

**[MEMBRANA] - INDICATION OF INTEREST
PRIVATE OFFERING TO PROFESSIONAL INVESTORS**

Except as otherwise provided, this Indication of Interest: (i) is intended as a statement of the parties' mutual intentions only; (ii) is not intended to be, and shall not constitute, a binding or enforceable agreement between the parties except as otherwise provided in the section entitled "Non-Binding Nature"; (iii) is not an offer of securities capable of acceptance; (iv) is not intended to impose any obligation whatsoever on either party except as otherwise provided in the section entitled "Non-Binding Nature", and (v) the terms of the contemplated offering (the "offering") set out in this Indication of Interest may be amended, possibly substantially, at the Company's sole discretion without prior notice.

This Indication of interest is provided only to professional investors who are Eligible Purchasers (as defined in Annex B) and have expressed interest in the offering. The distribution of this Indication of Interest and the offering or purchase of the Membrana Tokens may be restricted in certain jurisdictions. No person receiving a copy of this Indication of Interest in any such jurisdiction may treat this Indication of Interest as constituting an invitation to him to subscribe for the Membrana Tokens or giving rise to a right to subscribe for the Membrana Tokens.

The Company and the intended offer of the Membrana Tokens have not been notified or registered with any regulatory authority. This Indication of Interest is not a prospectus and accordingly, statutory liability in relation to the content of prospectuses does not apply. Prospective investors should consider carefully whether the investment in the offering is suitable for them.

OVERVIEW

[MEMBRANA], a company incorporated in the Cayman Islands under registration number 339391 ("**Company**"), is developing a blockchain platform enabling investors and traders to enter into trust management agreements in relation to crypto currency assets ("**Membrana Platform**"). The Membrana Platform, once developed, will provide with a transparent, decentralized secure system which controls the process of concluding and executing a trust management agreement up to the point of revenue gained by both parties. Further details on the Membrana Platform are set out in the Membrana Platform whitepaper published at membrana.io ("**Whitepaper**").

The Membrana Platform will employ a unique crypto currency called “Membrana Tokens” (“**Membrana Tokens**”) which will be issued by the Company and will allow the holders of Membrana Tokens to utilize the Membrana Platform. More information on the functions of the Membrana Platform which could be accessed and utilized by holders of Membrana Tokens is provided in Annex A.

[Membrana Platform may be operated by an operator other than the Company which may be a subsidiary or an affiliate of the Company or otherwise. In the event the Membrana Platform is operated by an operator other than the Company, the Company will procure that such operator abides to the Membrana Tokens functionality described in Annex A and the Whitepaper.

DEAL STRUCTURE The Company intends to issue up to 1,000,000,000 Membrana Tokens (“**Membrana Tokens Issue**”).

As of the date of this Indication of Interest, the Company sold 110,000,000 Membrana Tokens to a third party investor.

The Company intends to offer (“**Sale**”) the opportunity to acquire, if issued by the Company in the future, up to 400,000,000 Membrana Tokens (“**Sale Membrana Tokens**”) out of the Membrana Tokens Issue, at the price of US\$0.02 per Membrana Token (“**Purchase Price**”) to “professional investors” within the meaning of securities regulations of the place of their incorporation / residency, as further defined in Annex B (“**Purchaser**”).

A discount will be applied to the Purchase Price per Sale Membrana Token if the aggregate Purchase Price payable under a single Purchase Agreement exceeds the below thresholds:

<u>Discount, %</u>	<u>Amount payable under the Purchase Agreement (after discount), US\$</u>
30	from 100,000 (inclusive) to 500,000 (inclusive)
40	from 500,001 to 1,000,000 (inclusive)
50	from 1,000,001 and above

The terms and conditions on which the Sale Membrana Tokens may be acquired, if such Membrana Tokens are issued by the Company in the future, will be embodied in, and documented by, a purchase agreement with respect to the Sale Membrana Tokens (“**Purchase Agreement**”) to be entered into between the Company and the Purchaser.

As to the remaining Membrana Tokens in the Membrana Tokens Issue, the Company intends (but does not undertake) to distribute them as follows:

- up to 275,000,000 Membrana Tokens will be distributed to the Company's team members, advisors and business partners;
- up to 200,000,000 Membrana Tokens will be reserved by the Company for public sale which may be conducted in the future ("**Public Sale**"); and
- up to 40,000,000 Membrana Tokens will be reserved by the Company for future airdrop distributions.

The terms of the Sale will not extend to any distribution of Membrana Tokens other than the Sale Membrana Tokens. The terms and conditions of such other distributions and/or sales will be determined by the Company in its sole discretion provided that no Membrana Token will be sold by the Company at the Public Sale for a price less than US\$0.02.

USE OF PROCEEDS

The Company intends to use the proceeds raised from the offering for the development of the Membrana Platform, for the payment of its operational expenses and the operational expenses of its subsidiaries (if such are established) to develop, sponsor and promote the Membrana Platform, for the preparation to the Public Sale and for all other general business operations ancillary thereto subject to restrictions imposed by applicable law.

PARTICIPATION IN THE SALE

The Purchaser's right to participate in the Sale is in the Company's sole discretion. If the Company determines to offer a Purchaser the ability to participate in the Sale, the Purchaser will need to enter into the Purchase Agreement with the Company. Prior to entering into the Purchase Agreement, among other things, the Purchaser will be required to provide to the Company and its representatives certain information and related documentation demonstrating the Purchaser's ability under applicable laws to participate in the Sale.

The Purchase Agreement will provide for (a) the payment of the Purchase Amount (as set forth in the Purchase Agreement) by the Purchaser prior to the payment date set forth therein and (b) upon the terms and subject to the conditions of the Purchase Agreement, the issuance of Membrana Tokens by the Company on the date to be determined by the Company (the "**Token Generation Event**") which is intended to be (i) the date when a Membrana Token was first distributed to its first purchaser in the course and in connection with the Public Sale or (ii) an earlier date determined by the Company at its sole discretion.

There can be no assurance that Purchasers will receive any refund or return of their investment if Membrana Tokens are not issued. Also, if Membrana Tokens are issued, the Purchasers may never receive any benefit from holding Membrana Tokens; there might be no liquid market for the Membrana Tokens and peer-to-peer transfers may not be permitted unless and until the Company decides that it is possible and the Purchasers may hold illiquid tokens for an indefinite period.

Membrana Tokens functionality is described in Annex A. For the avoidance of doubt, Membrana Tokens will not entitle its holders to any equity rights in the Company.

INVESTMENT PROCESS

Based on the number of the Sale Membrana Tokens which the Purchaser wishes to subscribe for, the Purchaser is invited to indicate on the signature page hereto the total assumed amount payable by it for the relevant Sale Membrana Tokens (“**Indicative Purchase Amount**”), fill in other required particulars and send back to the Company the signed copy of this Indication of Interest by no later than [15 August] 2018.

Purchasers must commit to a minimum Purchase Amount of US\$100,000 (or an equivalent amount in BTC or ETH). This minimum Purchase Amount may be waived or increased by the Company at its sole discretion.

All Purchasers will need to be approved by the Company following “know-your-client” and anti-money laundering (KYC/AML) checks pursuant to laws relating to proceeds of crime and the financing of terrorism and verification of the eligibility of the Purchaser in accordance with Annex B.

The Purchasers approved by the Company will receive the Purchase Agreement for execution. It is anticipated that the execution of Purchase Agreements will occur on [25 September] 2018. The Purchase Agreements will require the Purchase Amount to be settled within 5 business days from the date of execution of the Purchase Agreement.

Unless the Sale Membrana Tokens were sold at a discounted Purchase Price in accordance with the section “Deal Structure” above, the Company will distribute the Sale Membrana Tokens to the Purchasers under the relevant Purchase Agreements within 5 business days from date of the Token Generation Event.

If a discount was applied to the Purchase Price in accordance with the section “Deal Structure” above, the Company will distribute 50% of the Sale Membrana Tokens to the Purchasers under the relevant Purchase Agreements within 5 business days from date of the Token Generation Event. The remaining Sale Membrana Tokens will be distributed to the Purchasers under the relevant Purchase Agreements in equal parts on the following dates depending on the discount rate applied to the Purchase Price:

<u>Discount rate applied, %</u>	A date following the date the Sale Membrana Tokens was first distributed to the relevant Purchaser
30	30 th day
40	30 th , 60 th and 90 th days
50	30 th , 60 th , 90 th 120 th , 150 th and 180 th days

NO ASSIGNMENT

The Purchase Agreement will contain a “no assignment” provision under which the Purchaser shall agree and undertake that from the date of the Purchase Agreement to the date of the Token Generation Event, such Purchaser shall not, without the prior written consent of the Company:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer, encumber or dispose of, directly or indirectly (through a direct or indirect transfer, encumbrance or disposition of any interest in any entity): any of its rights or obligations under or in connection with the Purchase Agreement (or any interest therein); any Membrana Tokens (or any interest therein); or any securities convertible into or exercisable or exchangeable for any of the foregoing; or
- (b) enter into any swap or other agreement that transfers or purports to transfer, directly or indirectly, in whole or in part, any economic rights or interests in the Purchase Agreement or the Membrana Tokens,

whether any such transaction described in paragraphs (a) or (b) above is to be settled by delivery of the investment contract represented by the Purchase Agreement or any Membrana Tokens, in cash or otherwise; provided, however, that the above restrictions shall not apply to transfers of Membrana Tokens to an affiliate (as defined in the Purchase Agreement) of such Purchaser to the extent that such affiliate agrees in writing with the Company to be bound by transfer restrictions substantially identical to the above.

The Purchase Agreement will not, subject to the terms of listing imposed by exchanges or any applicable law, contain any restriction on the transferability of the Sale Membrana Tokens once they are delivered to the Purchaser.

TERMINATION

The obligation to issue Membrana Tokens pursuant to the Purchase Agreement will automatically terminate (a **"Termination"**) upon the earlier of the occurrence of any of the following events:

- (a) a resolution is adopted by the Company to cancel the project or the issue of Membrana Tokens;
- (b) a resolution is adopted by the Company or a court order is issued for the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary (a **"Dissolution Event"**); and
- (c) the first anniversary of the date of the Purchase Agreement (the **"Deadline Date"**), if the Token Generation Event has not occurred as of such date,

provided that, subject to certain exceptions set out in the Purchase Agreement, the Company shall repay to the Purchaser the Termination Amount (as defined in the Purchase Agreement) within five days of a Termination.

The Company may at any time by giving notice in writing to a Purchaser terminate the Purchase Agreement of such Purchaser with immediate effect in the event that the Company has not received the Purchase Amount on or prior to the applicable payment date set forth in the Purchase Agreement, if it does not receive the required documentation for it to conduct its KYC and AML checks, or otherwise if the Company is not satisfied with results of the KYC and AML checks.

PURCHASER'S WARRANTIES

The Purchaser represents and warrants to the Company that each of its responses on the signature page hereto is true, accurate and not misleading as at the date indicated on the signature page.

The Purchaser represents and warrants to the Company that the Purchaser has the full legal capacity, power and authority to execute this Indication of Interest and any person executing this Indication of Interest is duly authorized by the Purchaser to do so.

INDEMNIFICATION	The Purchase Agreement will contain a provision for the Purchaser to indemnify and hold harmless the Company and its officers, directors, principals, members, employees, agents, and their respective affiliates (as defined in the Purchase Agreement) (each, an "Indemnified Party"), from and against any and all loss, claim, damage, liability or expense whatsoever (including reasonable attorneys' fees and disbursements) due to or arising out of or connected with (i) any representation or warranty made by the Purchaser in the Purchase Agreement being untrue, inaccurate or breached; (ii) the Purchaser failing to perform any of its obligations under the Purchase Agreement or in any other document entered into in connection with the Purchase Agreement.
EXPENSES	Each party shall be liable for its own costs incurred in connection with preparing, negotiating and finalising the transaction and transaction documents (including this Indication of Interest).
CONFIDENTIALITY	The Purchaser undertakes (a) to keep this Indication of Interest and any other information received by it or by its representatives from the Company (or from persons acting on its behalf) ("Confidential Information") confidential at all times, (b) not to disclose Confidential Information or allow such information to be disclosed in whole or in part to any third party without the prior written consent of the Company, and (c) not to use Confidential Information in whole or in part for any purpose other than subscribing for Membrana Tokens.
LIMITATION AND EXCLUSION OF LIABILITY	The Purchase Agreement will limit the Company's liability for losses suffered by the Purchaser as a result of entering into and performing the Purchase Agreement to the Purchase Price and will expressly exclude consequential losses of the Purchaser.
NO WARRANTIES	<p>The Company makes no representations and warranties as to the Membrana Tokens or the Company.</p> <p>In particular, the Company may amend the Whitepaper from time to time and the Purchaser is deemed to be aware of such changes and to agree to such changes.</p>
NON-BINDING NATURE	Save for the sections entitled "Purchaser's Warranties", "Expenses", "No Warranties", "Confidentiality" and "Governing Law and "Dispute Resolution", this Indication of Interest shall not be a binding or legally enforceable agreement or commitment by the parties to negotiate towards or conclude any agreement in relation to the transactions contemplated hereby and shall not give rise to any other legal consequences or create any binding obligations on any of the parties.

The execution of the Purchase Agreement will supersede this Indication of Interest and any understandings or arrangements (whether express, implied, oral or written (whether or not in draft form)) between the Purchaser and the Company pursuant to this Indication of Interest will cease to have effect (to the extent that it is deemed to be legally binding).

**GOVERNING LAW
AND DISPUTE
RESOLUTION**

This Indication of Interest and any claim, dispute or difference (including non-contractual claims, disputes or differences) arising out of, or in connection with, this Indication of Interest or its subject matter shall be governed by, and construed in accordance with, English law.

All disputes arising out of or concerning this Indication of Interest, including any question regarding its existence, validity or termination, will be resolved finally by arbitration in accordance with the rules of the London Court of International Arbitration (“**LCIA**”). The language of the arbitration will be English and the governing law of the arbitration will be English law.

By signing below the Purchaser confirms the following:

- ☐ Purchaser qualifies as an Eligible Purchaser, details of which are set out in Annex B.
- ☐ The Purchaser is not prohibited by the laws of its country of incorporation or domicile to receive the Indication of Interest, accept the offer contained in the Indication of Interest, enter into the Purchase Agreement or acquire the Membrana Tokens and there are no requirements for a prospectus for the offer herein.
- ☐ Instruments like the Purchase Agreement and the Membrana Tokens entail a high degree of risk, and the Purchaser may lose some or all of the amounts invested.
- ☐ The Purchaser is able to withstand a total loss of the amounts paid under the Purchase Agreement.

For and on behalf of the Purchaser

Legal Name of the Purchaser:

By:

Name:

Title:

Address:

.....

Date:

Purchaser Contact Information (name, email, phone)

Primary Business Contact:

Additional Business Contact:

Legal / Operational Contact(s):

Please set out the Indicative Purchase Amount below:

1. _____
Currency (US\$, BTC, ETH)

2. Please describe any approvals (shareholder, regulatory or otherwise) that will be required prior to executing the Purchase Agreement, as well as the timeframe necessary for meeting all conditions and obtaining all approvals.

ANNEX A

SUMMARY TERMS AND CONDITIONS OF THE MEMBRANA TOKENS

The following is a summary of rights, preferences, powers, restrictions and limitations which will apply to the Membrana Tokens if, as and when they are issued by the Company pursuant to the Purchase Agreement.

1. Designation and Number of Membrana Tokens

The Membrana Tokens will be designated as [MBR] and the number of the Sale Membrana Tokens to be issued at the Token Generation Event will not exceed 250,000,000.

The Membrana Tokens are issued electronically and comply with the ERC20 smart contract standard consisting of software code, existing on the Ethereum blockchain. The software code of the Membrana Token smart contract is open source and will be published at membrana.io in due course.

2. Membrana Tokens Functionality

It is anticipated that holders of the Membrana Tokens will be able to do the following:

- pay the Membrana Platform's commissions at discounted rates;
- get access to additional features of the Membrana Platform;
- purchase an access to Membrana external API protocol.

It is possible that the Company may develop additional functionality for the Membrana Tokens.

Further information on the Membrana Platform and Membrana Tokens is provided in the Whitepaper published at membrana.io.

3. Membrana Tokens Transfers

Once distributed to a Purchaser, the Sale Membrana Tokens will not be subject to any lock-up restrictions (other than such restrictions as may be required by third-party exchange services for the purpose of listing the Membrana Tokens or any applicable laws). Agreements for the acquisition of other Membrana Tokens in the Membrana Tokens Issue may contain lock-up provisions and be subject to other restrictions as set out in the relevant agreement.

It is possible that third-party exchange services will accept tokens to trading on their platform and will exchange them for fiat currencies or other cryptocurrencies. There is no guarantee, however, that this will ever occur.

4. Repurchases

The Company will have the right from time to time to repurchase Membrana Tokens pursuant to purchases effected through third-party exchange services (if Membrana Tokens are accepted to trading on such platforms) or on a private basis.

5. Voting and Dividend Rights

The Membrana Tokens will have no voting rights and rights to receive dividends.

ANNEX B

PURCHASER ELIGIBILITY REQUIREMENTS

Eligible Purchasers may be institutions, corporations, family offices, venture capital firms and private individuals that are investors having sufficient knowledge and experience in financial and business matters to make them capable of evaluating the merits and risks of the prospective investment in Membrana Tokens. Depending on the jurisdiction of incorporation or residency, such Eligible Purchases may be referred to as “sophisticated investors”, “accredited investors”, “professional investors”, “relevant person” or otherwise.

As a general rule, all investors interested in the Sale will need to confirm to the Company their qualification as “accredited investors” as such term is defined in Rule 501(a) of Regulation D promulgated by the United States Securities and Exchange Commission under the Securities Act of 1933, as amended (the “**U.S. Securities Act**”). The Company may, at its sole discretion, waive a requirement for such qualification or impose additional requirements in relation to a particular purchaser depending on his / her residency or country of its incorporation.

Investors residing or incorporated in jurisdictions (i) which are subject to political, economic or other type of sanctions imposed by United Nations, United States of America and/or European Union or (ii) where government authorities have restricted token offerings will be limited in or fully excluded from participating in the Sale.

Rule 501(a) of Regulation D defines an “**accredited investor**” as follows:

- (a) A bank (as defined in Section 3(a)(2) of the U.S. Securities Act, or a savings and loan association or other institution (as defined in Section 3(a)(5)(A) of the U.S. Securities Act), whether acting in its individual or fiduciary capacity;
- (b) A broker or dealer registered under Section 15 of the U.S. Securities Exchange Act of 1934, as amended;
- (c) An insurance company (as defined in Section 2(a)(13) of the U.S. Securities Act);
- (d) An investment company registered under the U.S. Investment Company Act of 1940, as amended;
- (e) A business development company (as defined in Section 2(a)(48) of the U.S. Investment Company Act of 1940, as amended);
- (f) A Small Business Investment Company (licensed by the United States Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended);
- (g) An employee benefit plan with total assets of more than US\$5,000,000, established and maintained by a state, a political subdivision of a state, or any agency or instrumentality of a state or its political subdivisions;

- (h) Any employee benefit plan within the meaning of U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of US\$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- (i) A private business development company (as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940, as amended);
- (j) An organization described in Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended, not formed for the specific purpose of acquiring the securities offered, with total assets of more than US\$5,000,000;
- (k) A corporation, Massachusetts or similar business trust, or partnership not formed for the specific purpose of acquiring the securities offered, with total assets of more than US\$5,000,000;
- (l) Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer or general partner of a general partner of that issuer;
- (m) A natural person whose individual net worth, or joint net worth with that person’s spouse exceeds US\$1,000,000;
- (n) A natural person who had an individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- (o) Any trust, with total assets in excess of US\$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in rule 506(b)(2)(ii) under the U.S. Securities Act; and
- (p) Any entity in which all of the equity owners are accredited investors.