



Token Sale Mechanics

SEPTEMBER 19, 2017

Aion: The third-generation blockchain network

TOKEN DISTRIBUTION OVERVIEW

TOKEN SALE PHASES

- 1. Phase 1 : A private sale of tokens**
- 2. Phase 2 : A limited, public, pre-sale of tokens**
- 3. Phase 3 : A public sale of tokens**

PHASE 1 : PRIVATE SALE

The first phase of AION token sales was completed among accredited and institutional investors

close to the founding team. Backers of this phase also have the option to contribute to the Token Release Schedule on the same basis as backers in the Public Pre Sale.

PHASE 2: PUBLIC PRE-SALE

The second phase will be a limited token generation, or presale, event in accordance with the bonus contribution rates set forth below. Phase 2 will only accept Ether (ETH) as payment.

At the time of purchase, as well as during a grace period ending prior to Phase 3, Phase 2 backers will have an option to contribute to a Token Release Schedule (TRS) contract - [\(see section below\)](#)

The contribution rate for the Phase 2: Public Pre-Sale will be calculated based on the following five predefined time tranches:

Tranche 1 : All valid contributions made between the initial Ethereum contribution (T0) and all contributions made until end of first tranche (T1) will be considered “Tranche 1” and receive 1 AION / \$0.75 USD of value contributed.

Tranche 2 : All valid contributions made between the initial Ethereum contribution (T1)

and all contributions made until end of first tranche (T2) will be considered “Tranche 2” and receive 1 AION / \$0.80 USD of value contributed.

Tranche 3 : All valid contributions made between the initial Ethereum contribution (T2) and all contributions made until end of first tranche (T3) will be considered “Tranche 3” and receive 1 AION / \$0.85 USD of value contributed.

Tranche 4 : All valid contributions made between the initial Ethereum contribution (T3) and all contributions made until end of first tranche (T4) will be considered “Tranche 4” and receive 1 AION / \$0.90 USD of value contributed.

Tranche 5 : All valid contributions made between the initial Ethereum contribution (T4) and all contributions made until end of first tranche (T5) will be considered “Tranche 5” and receive 1 AION / \$0.95 USD of value contributed.

Valid contributions made after the final contribution credited as Tranche 5 (over T5) shall receive a rate of 1 AION / \$1.00 USD.

P2 : Financial Cap and Closing Period

Phase 2 has a soft cap at \$15MM USD in total contributions. Upon hitting the soft cap, an additional four hour sales period will be initiated that will close the pre-sale. The soft cap can be initiated in any Tranche. After the soft cap is triggered, any valid contributions made will be received at a rate of 1 AION per \$1.00 USD. After the four hour closing period, the receiving contract will be marked “finished,” and contributions will be rejected from that time on by calling throw.

P2 : Minting

After Phase 2 closes, Phase 3 tokens will be created in an amount equal to five times (5x) the total number of tokens sold during the Phase 1 and 2 events.

P2 : TRS Contract

The Token Release Schedule (TRS) contract will be available upon launch of the Phase 2: Public Pre-Sale as well as be open for a period of time after Phase 2 closes and before Phase 3 begins. This provides the capability for contributors to send their tokens to the TRS contract prior to the Phase 3: Public Sale.

PHASE 3 : PUBLIC SALE

The third phase will occur later in the year. The AION tokens created after Phase 2 (five times tokens sold P1 and P2) will be sold during Phase 3 and offered in a Dutch auction.

This auction will have a fundraising, an elapsed-time, and a maximum token cap. Upon a cap being triggered, any remaining tokens will be distributed proportionally back to those who contributed to the Token Release Schedule contract ([see section below](#))

P3 : Dutch Auction

The Dutch auction will have a predefined declining price per token until a cap is reached. The price of the token will be updated at defined intervals. More detail will be released at the announcement of the Phase 3 date.

TOKEN RELEASE SCHEDULE (TRS) CONTRACTS

The Dutch Auction structure of the Public Sale, along with the fundraising cap, provides the possibility for leftover tokens. Instead of being burnt, left over tokens will be proportionally distributed to those backers who contributed to the TRS contract.

Aion Foundation, Founding Organization and Partners TRS Contract

As part of the Aion team’s commitment to the long-term success of the Aion network project, AION tokens allocated to the Founding Organizations and Partners, and to the Aion Foundation** (founders) will be distributed on a three-year inclusive Token Release Schedule contract. Meaning that after the Phase 3 token sale, 25% of the founding tokens will be released to founding organizations and partners. This is followed by 2.1% release each month for the following 36 months.

TIME PERIOD	0	1	...	...	36
PERCENTAGE	25%	2.08%	...	...	2.08%

The founding TRS contract will receive 50% of the total of any redistributed tokens. This results in an equal redistribution of tokens between the founders as the community of Backers.

Backers TRS Option

To align, grow, and maintain the Aion community, backers in the Private sale, and Public Pre-sale will have the option to contribute to the Token Release Schedule (TRS) contract as described above. The community will receive 50% of the total of any redistributed tokens. Backers will have the option of contributing to a 1-year TRS contract to share in this token redistribution. The TRS contract will be open for contributions upon launch of Phase 2: Public Pre-Sale, and remain open until the Phase3: Public Sale.

Backer TRS: 1-year

This contract is a 1 year token release schedule with a 25% immediate release, and subsequent 6.25% monthly release for 12 months.

TIME PERIOD	0	1	...	...	12
PERCENTAGE	25%	6.25%	...	...	6.25%

OTHER TOKEN SALE DETAILS

Contributions

The AION token generation event will be accepting Ethereum (ETH) contributions. Other tokens will need to be converted to ETH. A link will be provided on the Aion website to the Shapeshift exchange to facilitate transfer.

Founding Token Allocation

Tokens will be directly allocated to founding company owned accounts, and not to individuals.

More Information

Visit the [Aion network website](#) and sign up for our newsletter and social channels for updated information as soon as it becomes available.

SALE STRUCTURE

Phase 1: Private sale SAFT (Simple Agreement for Future Tokens) details

Closing date	September 2017
Tokens Issued	30,000,000

Phase 2: public pre-sale

Fundraising Soft Cap	USD \$15,000,000
Fundraising Hard Cap	TBA
Time Cap	Fundraising Soft Cap + 4 hours 1 week
Start Date	October 3, 2017 1400 UTC

Phase 3: public sale

Fundraising Hard Cap	TBA
Time Cap	TBA
Token Cap	5x tokens from Phases 1 and 2
Start Date	Late 2017

TOKEN STRUCTURE AND DISTRIBUTION

At the launch of the Phase 3 public sale, AION tokens will be created and issued based on the following allocation:

10%	Private Sale and Public Pre-Sale
50%	Public Sale *
20%	Founding Organization and Partners
20%	Aion Foundation **
100%	Total

Tokens for public sale will be created at five times the tokens sold in Phase 1 and Phase 2.

- * AION tokens remaining, if any, after the public sale close are redistributed proportionally back to token holders who contributed to the Token Release Schedule contract.
- ** Or any other legal structure deemed appropriate for the ongoing management, development, and stewardship of the portion allocated to the Aion Foundation, two percent will be reserved for Aion advisors.