following rules:

<b>Conversion Date</b>	<b>Discount</b>
From 7 December 2018 00.00 AM till 30 May 2019 23.59 PM	40% discount on Token Value
From 31 May 2019 00.00 AM till 30 October 2019 23.59 PM	20% discount on Token Value
From 1 November 2019 00.00 AM onwards	No discount

4.2 Other than as stated in Clause 4.1 hereof, the Company may launch different bonus programs enabling different persons to receive the Bonus Tokens. Different bonus programs may be launched for the benefit of different persons.

4.3 In some cases, Bonus Tokens may be accrued when applying referral bonus codes. The same person cannot use the referral bonus code which he has received as a result of the Token purchase, even if he uses a different User Account.

4.4 The Company reserves the right to amend the terms and conditions of bonus programs, at its sole discretion, at any time during the Token Sale.

## **5. BUYER'S WALLETS**

5.1 To purchase the Tokens, the Buyer must have certain token wallets established and operational. Specifically, the Buyer must have:

- (a) a respective Cryptocurrency wallet if the Buyer wishes to purchase the Tokens using any Cryptocurrency; and/or
- (b) and an Ethereum wallet that supports the ERC20 token standard in order to receive the Tokens due to the Buyer ("**Ethereum ERC20 Wallet**").

5.2 The Company reserves the right to prescribe additional guidance regarding specific wallet requirements.

## **6. CREATION AND DISTRIBUTION OF TOKENS**

6.1 Following the results of the Token Sale, the Company will make a register containing the information on the number of Tokens paid by all Token purchasers during the Token Sale, and the number of the Bonus Tokens accrued in accordance with the terms and conditions hereof.

6.2 The information specified in Clause 6.1 hereof will be downloaded to the Token smart contract, which will then create the Tokens and distribute them among all interested parties.

6.3 The Company anticipates that distribution of the Tokens from the Token smart contract to the Token purchasers will occur within 6 calendar weeks from the Sale Expiration Date.

6.4 The total number of Tokens which will be created by the Token Smart Contract amounts to 900,000,000 Tokens and shall be equal to the sum of the following:

- (i) 45 % of total number of Tokens which shall be made available for purchase by all Buyers in accordance with the terms and conditions hereof.

- (ii) 15 % of the total number of Tokens shall be distributed towards the management team of the Company and the Company Affiliates.
  - (iii) 30 % of the total number of Tokens shall be distributed towards marketing and community development initiatives and bounty programs.
  - (iv) 10% % of the total number of Tokens shall be kept within a reserve fund managed by the Company ("**Reserved Tokens**").
- 6.5 The Tokens specified in Clause 6.4(i) hereof in the number due to each Buyer or the third party (if any), will be distributed by the Token smart contract to the address of respective person's wallet.
- 6.6 The Reserved Tokens in full will be distributed by the Token smart contract to the Company. The Company anticipates to use the Reserved Tokens, at its sole discretion, for the purposes indicated in the Whitepaper.
- 6.7 All Tokens will be of equal value and functionality.

## 7. **PASSING OF TITLE AND RISKS**

The Token is deployed by the Company from British Virgin Islands and is programmed so that all transactions it executes will be executed in British Virgin Islands. As such, title to, and risk of loss of, the Tokens delivered by the Token smart contract passes from the Company to purchasers in British Virgin Islands.

## 8. **STOP OF DISTRIBUTION PROCESS**

- 8.1 The Company reserves a right to an emergency to stop the process of distribution of the Tokens in limited situations, such as, but not limited to:
- (a) serious security issues detected;
  - (b) serious network performance issue, depriving all users of equal treatment; and
  - (c) any type of material attack on the Tokens, the Website or Ethereum network.

## 9. **REFUND OF PAYMENTS**

- 9.1 In the cases specified in the Agreement and/or in this Exhibit, as well as in other cases at the Company's sole discretion, the Company can perform a refund of payment (partially or in full) made by a person in order to acquire the Tokens ("**Refund Receiver**").
- 9.2 The form of payment for the refund will be the same as the Refund Receiver used when making payment for the Tokens.
- 9.3 If the purchase of the Tokens were initially paid by the Refund Receiver in Cryptocurrency, the Company, at its sole discretion, may refund to the Refund Receiver the amount in the same Cryptocurrency adjusted as set out in Clause 9.4 hereof, subject to deductions set out in Clause 9.6 hereof.
- 9.4 In order to mitigate risks of exchange rates fluctuations, the Company reserves the right to make adjustments to the amounts in Cryptocurrency refunded to the Refund Receivers. For such purposes, the following formula shall apply:

**$R = Cr \times [ r1 \div r2 ]$** , where:

**R** = Amount refunded to the Refund Receiver, in Cryptocurrency;

**Cr** = Amount received by the Company from the respective Refund Receiver, in Cryptocurrency;

**r1** = Respective Cryptocurrency/US Dollar exchange rate published on the Coin Payments website (<https://www.coinpayments.net/>) as of the Conversion Date, in US Dollars; and

**r2** = Respective US Dollars/Cryptocurrency exchange rate published on the Coin Payments website (<https://www.coinpayments.net/>) at 12:00:00 AM GMT of the date when the Company makes the refund, in Cryptocurrency.

- 9.5 Each Refund Receiver shall, at the Company's request, within 7 calendar days from such request, provide the Company with details of his account for the funds transfer/remittance. The Company will perform the refund within 30 days from the date of receipt by it of the details of the Refund Receiver's accounts for the funds transfer/remittance. Failure of the Refund Receiver to provide the Company with the requested information will result in non-receiving or delay in receiving of the refund. The Company will not be liable for any delay or failure to perform the refund where the delay or failure results from failure of the Refund Receiver to provide the Company with the requested information.
- 9.6 Any refunds made in favor of the Refund Receiver will be reduced by an amount of any costs and expenses that the Company or the independent escrow agent has incurred or may incur in the future in this regard, including any exchange fees, bank fees, agency and brokerage fees, remunerations, taxes, charges, fees for blockchain transactions, etc.

## EXHIBIT 2: LIST OF RISKS

An acquisition of the Tokens involves a high degree of risk. The Buyer should carefully consider the following information about these risks before he decides to buy the Tokens. If any of the following risks actually occurs, the Company and/or the Company Affiliates' business, and the value of the Tokens could be materially and adversely affected.

The Company has described the risks and uncertainties that its management believes are material, but these risks and uncertainties may not be the only ones the Company and/or Company Affiliates face. Additional risks and uncertainties, including those that the Company currently is not aware of or deem immaterial, may also materially and adversely affect materially on the Company's and/or the Company Affiliates' business, and the value of the Tokens.

### 1. RISKS CONNECTED TO THE VALUE OF TOKENS

- 1.1 **No Rights, Functionality or Features Other than Strictly Provided Herein.** The Tokens do not have any rights, uses, purpose, attributes, functionalities or features, express or implied, including, without limitation, any uses, purpose, attributes, functionalities or features other than strictly provided in the White Paper.
- 1.2 **Lack of Development of Market for Tokens.** Because there has been no prior public trading market for the Tokens, the sale of the Tokens may not result in an active or liquid market for the Tokens, and their prices may be highly volatile. Although applications may be made to the cryptographic token exchanges for the Tokens to be admitted to trading, the applications could fail. Even if the Tokens are successfully listed on any cryptographic token exchanges, an active public market may not develop or be sustained after the Token sale. If a liquid trading market for the Tokens does not develop, the price of the Tokens may become more volatile and token holders may be unable to sell or otherwise transact in the Tokens at any time.

- 1.3. **Risks Relating to Highly Speculative Traded Price.** The valuation of digital tokens in a secondary market is usually not transparent, and highly speculative. The Tokens do not hold any ownership rights to the Company's and/or the Company Affiliates' assets and, therefore, are not backed by any tangible asset. Trade prices of the Tokens can fluctuate greatly within a short period of time. There is a high risk that a Token holder could lose his entire purchase amount. In the worst-case scenario, the Tokens could be rendered worthless.
- 1.4. **Tokens May Have No Value.** The Tokens may have no value and there is no guarantee or representation of liquidity for the Tokens. The Company and the Company Affiliates are not and shall not be responsible for or liable for the market value of the Tokens, the transferability and/or liquidity of the Tokens and/or the availability of any market for the Tokens through third parties or otherwise.
- 1.5. **Tokens are Non-Refundable.** Except for the cases strictly provided by the applicable legislation or in the legally binding documentation on the Tokens Sale, the Company and the Company Affiliates are not obliged to provide the Token holders with a refund related to the Tokens for any reason, and the Token holders will not receive money or other compensation in lieu of the refund. No promises of future performance or price are or will be made in respect to the Tokens, including no promise of inherent value, no promise of continuing payments, and no guarantee that the Tokens will hold any particular value. Therefore, the recovery of spent resources may be impossible or may be subject to foreign laws or regulations, which may not be the same as the law governing the Token holder.
- 1.6. **Risks of Negative Publicity.** Negative publicity involving the Company, the Tokens or any of the Company's Affiliates may materially and adversely affect the market perception or market price of the Tokens, whether or not it is justified.
- 1.7. **Use of Tokens in Restricted Activities by Third Parties.** Programs or websites banned or restricted in certain jurisdictions, such as gambling, betting, lottery, sweepstake, pornography and otherwise, could accept different crypto-currencies or tokens in their operation. The regulatory authorities of certain jurisdictions could accordingly take administrative or judicial actions against such programs or websites or even the developers or users thereof. The Company neither intends nor is able to act as a censor to scrutinize to any extent any program or website that uses Tokens with such goals. Therefore, any punishment, penalty, sanction, crackdown or other regulatory effort made by any governmental authority may more or less frighten or deter existing or potential users away from using and holding the Tokens, and consequently bring material adverse impact on the prospect of the Tokens.
- 1.8. **Risks Arising from Taxation.** The tax characterization of the Tokens is uncertain. The Buyer shall seek his own tax advice in connection with acquisition, storage, transfer and use of the Tokens, which may result in adverse tax consequences to the Buyer, including, without limitation, withholding taxes, transfer taxes, value-added taxes, income taxes and similar taxes, levies, duties or other charges and tax reporting requirements.

## 2. **BLOCKCHAIN AND SOFTWARE RISKS**

- 2.1 **Blockchain Delay Risk.** On most blockchains used for cryptocurrencies' transactions (e.g., Ethereum, Bitcoin blockchains), timing of block production is determined by proof of work so block production can occur at random times. For example, the cryptocurrency sent as a payment for the Tokens in the final seconds of the Token Sale may not get included into that period. The respective blockchain may not include the purchaser's transaction at the time the purchaser expects and the payment for the Tokens may reach the intended wallet address not in the same day the purchaser sends the cryptocurrency.

- 2.2 **Blockchain Congestion Risk.** Most blockchains used for cryptocurrencies' transactions (e.g., Ethereum, Bitcoin blockchains) are prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the network in an attempt to gain an advantage in purchasing cryptographic tokens. That may result in a situation where block producers may not include the purchaser's transaction or the purchaser's transaction may not be included at all.
- 2.3 **Risk of Software Weaknesses.** The Token smart contract concept, the underlying software application and software platform (i.e. the Ethereum, Bitcoin blockchains) are still in an early development stage and unproven. There are no representations and warranties that the process for creating the Tokens will be uninterrupted or error-free. There is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of the cryptocurrency and/or the Tokens.
- 2.4 **Risk of New Technology.** The Tokens and all of the matters set forth in the Whitepaper are new and untested. The Tokens might not be capable of completion, creation, implementation or adoption. It is possible that no blockchain utilizing the Tokens will be ever launched. Even if the Token is completed, implemented and adopted, it might not function as intended, and any Tokens may not have functionality that is desirable or valuable. Also, technology is changing rapidly, so the Tokens may become outdated.

### 3. SECURITY RISKS

- 3.1 **Risk of Loss of Private Keys.** The Tokens may be held by a Token holder in his digital wallet or vault, which requires a private key, or a combination of private keys, for access. Accordingly, loss of requisite private keys associated with such Token holder's digital wallet or vault storing the Tokens will result in loss of such Tokens, access to his Token balance and/or any initial balances in blockchains created by third parties. Moreover, any third party that gains access to such private keys, including by gaining access to login credentials of a hosted wallet or vault service which the Token holder uses, may be able to misappropriate the Token holder's Tokens.
- 3.2 **Lack of Token Security.** The Tokens may be subject to expropriation and/or theft. Hackers or other malicious groups or organizations may attempt to interfere with the Token smart contract which creates the Tokens or the Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because the Ethereum platform rests on open source software, there is the risk that Ethereum smart contracts may contain intentional or unintentional bugs or weaknesses which may negatively affect the Tokens or result in the loss of Tokens, the loss of ability to access or control the Tokens. In the event of such a software bug or weakness, there may be no remedy and holders of the Tokens are not guaranteed any remedy, refund or compensation.
- 3.3 **Attacks on Token Smart Contract.** The blockchain used for the Token smart contract which creates the Tokens is susceptible to mining attacks, including double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attacks present a risk to the Token smart contract, expected proper execution and sequencing of the Token transactions, and expected proper execution and sequencing of contract computations.
- 3.4 **Failure to Map a Public Key to Purchaser's Account.** Failure of a purchaser of the Tokens to map a public key to such purchaser's account may result in third parties being unable to recognize purchaser's Token balance on the Ethereum blockchain.
- 3.5 **Risk of Incompatible Wallet Service.** The wallet or wallet service provider used for the acquisition and storage of the Tokens, has to be technically compatible with the Tokens. The failure to assure this may result in the purchasers of the Tokens not be able to receive his Tokens.

- 3.6 **Risks of Theft of the Funds Raised in the Token Sale.** The Company will make every effort to ensure that the funds received from the Token Sale will be securely held through the implementation of security measures. Notwithstanding such security measures, there is no assurance that there will be no theft of the cryptocurrencies as a result of hacks, sophisticated cyber-attacks, distributed denials of service or errors, vulnerabilities or defects on the Website, in the smart contract(s), on the Ethereum or any other blockchain, or otherwise. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. In such event, even if the Token Sale is completed, the Company may not be able to receive the cryptocurrencies raised and to use such funds for the development of the business proposal and/or for launching any future business line. In such case, the launch of the business proposal as described in the Whitepaper might be temporarily or permanently curtailed. As such, distributed Tokens may hold little worth or value, and this would impact its trading price.
- 3.7 **Risks Relating to Escrow Wallet.** The private keys to the escrow wallet, if used by the Company, may be compromised and the cryptocurrencies may not be able to be disbursed. The escrow wallet is designed to be secure. Each of the holders of the three (3) private keys to the escrow wallet will use all reasonable efforts to safeguard their respective keys, but in the unlikely event that any two (2) of the three (3) keys to the escrow wallet are, for any reason whatsoever, lost, destroyed or otherwise compromised, the funds held by the escrow wallet may not be able to be retrieved and disbursed, and may be permanently unrecoverable. In such event, even if the Token Sale is successful, the Company will not be able to receive the funds raised and to use such funds for the development of the business proposal as described in the Whitepaper. As such, distributed Tokens may hold little worth or value, and this would impact its trading price.

#### 4. RISKS RELATING TO THE COMPANY

- 4.1 **Risks relating to Ineffective Management.** The Company and the Company Affiliates may be materially and adversely affected if they fail to effectively manage their operations as their business develops and evolves, which would have a direct impact on the Company's ability to maintain and/or launch any future business lines.
- 4.2 **Risks Related to Highly Competitive Environment.** The financial technology and cryptocurrency industries, and the markets in which the Company competes are highly competitive and have grown rapidly over the past years and continue to evolve in response to new technological advances, changing business models and other factors. As a result of this constantly changing environment, the Company may face operational difficulties in adjusting to the changes, and the sustainability of the Company will depend on its ability to manage its operations and ensure that it hires qualified and competent employees and provides proper training for its personnel. As its business evolves, the Company must also expand and adapt its operational infrastructure. The Company cannot give any assurance that the Company will be able to compete successfully.
- 4.3 **Risks Relating to General Global Market and Economic Conditions.** Challenging economic conditions worldwide may from time to time continue to contribute to slowdowns in the information technology industry at large. Weakness in the economy could have a negative effect on the Company's business, operations and financial condition, including decreases in revenue and operating cash flows, and inability to attract future equity and/or debt financing on commercially reasonable terms. Additionally, in a down-cycle economic environment, the Company may experience the negative effects of a slowdown in trading and usage of the Tokens.
- 4.4 **Risks of Non-Protection of Intellectual Property Rights.** The Company relies on patents and trademarks and unpatented proprietary know-how and trade secrets and employ commercially reasonable methods, including confidentiality agreements with employees and consultants, to protect know-how and trade secrets. However, these methods may not afford complete protection

and the Company cannot give any assurance that third parties will not independently develop the know-how and trade secrets or develop better production methods than the Company.

- 4.5 **Risks of Infringement Claims.** The competitors of the Company, other entities and individuals, may own or claim to own intellectual property relating to products and solutions of the Company. Third parties may claim that products and solutions and underlying technology of the Company infringe or violate their intellectual property rights. The Company may be unaware of the intellectual property rights that others may claim cover some or all of products or technology of the Company.

## 6. RISKS ARISING IN THE COURSE OF THE COMPANY'S AND THE COMPANY AFFILIATES' BUSINESS

- 6.1 **Risk of Conflicts of Interest.** The Company and the Company Affiliates may be engaged in transactions with related parties, including respective majority shareholder, companies controlled by him or in which he owns an interest, and other affiliates, and may continue to do so in the future. Conflicts of interest may arise between the Company and the Company Affiliates, potentially resulting in the conclusion of transactions on terms not determined by market forces.

- 6.2 **Risks Related to Invalidation of Company's and Company Affiliates' Transactions.** The Company and the Company Affiliates have taken a variety of actions relating to their business that, if successfully challenged for not complying with applicable legal requirements, could be invalidated or could result in the imposition of liabilities on the Company and the Company Affiliates. Since applicable legislation may subject to many different interpretations, the Company and the Company Affiliates may not be able to successfully defend any challenge brought against such transactions, and the invalidation of any such transactions or imposition of any such liability may, individually or in the aggregate, have a material adverse effect on the Tokens.

- 6.3 **Risks Arising from Emerging Markets.** The Company and the Company Affiliates or some of them may operate on emerging markets. Emerging markets are subject to greater risks than more developed markets, including significant legal, economic and political risks. Emerging economies are subject to rapid change and that the information set out in the Whitepaper may become outdated relatively quickly.

## 7. GOVERNMENTAL RISKS

- 7.1 **Uncertain Regulatory Framework.** The regulatory status of cryptographic tokens, digital assets and blockchain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether governmental authorities will regulate such technologies. It is likewise difficult to predict how or whether any governmental authority may make changes to existing laws, regulations and/or rules that will affect cryptographic tokens, digital assets, blockchain technology and its applications. Such changes could negatively impact the tokens in various ways, including, for example, through a determination that the tokens are regulated financial instruments that require registration. The Company may cease the distribution of the Tokens, the development of the Tokens or cease operations in a jurisdiction in the event that governmental actions make it unlawful or commercially undesirable to continue to do so.

- 7.2 **Failure to Obtain, Maintain or Renew Licenses and Permits.** Although as of the date of starting of the Token sale there are no statutory requirements obliging the Company to receive any licenses and permits necessary for carrying out of its activity, there is the risk that such statutory requirements may be adopted in the future and may relate to the Company and/or any of the Company Affiliates. In this case, the Company and the Company Affiliates' business will depend on the continuing validity of such licenses and permits and its compliance with their terms. Regulatory authorities may exercise considerable discretion in the timing of license issuance and renewal and the monitoring of licensees'



compliance with license terms. Requirements which may be imposed by these authorities and which may require the Company and any of the Company Affiliates to comply with numerous standards, recruit qualified personnel, maintain necessary technical equipment and quality control systems, monitor operations, maintain appropriate filings and, upon request, submit appropriate information to the licensing authorities, may be costly and time-consuming and may result in delays in the commencement or continuation of operation of the Tokens. Further, private individuals and the public at large possess the rights to comment on and otherwise engage in the licensing process, including through intervention in courts and political pressure. Accordingly, the licenses the Company and/or any Company Affiliate may need may not be issued or renewed, or if issued or renewed, may not be issued or renewed in a timely fashion, or may involve requirements which restrict the Company and/or any Company Affiliate's ability to conduct its operations or to do so profitably.

- 7.3 **Risk of Government Action.** The industry in which the Company and the Company Affiliates operate is new, and may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. There can be no assurance that governmental authorities will not examine the operations of the Company and/or the Company Affiliates and/or pursue enforcement actions against them. All of this may subject the Company and/or the Company Affiliates to judgments, settlements, fines or penalties, or cause the Company and/or Company Affiliates to restructure their operations and activities or to cease offering certain products or services, all of which could harm the Company and/or the Company Affiliates' reputation or lead to higher operational costs, which may in turn have a material adverse effect on the Tokens and/or the development of the platform supporting the Tokens.
- 7.4 **Risk of Burdensomeness of Applicable Laws, Regulations and Standards.** Failure to comply with existing laws and regulations or the findings of government inspections, or increased governmental regulation of the Company and/or the Company Affiliates' operations, could result in substantial additional compliance costs or various sanctions, which could materially adversely affect the Company's and/or the Company Affiliates' business and the Tokens. The Company's and/or the Company Affiliates' operations and properties are subject to regulation by various government entities and agencies, in connection with ongoing compliance with existing laws, regulations and standards. Regulatory authorities exercise may considerable discretion in matters of enforcement and interpretation of applicable laws, regulations and standards. Respective authorities may have the right to, and frequently do, conduct periodic inspections of the Company's and/or any Company Affiliate's operations and properties throughout the year. Any such future inspections may conclude that the Company and/or any Company Affiliate has violated laws, decrees or regulations, and it may be unable to refute such conclusions or remedy the violations. The Company's and/or any Company Affiliate's failure to comply with existing laws and regulations or the findings of government inspections may result in the imposition of fines or penalties or more severe sanctions or in requirements that the Company and/or respective Company Affiliate cease certain of its business activities, or in criminal and administrative penalties applicable to respective officers. Any such decisions, requirements or sanctions, or any increase in governmental regulation of respective operations, could increase the Company's and/or the Company Affiliates' costs and materially adversely affect the Company's and/or the Company Affiliates' business and the Tokens.
- 7.5 **Unlawful or Arbitrary Government Action.** Governmental authorities may have a high degree of discretion and, at times, act selectively or arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary a law or influenced by political or commercial considerations. Moreover, the government also has the power in certain circumstances, by regulation or government act, to interfere with the performance of, nullify or terminate contracts. Unlawful, selective or arbitrary governmental actions have reportedly included the denial or withdrawal of licenses, sudden and unexpected tax audits, criminal prosecutions and civil actions. Federal and local government entities have also used common defects in matters surrounding the Token sale as pretexts for court claims and other demands to invalidate or to void any related transaction, often for political purposes. In this environment, the Company's and/or the Company Affiliates' competitors may receive preferential

treatment from the government, potentially giving them a competitive advantage over the Company and the Company Affiliates.

## **8. UNANTICIPATED RISKS**

- 8.1 Blockchain technologies and cryptographic tokens such as the Tokens are a relatively new and dynamic technology. In addition to the risks included above, there are other risks associated with your purchase, holding and use of the Tokens, including those that the Company cannot anticipate. Such risks may further appear as unanticipated variations or combinations of the risks discussed above.

*[the remainder of this page is intentionally left blank]*