



**FRIENDZ**

A DIGITAL MARKETING REVOLUTION  
ON THE BLOCKCHAIN

# WHITEPAPER



# ABSTRACT

Friendz is a digital marketing company whose main goal is to connect brands with their target audience, taking advantage of the most powerful marketing tool ever: **“word of mouth”**.

When we look at what the future holds for us we see global expansion, larger communities of users, more services provided and happier clients.

All this made possible by the use of the blockchain technology and the adoption of Friendz Coins, the new standard currency for buying digital services and activate community of engaged users all around the world.

\*Every image displayed in this paper has been created by our users.



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# INTRODUCTION

- WHO WE ARE
- VISION
- FUTURE PLANS

# WHO WE ARE

**How many times have you purchased online just following the hint of a picture you saw on the internet?**

**Many, for sure.**

And has it ever occurred to you that every time you publish branded content on social media, you are supporting the values of a particular brand?

**It's something powerful, that's why we created Friendz.**

Friendz is a digital marketing company whose main goal is to connect brands to their target audience, taking advantage of the most powerful marketing tool ever, "word of mouth". Friendz is proud to have introduced a new way of doing digital advertising, based on communication among peers.

## Friendz for brands: advertising campaigns

Friendz is an already operating product that is providing services through the support of a community of over 200,000 users, continuously engaged in the activities running in the app. The community is always ready and willing to participate in the campaigns organised by Friendz, in exchange for rewards. The reward is issued in order to motivate and appreciate the users for their participation in content creation and validation.



BRAND



FRIENDZ



COMMUNITY



APPROVERS



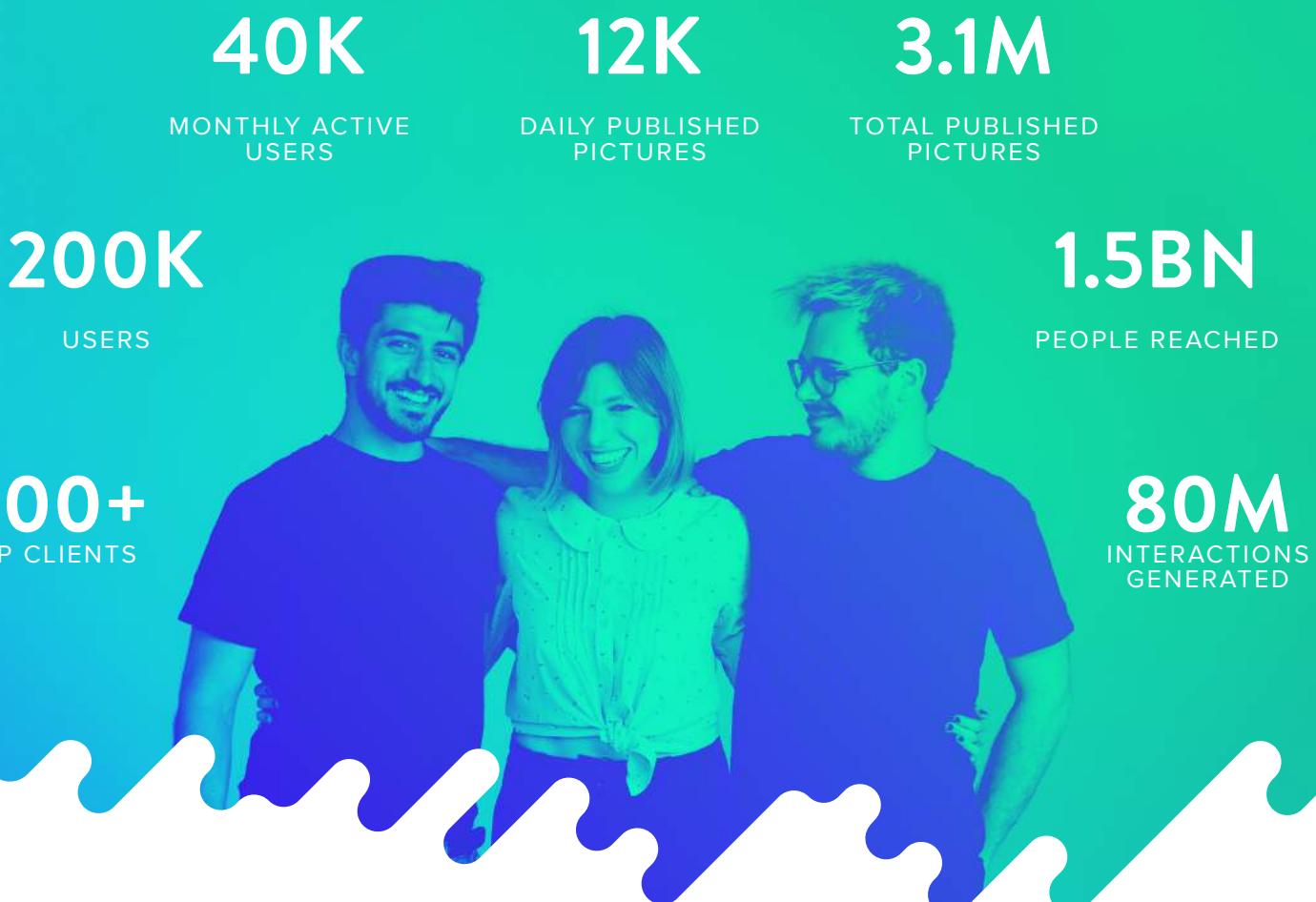
AUDIENCE



## Our success story so far

Friendz has been actively present in the market since 2016. During this period, we have offered services to more than 200 brands. Our team is composed of 35 people, with different backgrounds and skills, operating in our offices in Switzerland, Italy and Spain. Friendz app boasts over 200,000 organic users who have published well over 3,000,000 pictures in the last two years.

In 2016 Friendz received €500,000 worth of financing from Triboo Group, a public company and important player in the digital marketing industry, enabling it to hit the market and create its network. At the end of 2017 revenues amounted to € 1,200,000.



## Next steps for the future

Friendz is integrating its platform with blockchain, with the aim of decentralizing the digital advertising system. With the future developments of the platform, it will be possible to enhance trust towards users and client companies and to increase the products and services offered. In addition, our community will become larger and multinational.

# VISION

**Friendz aims to become the perfect tool to activate communities all over the world**

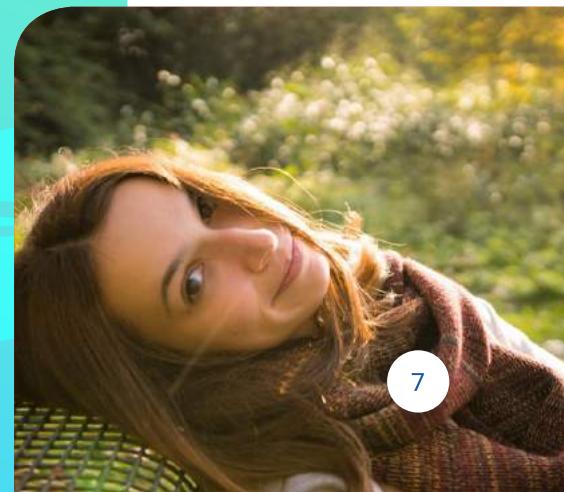
Companies will have the possibility to engage directly with a highly interactive community of users that create contents and perform other marketing activities on demand, following the guidelines provided. In addition, thanks to the blockchain mechanism, all the contents created, will be checked by the community itself through a decentralized validation system that guarantees top quality results and secure transactions.

Friendz wants to develop a global ecosystem where companies can freely and directly interact with an active community that creates and validates contents published on their social media profiles. Our service can be used by every kind of business in need of creative contents for social media.

**“Our service can be used by every kind of business”**

We believe that the adoption of the blockchain technology can greatly improve our business model, making it possible for our app to achieve unprecedented results with a centralized system.

For the very first time, Friendz will enable companies to call users to action directly, asking them to create contents or perform other promotional activities depending on their needs at any particular point in time. After the results our model has achieved off-chain for the last two years, we now look forward to decentralising the Friendz platform in order to offer our services to B2B and B2C clients and to new clients coming from the crypto world.



# FUTURE PLANS: FRIENDZ & THE BLOCKCHAIN



**We plan to use blockchain technology to provide an even safer and reliable experience to our clients and**

It is through the use of a decentralized blockchain technology that the safe transfer of funds and the completion of services will be certified. Friendz platform will become even safer and more advanced technologically thereby protecting the interest of our community and clients worldwide.



**We plan to decentralize the digital advertising business, creating a traceable single tool that can be adopted globally to activate users and involve them in the creation of advertising campaigns**

We are planning to introduce a transparent system that will track the flow of marketing spending on Friendz platform, in a totally revolutionary way to digital advertising. The use of Friendz Coins will in fact provide brands with the opportunity to spread their advertising messages and to reach the friends of Friendz users in a genuine and creative way. Users will be rewarded for being active and will use the reward to purchase other services from Friendz.



**In the long term we want to provide every online activity-as-a-service, in and beyond the world of digital marketing. The idea is to develop a platform where companies can activate large communities of users to perform various activities that will enhance their brands**

Our plan is to maintain a focus on digital advertising but with an open eye on new markets and opportunities. Friendz platform will be available to any company that requires services such as validation systems, quick content generation, bug testing, market research and app review. Our clients will not only be B2C companies, but also B2B, and those coming from the blockchain industry, all with the common goal of reaching the final users. The automation of all activities will ensure that Friendz's role becomes that of merely guaranteeing community participation and engagement in the activities proposed.

# THE DIGITAL MARKETING SECTOR

- DIGITAL ADVERTISING
- INFLUENCER MARKETING
- THIS IS FRIENDZ MARKETING

# DIGITAL ADVERTISING

According to eMarketer predictions, global ad spending is projected to rise faster than previously expected, growing by 8.8% in 2018 to \$642.9 billion. The growth is largely due to increased digital advertising activities.

Total media ad spending is expected to rise to \$724.1 billion in 2020, represented by digital ad spending for 46%. Strong demand for digital advertising, particularly mobile, will be the main driver for spending increase. The top five advertising markets worldwide; the US, China, Japan, UK and Germany - will continue to dominate in 2018 and the succeeding forecast years.

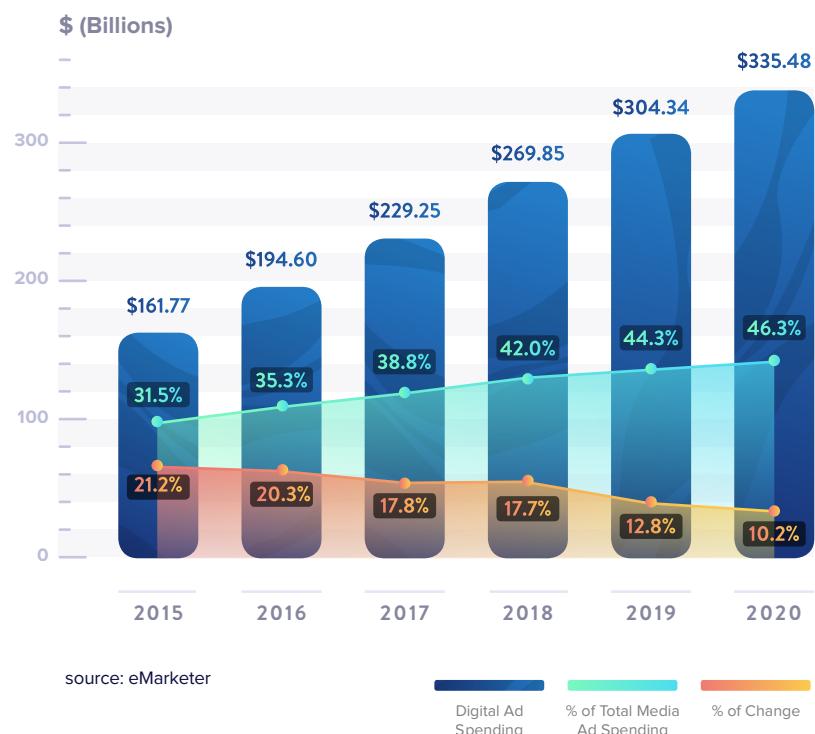
Display advertising, or banners, is without doubt the mostly used marketing channel. These are images containing advertising content positioned in several spots in the web pages. Given their traceability characteristic, these ads enable the companies to analyse the performance of their campaigns and to track their marketing spending.

However, display advertising showed lower performances as the market is saturated and consumers are no longer affected nor interested:

615

Millions devices block irritating and useless info across the globe, more and more people are deploying ad blocking software on their phones

**Digital Ad Spending Worldwide, 2015-2020**



50%

50% of clicks on mobile ads were made by mistake  
(source: GoldSpot Media);



It is more likely to survive an airplane disaster than to click on a banner  
(source: Solve Media).

# INFLUENCER MARKETING

**More than one in three marketers said they expected their influencer marketing budgets to increase, and 84% expected to run at least one influencer campaign in 2016.** (source: Nielsen)



Following the downturn of traditional advertising tools, companies oriented their marketing activities to Influencer marketing, a form of marketing based on the influence that famous people have on their network, sometimes made up of millions of followers. The objective of the companies is to reach targeted people that are interested in what the influencer they follow shows, rather than targeting the market as a whole.

“Influencer marketing is based on the assumption that people like more products used and proposed by people they know and trust”

Although influencer marketing seems to have become popular overnight, many brand-influencer advertising sponsorships started as early as 10 years ago. What started with popular bloggers and blog advertising has now spread into other influencer channels including Snapchat, Instagram, and YouTube.



## Here are the main trends affecting growth in the global influencer marketing sector:



Rapid decline in TV viewership demographics: according to Adweek, 500% more than other demographics combined. Conversely, 2015 marked the first time that time spent on mobile apps exceeded time spent on TV, by nearly 198 minutes. (source: Bloomberg)



The increase in digital ad spending was forecasted to overtake TV ad spending in 2016. (source: WSJ) Although some sources pointed to a later overtake, the US TV advertising market currently represents roughly \$70 billion. (source: PWC)



Ad-blocking in 2015 was projected to have cost advertisers \$22 billion dollars. In 2016, that amount was forecasted to be \$42 billion. (source: PageFair)



# THIS IS FRIENDZ MARKETING

**As of today, users spend most of their time online on social networks, nearly 5.4 hours watching contents created and shared by people they know.** (source: Ipsos)

Friendz takes advantage of the long tail of the digital marketing sector, as well as the knowledge and understanding of the potential and the rapid growth of the segment. We analysed Nielsen's studies about the effectiveness of the online word of mouth (WOM).

According to the annual report "Global Trust in Advertising", 84% of respondents base their purchase decisions on the advice given by people they know and trust, versus a mere 42% who do so based on online banner ads.

The percentage of respondents who completely or somewhat trust advertising format by region

	ASIA-PACIFIC	EUROPE	AFRICA MIDDLE-EAST	LATIN AMERICA	NORTH AMERICA
RECOMMENDATIONS FROM PEOPLE I KNOW	85%	78%	85%	88%	82%
BRANDED WEBSITES	78%	54%	76%	75%	61%
EDITORIAL CONTENT, SUCH AS NEWSPAPER ARTICLES	71%	52%	71%	74%	63%
CONSUMER OPINIONS POSTED ONLINE	70%	60%	71%	63%	66%
ADS ON TV	68%	45%	70%	72%	63%

GLOBAL TRUST IN ADVERTISING - SOURCE WWW.NIELSEN.COM



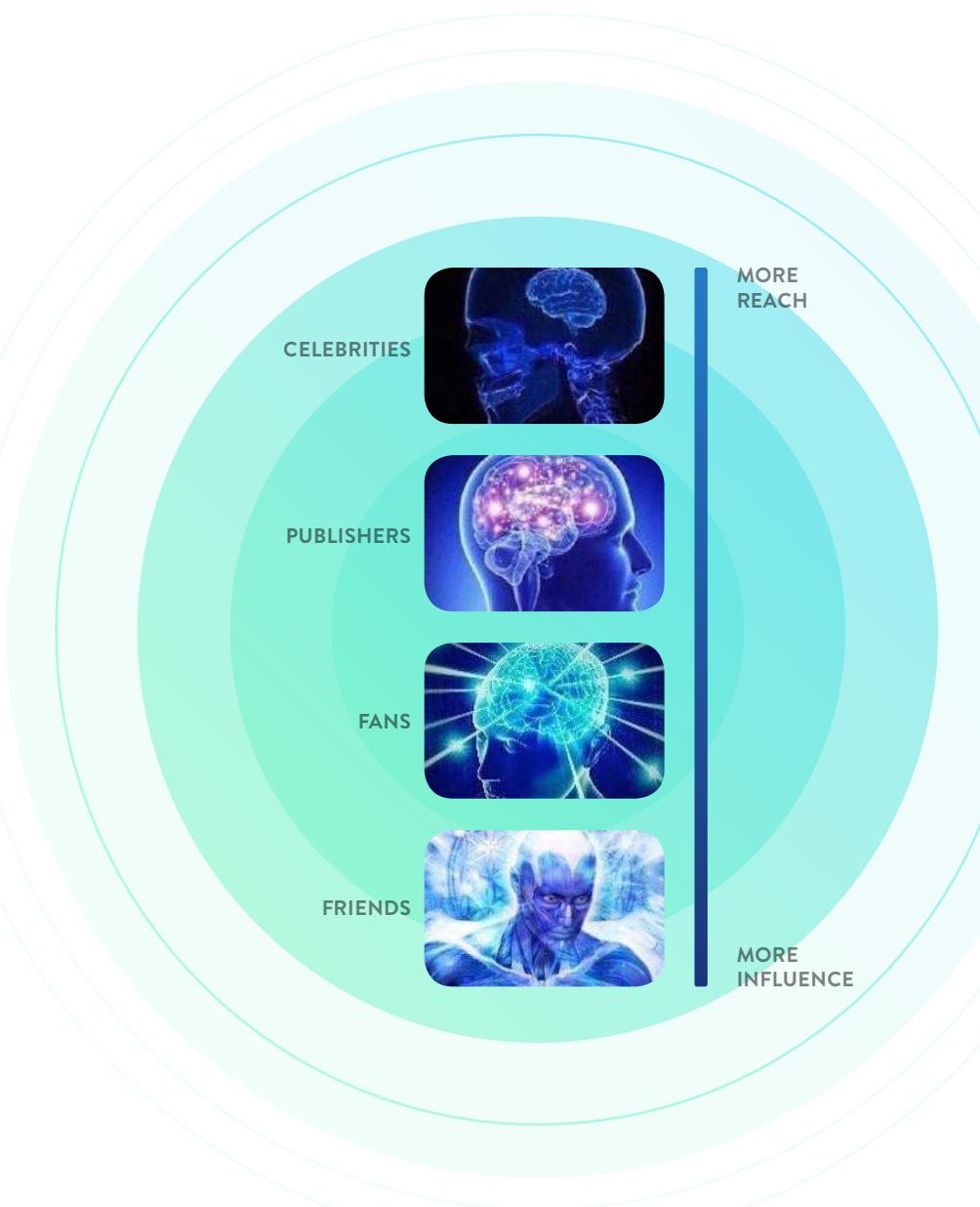
Friendz understands the power of WOM and applies it effectively on social media, we propose it as valid alternative to other existing digital marketing tools which are slowly becoming ineffective.

Friendz has revolutionised the way publishers relate with their audience. Our marketing communication system is not the typical top down (where brands target the market as a whole), but rather one based on communication among peers. The reference target of the contents posted by a Friendz is therefore a community of peers composed of people that either know or are acquainted to each other directly.

## We are not influencers, we are just Friendz.

The market analysis shows that the broader the number of followers, the lower the engagement rate between the influencer and his or her audience. Companies look for well-known influencers in order to reach as many people as possible, consequently creating a distant relationship between them and their audience.

Friendz users are not celebrities or famous influencers. They do not use their social media profiles for advertising, but for fun. Their network on social media goes from 500 to 2,000 followers and usually the contents they post reach an heterogeneous audience composed mainly of friends, relatives and close connections. Every person who shares contents on social media transmits a message ready to be processed by his or her peers, who share the same interest and habits as them. Sharing ideas and contents in this way generates a high level of involvement both online and offline. It is thanks to this mechanism of involvement that our community is always active and ready to participate in our campaigns.



# HOW FRIENDZ WORKS

- COMMUNITY SIDE
- CLIENT SIDE
- APPROVAL SYSTEM

# HOW FRIENDZ WORKS

Friendz is a community based application created with the idea of connecting people with the brands they love.

The main actors involved are:



## Clients

They buy campaigns for advertising purposes and experience the result of Friendz magic (word of mouth on social media)



## Users

They participate in the campaigns, creating contents in exchange for rewards.



## Approvers

A community of qualified users that check and validate contents manually and are rewarded for it.



## Social Media

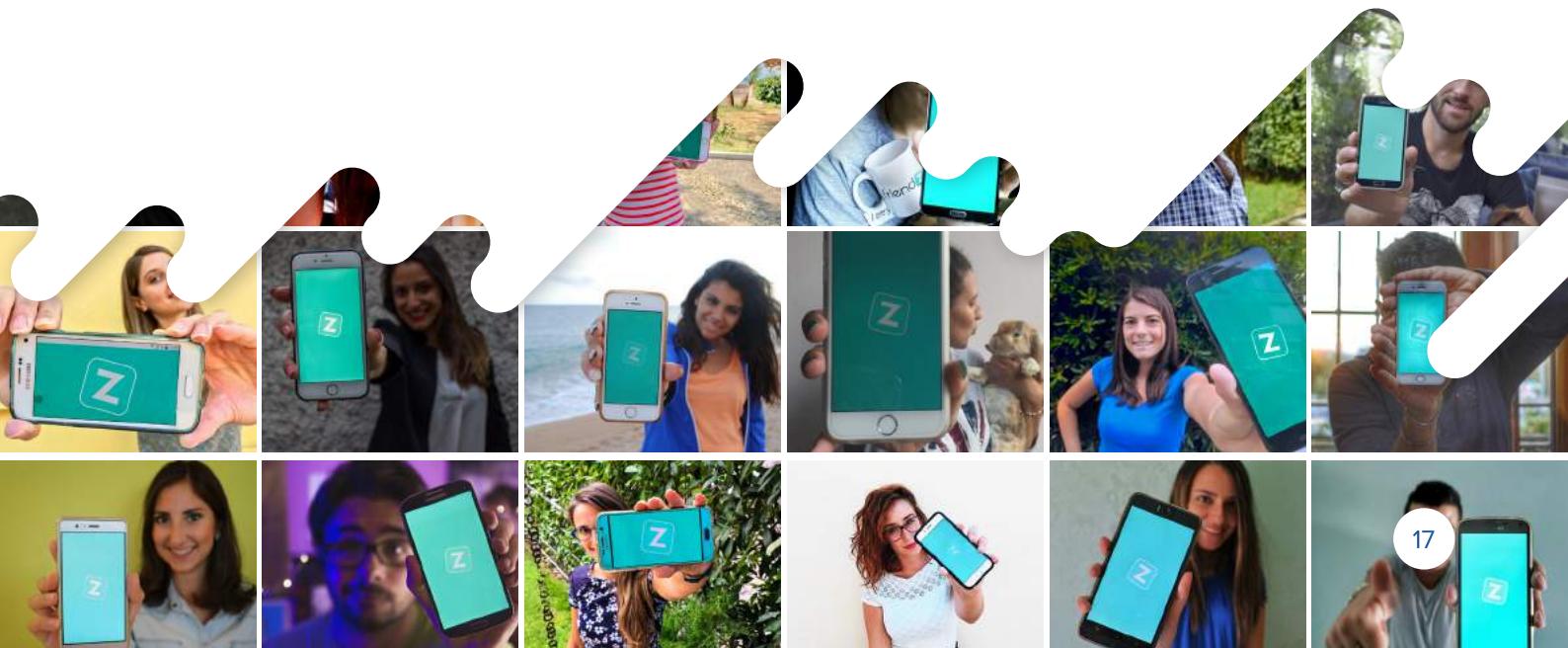
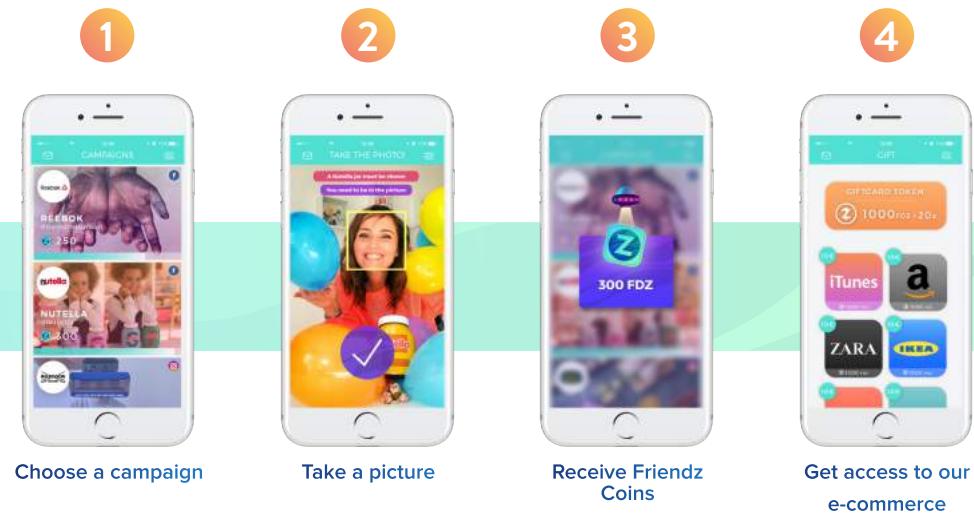
The platforms on which contents are published. We track the figures in terms of the number of likes, interactions and comments.



## Community side

Friendz is a community of actively engaged and profiled users.

People can choose to participate in the campaigns available on the mobile and web app, by creating and posting contents based on specific guidelines. In exchange, they receive a reward that can be used to unlock in-app special features.





## What makes Friendz special

Friendz not only proposes Brand campaigns with advertising messages, but it engages users on a daily basis through the so called Fun campaigns. Fun campaigns are designed to keep a high level of engagement within our community while also providing our users with the opportunity of being rewarded as they have “fun” taking pictures. The contents of these campaigns are, in fact, created by our team with the aim of involving and entertaining our community. The greatest advantage of taking part in the fun campaigns is that it makes the social media profiles of users look more genuine and populated with creative and diversified contents. The participation in the Fun and Brand campaigns is regulated by a first-come first-served mechanism, since the number of users involved in the activity is limited. Following a meritocratic logic, users with excellent abilities of creating contents will receive the campaigns first, while other users with average photographic skills receive them later.

**The order of assignation is determined by an algorithm that takes into consideration three parameters:**



**USER PROFILE QUALITY**



**POSTS' REACH**



**INTERACTIONS GENERATED ON THE CONTENTS POSTED**

The profile quality is determined by both the rating of the approvers in the approval process and the users’ who have access to a dedicated wall inside the app where everyone can see and rate the pictures. The rating system is based on a “1 to 5 stars” scale;



The worst quality content receives 1 star while the best quality receives 5. This score defines user's overall performance.





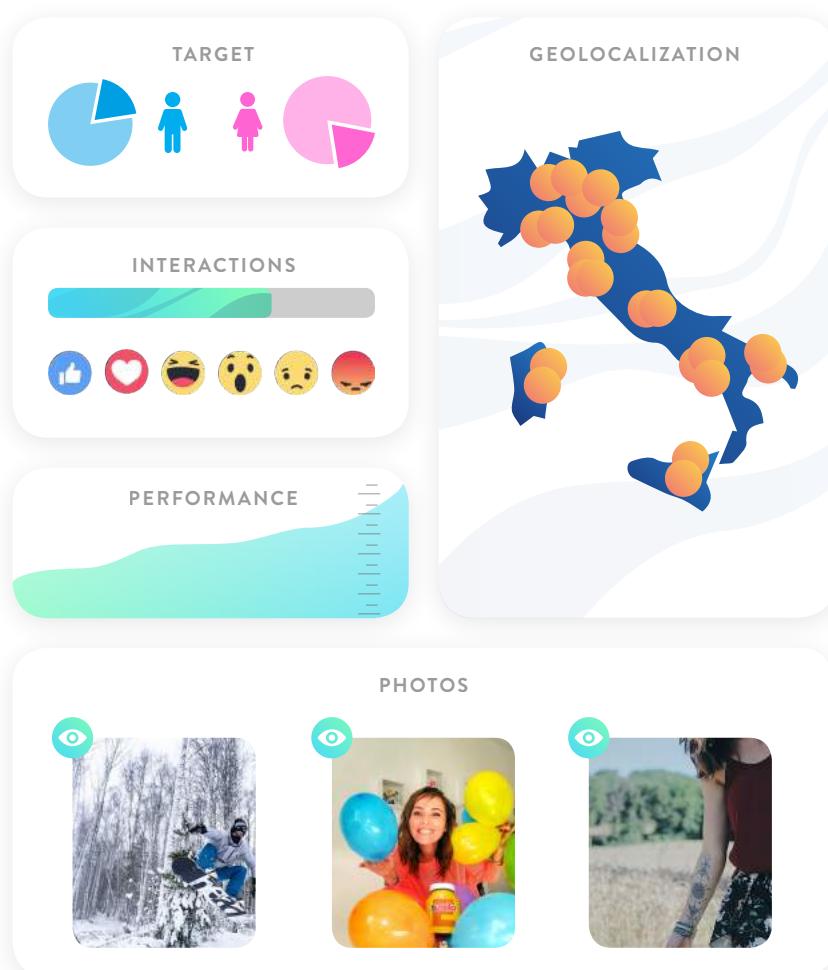
## Client side

Clients can set up a campaign using Friendz platform through the selection of specific parameters. In particular, they can express their preference on:



Through Friendz dashboard, clients can monitor the campaign progress in real time and analyse the results through specific KPIs. Our success is driven by the possibility of adapting the services provided by Friendz to achieve different goals. We know that every client is unique and has different needs and expectations. For this reason, we have designed specific solutions to meet those needs and expectations. Our platform has been used for:

- Brand awareness campaigns
- Product placement
- Activity boost (sharing contents)
- Market research
- Lead generation
- Offline activities with our community





## Approval System

We have developed a systematic approach for checking every single content before it is published online.

Everyday, highly qualified users, that we call approvers, screen contents manually to check whether the users have complied with the rules set for the particular campaign they are participating in. If one or more of the rules have not been respected, then the content is rejected and the user invited to upload a new one on the app in order to take part in the campaign. If a sufficient number of approvers accepts it, the content is automatically published on the user's personal social profile through Facebook or Instagram API.

**The approval mechanism is essential for maintaining a high quality of service.**

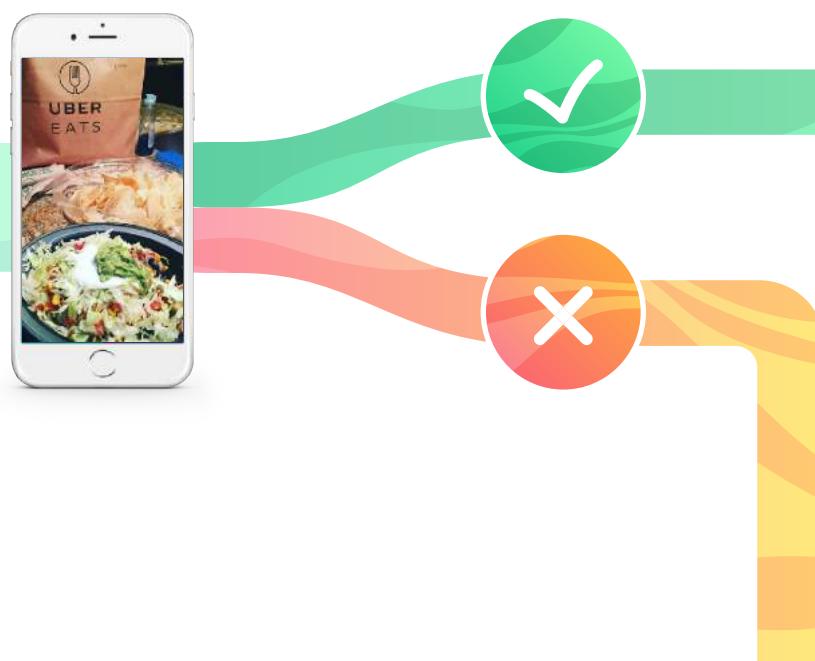
While evaluating contents, the approvers pay particular attention to the content quality, the copy of the caption, the compliance with the requirements, and also the accuracy of the hashtags that accompany each content. Approvers receive a reward in exchange for their participation, based on the number of contents approved.

**Any user can become an approver and be rewarded for content validation**, but only after having taken part in a sufficient number of campaigns, achieving a high profile quality and having passed an initial approval test.

**The approval process is automatically distributed .**

The approvers can start their validation work on a dashboard which displays all the ongoing campaigns and the contents uploaded. To ensure a rapid approval process, the system works on a first-come first-served basis. Therefore the first approvers who correctly check and approve a particular content are rewarded.

**Approvers are ranked on the basis of the accuracy of their approvals**, to guarantee their alignment with Friendz guidelines. The higher the accuracy in classifying contents, the higher the ranking. A content is classified correctly when an approver's choice is consistent with the choice of all the other approvers that checked that same content. After a high number of mistakes, the approver falls below a minimum threshold and is automatically disqualified and removed from the approval system.



# BUSINESS MODEL

- VALUE PROPOSITION
- OUR CLIENTS AND BUSINESS PARTNERS

# VALUE PROPOSITION

**Friendz is an innovative marketing platform that offers a new way of doing digital marketing, taking advantage of the potential that private profiles and the content distributed on social media have.**

The idea was derived from the synthesis of some upward trends populating internet and social networks:

**Firstly**, companies are faced with the problem of gaining the interest of the audience on social media and involving final users in brand communication campaigns. Users don't identify with communication campaigns run by companies, since their perception of the contents is unnatural. Consequently, brands get poor results in terms of quality and engagement in their marketing strategies.

**Secondly**, people create and publish millions of contents on their social media profiles everyday, such as photos, audio, texts, videos, that often contain unwitting advertising messages. Through these activities people seek personal gratification from comments and interactions with their posts, but most of them don't know how to boost their profiles and thus end up posting unappealing contents.

This can be resolved by leveraging on the trust people have with each other, especially those they know and whose advice they can listen to.

**Friendz contents spontaneously and creatively catch the audience attention.**

Moreover, presenting the product or service in an environment where people trust each other and share the same set of values, empowers the communication messages of the companies, making it more effective than the usual impersonal advertising campaigns.

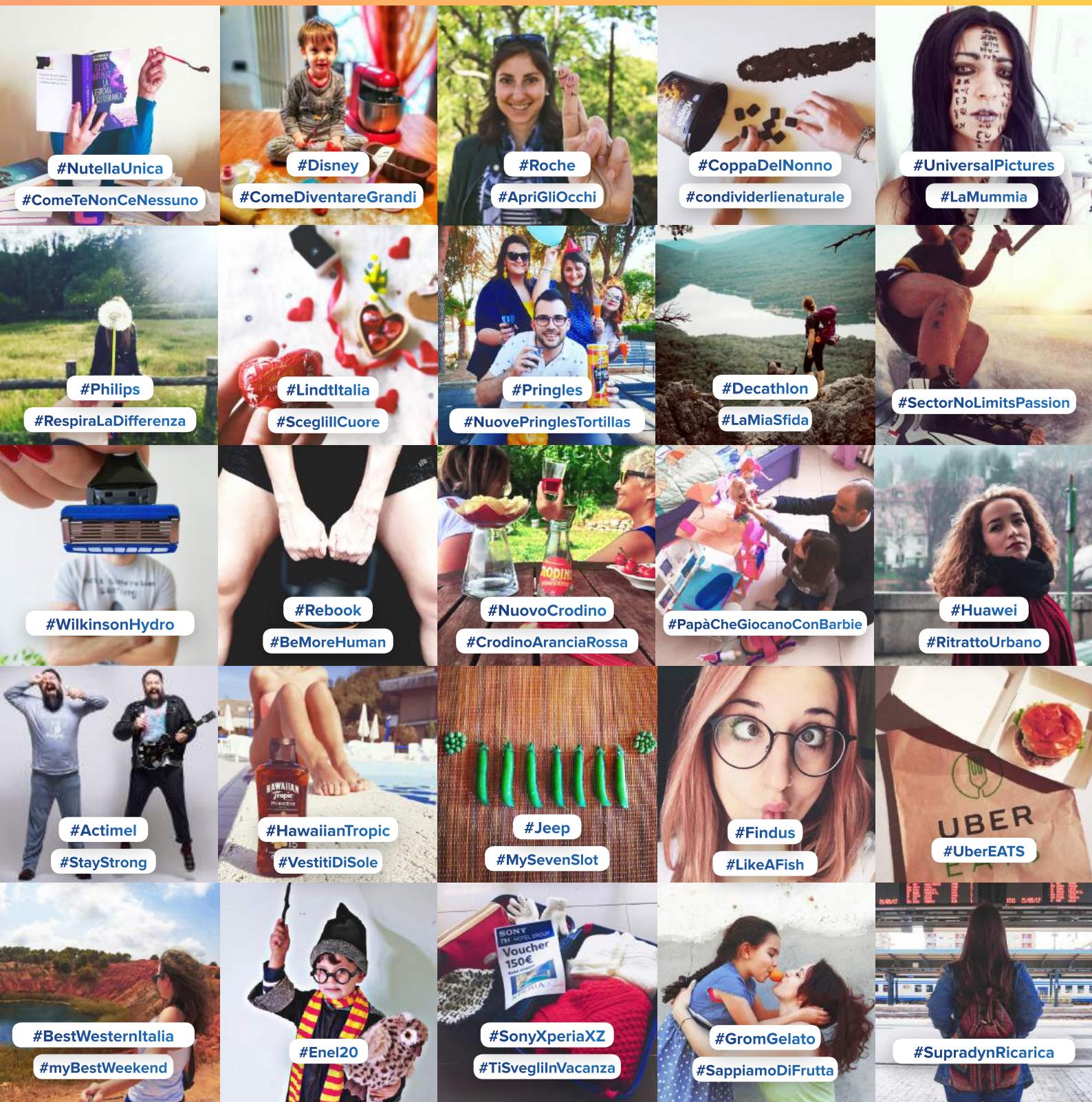
We highly encourage the creative attitude of the targeted users and do all we can to boost their persuasive power on social community. We ask our Friendz to produce and share funny and creative contents with powerful storytelling capable of describing the brand's product. In addition, thanks to the gamification system, we can guarantee that the contents provided are top-quality.

Friendz guides individual creativity in the conception of user generated contents (UGCs) containing advertising messages which creates high engagement rate in brand communication projects.



# OUR CLIENTS & BUSINESS PARTNER

We have been working with over 200 clients, the main ones are multinational companies. **And many more!**



# INTRODUCING FRIENDZ COINS

- BLOCKCHAIN ADVANTAGES
- ADVANTAGES OF FRIENDZ COINS
- WHY AN ICO?
- INTRODUCING FRIENDZ CREDITS
- CAMPAIGN CREATION
- FRIENDZ TOKENS UTILITY

# BLOCKCHAIN ADVANTAGES

Using the lean approach, we started testing our product in order to validate the business proposition and the market interest. Now that the business model has been validated, we believe that blockchain is the right platform on which we can further develop and strengthen our model to its full potential.

All the operations that are currently done manually will be done automatically with the support of blockchain technology. Thanks to the numerous milestones, Friendz will soon be able to apply this system, hence becoming the market leader in the provision of peer-to-peer marketing services.

Main advantages of basing the model on a blockchain:

## **Increasing transparency and trust towards our clients**



The advertising spending will be registered on the blockchain in complete transparency. The decentralization of the platform will make the check of contents even more safe for brands.



## **Community involvement**

Clients can automatically activate thousands of people that will create contents and perform actions following the rules provided in the campaign (for example publishing a picture, a video or creating a special advertising content)

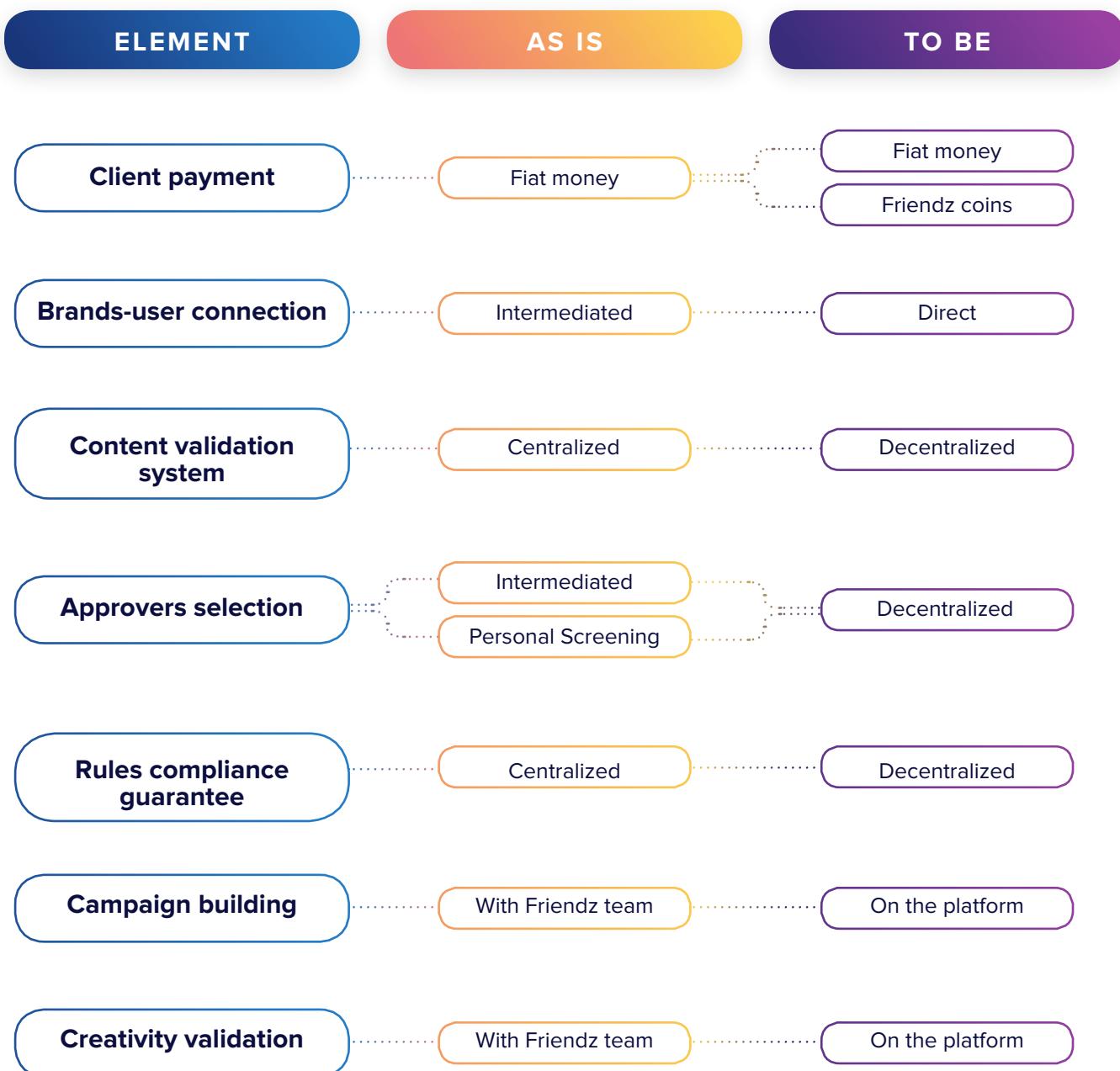


## **Decentralised validation system**

We can provide a service of content validation where the platform automatically shows contents to experience users as soon as they are uploaded. These are real people that check contents manually following specific rules.



**The elements that will be implemented on the blockchain are:**



# ADVANTAGES OF FRIENDZ COINS

**Friendz Coins are tokens that give access to Friendz application and services.**



## Brands

Having a dedicated coin makes the **brand identifiable**. Everyone will know that Friendz Coins is the tool used to activate communities in the digital marketing world.

In the future, brands will be able to perform marketing campaigns all over the world with a single tool. They will no longer need to interact with many marketing agencies to activate communities, but could rely on Friendz to get these services.

Friendz will be able to increase its offer to several businesses, also the newcomers from the blockchain industry.



## Users

The use of Friendz Coins will enrich user experience in the app: the community will be able to unlock new features and services in the app using the coins. The new features will be designed to **increase the degree of online user interaction**.

Some of these items will be games, others will increase the interaction among the users, some of them will boost the user profile and some others will influence their social activity.

# WHY AN ICO?

**Friendz purpose is to decentralize the advertising process and the system of content creation and validation on social media.**

**The ICO process has several advantages for our business:**

## Expand our business worldwide

The funds raised during the ICO process will be used to expand our business worldwide and to consolidate our presence in the countries where we already operate. We will open new offices starting from European countries and then expanding to other areas with great potential for digital advertising around the world.

## Broad international community

We will start to run an international user acquisition strategy with the purpose of creating multiple local communities that will be part of the big Friendz family. The expansion of Friendz abroad will make more and more people using the platform.

## Winning new clients

Going abroad means winning new clients and providing local services to our existing clients. Clients will have the possibility to target their campaigns internationally using a single tool without the need of asking for marketing services to different agencies anymore.

## Technological system

Thanks to the ICO, we will be able to develop a technological system that will enhance the capacity of our business.

## Increase our offer

In the long term, we want to expand the business to other sectors beyond digital advertising, extending our offer of products and services in order to meet the needs of B2B companies and of those coming from the crypto world. We will involve users not only in advertising campaigns, but also in different kinds of activities commissioned by clients.

# INTRODUCING FRIENDZ CREDITS

Credits are a scoring system that tracks users' degree of participation in the campaigns.

When brands want to access Friendz marketing services, Friendz provides them with an amount of Friendz credits. Credits are a useful tool for the clients to define a **campaign size** and level of participation.

The number of Credits provided is related to the campaign size, that depends on the budget allocated by the client. Credits will be used to reward users and approvers.

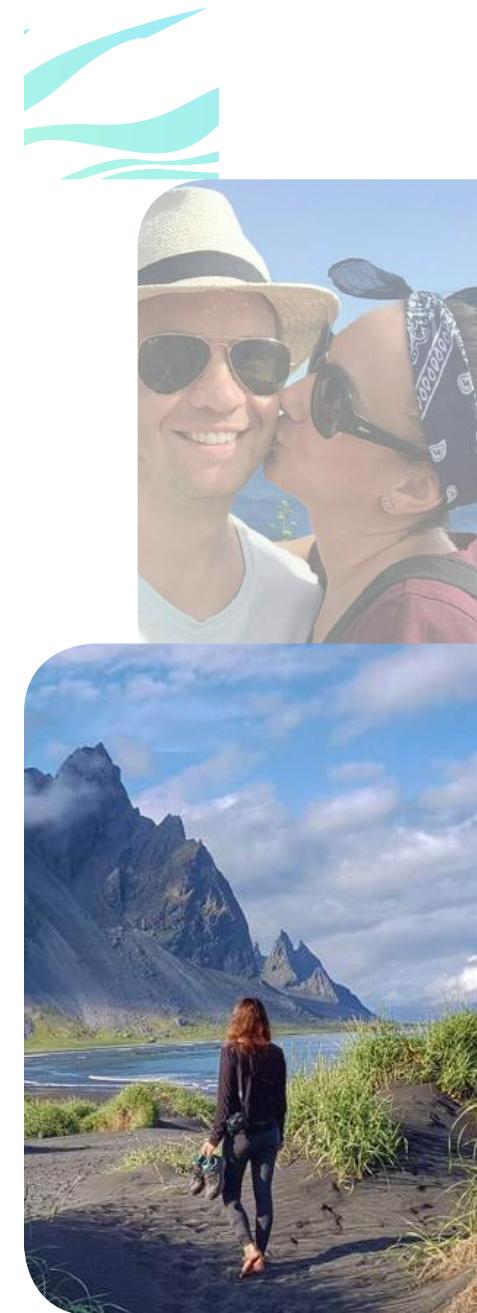
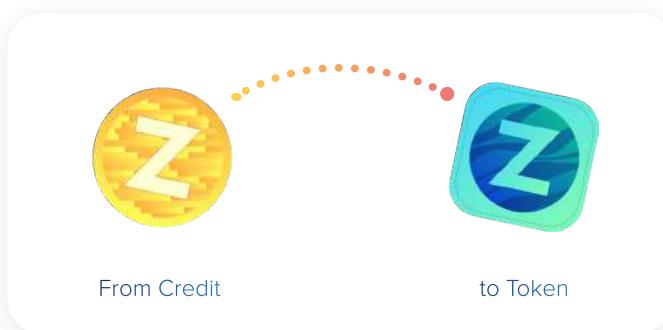
Users accumulate credits while **having fun** taking pictures, creating contents and participating to the activities and campaigns proposed in the app. Approvers accumulated credits while **checking the contents** uploaded in the app.

## Credits also facilitate **the contact with the community**

They are part of Friendz gamification system and let users keep track of how much their are active in the app.

Users and approvers can use their credits to get gift cards, vouchers and coupons of various online stores. We provide those coupons in the special section of our app, for example Amazon, Ebay, Zara, Gamestop and many more.

After reaching a determined threshold, users can transform their credits into Friendz tokens and use them inside Friendz platform or transfer them into personal wallets.



# CAMPAIGN CREATION

**The number of Credits will be determined by the campaign size and will be used to reward users and approvers.**

Brands buy Friendz advertising campaigns using either fiat money or Friendz Coins. Friendz stores the Friendz Coins received in a designated internal wallet giving brands an equivalent amount of Credits in exchange.

The Friendz Coins will be given to the community to access features inside the app transforming their Credits. Friendz will consider to repurchase some tokens from existing holders in case the ones stored in the reserve will not be sufficient to cover the community needs.

**The community is involved in three steps of the campaign creation process:**

**① Campaign setup:** a group of skilled approvers validate the campaign's creativity making sure that it is consistent with the community's policy.

**② Content creation:** users create advertising contents following the rules provided by the campaign.

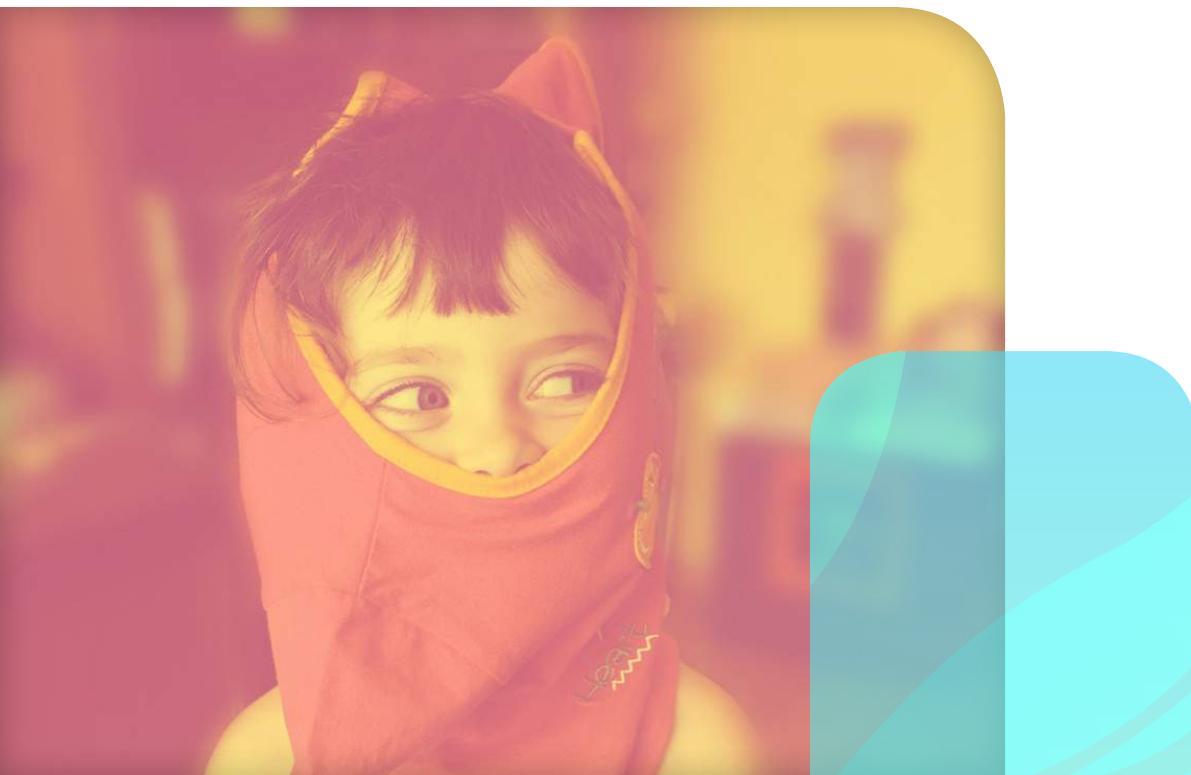
**③ Content validation:** a group of skilled approvers validates the quality of contents created making sure that they respect the guidelines before the publication on social profiles.

Users and approvers receive credits for this activity and can see the total amount of credits

that they get in their profile on the app. The community can use their credits to get discount coupons for products and services online.

In order to access special features that increase their engagement and boost their profiles in the app, users first have to transform a sufficient number of Credits into Friendz Coins. It is possible to do this in a special section inside the app. Users and approvers can always find their Friendz Coins inside their Coin Wallet.

Friendz coins can be taken out from the platform and deposited in personal external wallets.



## The brands

Clients can buy Friendz marketing services from the platform and they can set up their campaign using a special Client Dashboard.

Clients have the possibility to assign a concept and a brief and then to select specific parameters such as: the budget; the size (number of users involved); the target users (the people they want to interact with); the social network (Facebook, Instagram or Twitter); the creativity (product or concept placement). Through Friendz dashboard, clients can monitor in real time the campaign progress and analyse the results with specific KPIs.

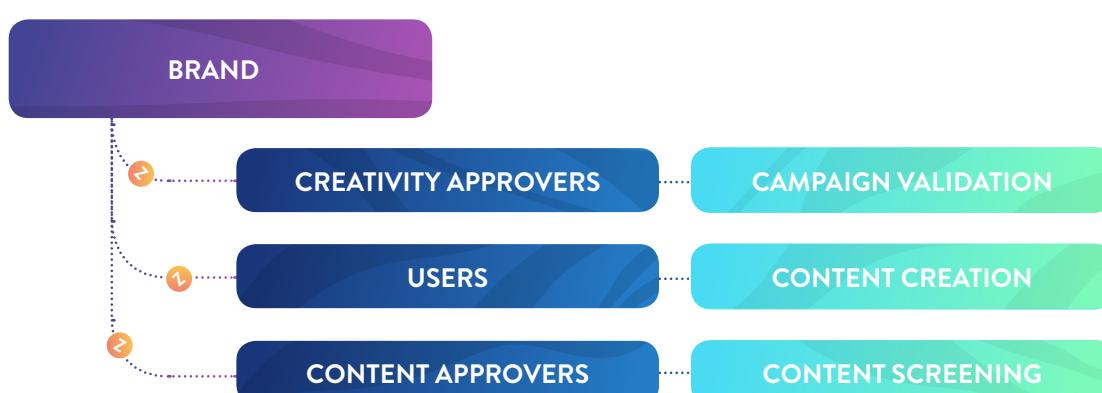
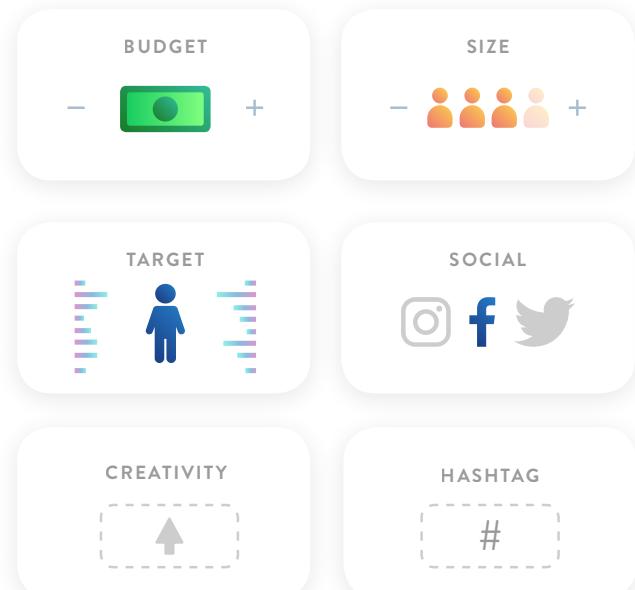
Once the service has been purchased, the platform computes the Credits necessary to complete the campaign.

The system creates three stacks of Credits that measure the number of participants and the reward:

- ① **STACK 1:** Credits that reward **creativity approvers** for their validation activity
- ② **STACK 2:** Credits that reward **users'** activity of content creation
- ③ **STACK 3:** Credits that reward **content approvers'** activity of content screening

Once the processes of creativity and contents creation and validation are finished, the contents that have successfully passed the validation stage are published on the user's private social profile. From this point on, the contents are visible to the audience of all user's peers and online connections.

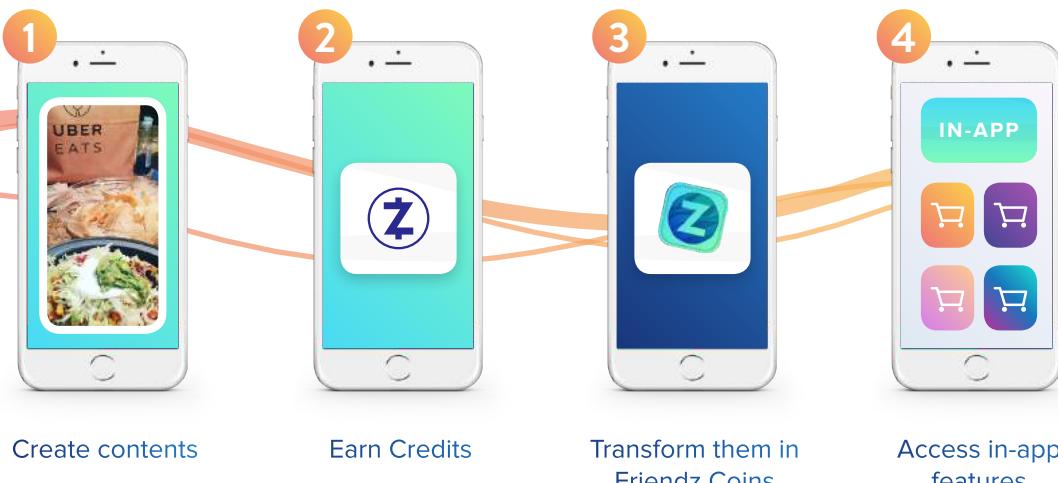
This great exposure will make the campaign reach their goal and the advertising message spread online.



## The users

**Users download the app, login with their Facebook profiles and find a list of the active campaigns.**

Users can take part in the campaigns both from Android and iOs devices and also from the desktop version. They can choose the campaign they want to join, and have to read the rules provided before posting any content. The users are then given time to create the content and upload it in the app. If the content successfully passes the validation process, it is automatically posted on user's social media profile, Facebook or Instagram, depending on the campaign chosen, through the respective API. If, instead, it is rejected, the user is invited to create and upload a new content.



After the publication, users receive a commensurate amount of Credits as established in the campaign rules. Credits are collected in the user's Credits wallet inside Friendz platform. After collecting a sufficient amount of Credits, users can decide to use them to get coupons and vouchers for online stores or to convert them into Friendz Coins in a specific section within the app. It will be possible for the users to see two different wallets in the app, one containing Credits and the other containing Friendz Coins.

There is a minimum threshold set for how many Credits a user has to collect in order to be able to transform them into Friendz coins.

Friendz Coins can be spent to buy special and premium features inside the app. Alternatively, users can withdraw Friendz Coins from the app and store them in a personal external wallet. A more detailed description of the Friendz Coins utility is presented in a specific paragraph dedicated just for that.

## The approvers

**Friendz will provide top quality services thanks to the collaboration of two groups of approvers that will be rewarded for their activity of creativity and contents validation.**



### Creativity approvers

There are highly skilled users with professional backgrounds that will validate the campaign setup by the client. Their duty will be to check that the client has provided all the information needed to design the campaign.

In addition, creativity approvers will check that the new campaigns are in line with Friendz terms and conditions and that they respect the company's policies in terms of numbers, difficulty, appeal, legality and decorum. The approvers will not be responsible for the results delivered by the campaign after it has been approved.

### Contents approvers

There are highly skilled users that have previously taken part in several other campaigns, and have obtained high quality scores. Their task will be to check every single content uploaded in the app, making sure that it complies with Friendz rules, the campaign guidelines and brand safety requirements. The screening process will specifically examine the quality of the content, the caption that accompanies it and the presence of campaign hashtags.



**The content approval process is distributed and automatic.** Content approvers have access to a special dashboard where they have an overview of all the campaigns and contents uploaded. The system works on a first-come- first-served basis, indeed the first approvers who correctly check a content will be rewarded.

**Creativity and Contents approvers will be ranked on the base of the accuracy of their work.** We added a ranking system to guarantee approvers' alignment with Friendz guidelines and to hasten the speed of their operations. The higher the accuracy in classifying contents, the higher the

ranking. A content is correctly classified when it receives the approval of a sufficient number of approvers. If an approver repeatedly makes mistakes in judging contents, he will be automatically disqualified and removed from the approval system.

Users and approvers can spend Friendz Coins to access in-app special and premium features. Alternatively, they can transfer Friendz Coins from the app, storing them in a personal external wallet. A more detailed description of the Friendz Coins utility is presented in a specific paragraph dedicated just for that.

## Friendz side

Friendz offers a variety of digital advertising services, some of which are brand awareness campaigns, product placement campaigns, sharing contents, market researches and lead generation activities. Our core business is to design advertising campaigns with the aim of involving as many people as possible in our activities.

If brands purchase Friendz services in fiat money, Friendz will consider to use part of it to repurchase Friendz Coins from existing holders and give them to the community when they need to transform their credits.

Friendz Coins can be used to access **special features** inside the app

The Friendz Coins Wallet collects all the coins that will be assigned to users and approvers whenever they will decide to convert their Credits. Users can send tokens to other wallets. In order to transfer the tokens, users will be provided with the tool to register its destination wallet within the app.



# FRIENDZ TOKENS UTILITY

**Here are some examples of how Friendz coins can be used:**

- 
**Services and campaigns**

Clients will receive a special discount on the final price of products or services if they use Friendz Coins to access Friendz marketing services and campaigns.
- 
**In-app features**

Friendz works as a real social network. Users can have access to special in-app features that will improve their online experience, increasing the degree of amusement through the gamification process. Inside this mechanism users are allowed to increase their visibility and exposure within the app, create more interaction with other users and boost their profiles. The smart contract will provide a maximum boost per day for the users, over and above which requests will be rejected.

Examples of possible features are:

  - Appear in the “most popular users” section inside the app for 1 week
  - Increase the profile quality by 1 star for 1 week
  - See who voted you in the past
  - See who rates you for 1 week
  - Take part in more than one Facebook campaign a day for 5 days
  - Change the profile colour/ Level up
  - Participate in token campaigns corresponding to your profile colour
- 
**Blockchain based games**

Users will be able to use the tokens to participate in gamified contests organized by Friendz. The game rules will be set in the chain, so that it will be possible to leverage on the power of full transparency of the network in order to create a totally fair system.
- 
**Transfer tokens**

Move tokens into personal external wallets.

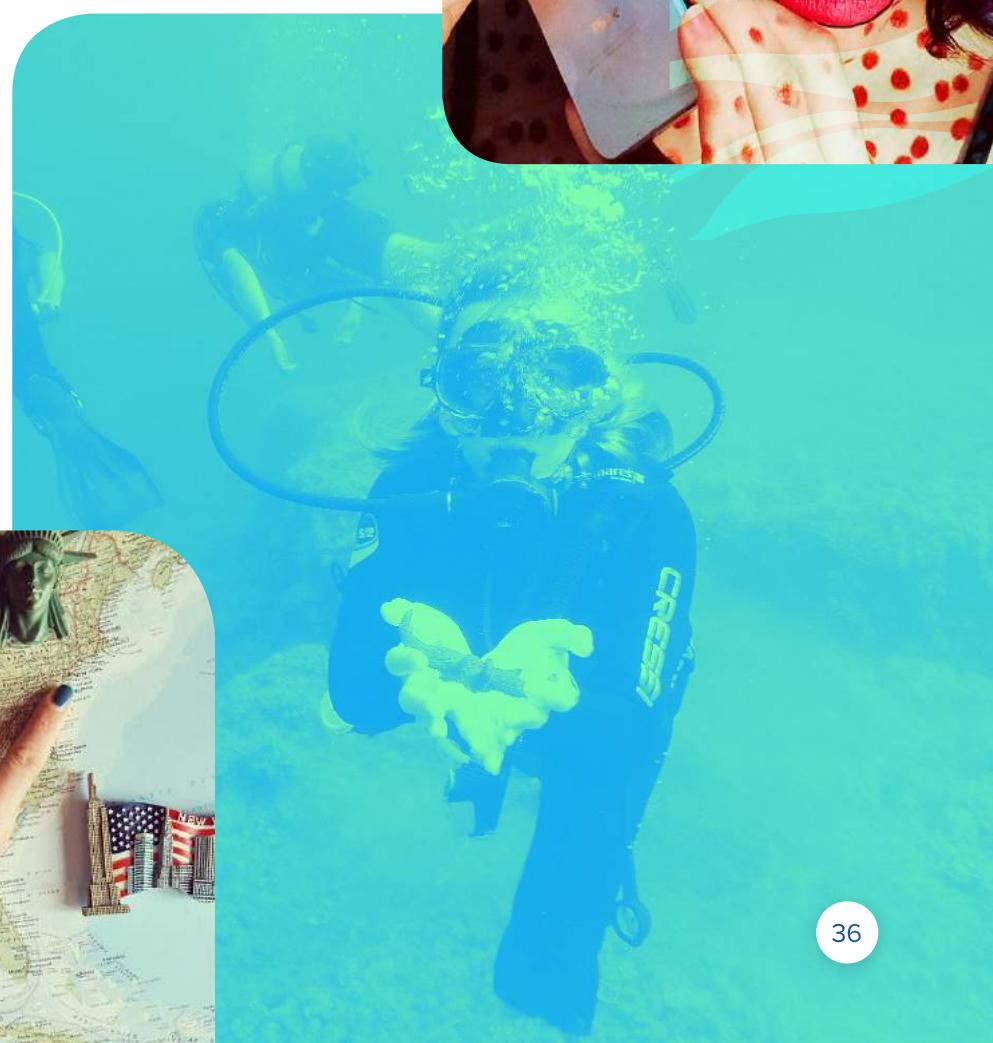
**We plan to fully integrate Friendz with the blockchain, by putting all our efforts in the development of the token, since we believe it is an important asset that will help unlock advanced features in the App.**

The first phase of integration is already available in our demo: it is the implementation of a virtual wallet inside the app where one can not only transform Credits into Friendz Coins but also send tokens to external addresses.

In addition, users who desire to send out tokens, will have the opportunity to register the desired destination wallet within the app.

For the time being, blockchain is not able to support numerous and frequent transactions, but if there will be a blockchain be able to process a greater throughput of operations per seconds, it could be an interesting implementation to substitute Credits with tokens, thus fully basing Friendz platform on the blockchain.

Friendz retains the right to exchange or convert one to one Friendz tokens for equivalent value on the same blockchain or different blockchains.



# STRATEGY

- COMMUNITY GROWTH
- FRIENDZ COMPETITIVE ADVANTAGE

# COMMUNITY GROWTH

**Friendz community is made of engaged people that love to accept new challenges on the app.**

As our community grows, we will create targeted clusters of users. We believe our community will grow structurally, based on our expansion objectives. As the community expands, more and more people will enjoy using the app and feeling involved.

In order to provide users with tokens when they want to transform their Credits, we can allocate between 15% and 30% of revenues for repurchasing tokens from existing holders, and then provide them to the community.

**Users and approvers can decide to use their tokens to access special and premium features in the app or to keep their tokens.**



# FRIENDZ COMPETITIVE ADVANTAGE

## Seed stage projects vs existing companies

While analysing a portion of the projects funded in the past, we noticed that the majority of them were new business ideas or rather startups whose main objective was to collect enough money through ICO to develop the prototype or the alpha version of their service and to hire members of the future team. These projects can be referred to as "seed projects", characterized by a high degree of risk and probability to fail.

We believe it is in the interest of users and client companies to look for real companies and projects, sustained by sound business proposals, a super skilled team and a compelling vision.

create top-quality services for our clients and to involve and engage the community, online and offline on a daily basis.

**Our business does not need further validation since it has been validated over the last two years and hence the project risk is reduced considerably.**

he ICO will help Friendz in its global expansion and community growth plan, inviting a progressively higher number of people and companies interested in the world of cryptocurrencies to download and use our app and to try our services.



+200

CLIENTS

+250

ADVERTISING CAMPAIGNS

+€1M

REVENUES

200k

USERS

40k

ACTIVE MONTHLY USERS

35

OUTSTANDING PEOPLE

Friendz has a remarkable competitive advantage compared to other ICOs in the market. Friendz has been in operation for two years now, and has acquired well over 200 clients (the main ones are big brands and multinational enterprises) that bought advertising campaigns worth a total of over € 1,000,000 in revenues within that period. Our community is composed of more than 200,000 users from all over Italy , 40,000 of whom are active on a monthly basis. Our team is made up of more than 35 outstanding people that work side by side around Europe to



# THE LONG TERM PLAN

- IN THE LONG TERM
- WHAT'S NEW
- WHAT WE ARE ALREADY DOING

# IN THE LONG TERM

**Friendz core business will become the creation and validation of contents processed by a huge and multinational community.**

In the long term, we want to provide every online-activity-as-a-service, developing a platform where companies looking for mass interactivity on social media can find large communities to involve in their marketing activities.

Users' activity won't be limited to participation in digital advertising campaigns only, but will be extended to every kind of online activity. This is why in this part of the paper we will be focusing on Activities.

The model described above is absolutely valid and adaptable to other market segments in the process of business expansion.

From the user's side, Friendz platform won't be subjected to particular changes: users will still receive an invitation to join the Activities and, if they follow the rules and complete the task required by the companies, they will be rewarded. Users will be asked to take part in different activities such as: taking a picture, recording a video, answering questions, participating in surveys, sharing links, translating articles.

The Activity Approvers will validate the Activity setup, making sure it is in line with the client's requirements. They will check that all the details needed to realize the Activity have been provided, so that any misunderstandings are avoided. In addition, they will check that

the activity respects Friendz terms and conditions and the community policy in terms of size, difficulty, legality and decorum. The Approvers will be rewarded for their activity and won't be held responsible for the results delivered by the Activity after it has been approved.

Contents Approvers will validate the provided contents following the same method used for the campaigns, without any alteration. We will maintain the adoption of the ranking system in order to always guarantee top-quality services.



# WHAT'S NEW?

**There are few differences in the long term model if compared to the existing one, mainly in the following areas:**

## Clients

We will offer our services not only to B2C brands in their attempt to reach final users, but also to B2B companies which will adopt Friendz platform for internal operations or for outsourcing services on the behalf of other companies. We will also gain the interest of clients coming from the cryptosphere.

## Services

Friendz will offer content creation and validation services based on a decentralized system which can easily be adapted to businesses of different nature.

Examples of possible use of the service are

- UX testing
- App review
- Bug testing
- Market research
- ICO Marketing
- Campaigns
- Big Data
- Stores
- Recruiting
- Contest creation
- Lead generation

## Activity setup

Clients will have the possibility to set up an activity entirely from the beginning to the end, and provide the guidelines for its realisation. In addition to the options already listed in the model for digital advertising campaigns, while creating the new activities they can also:

- Name their activity and specify the kind of content required e.g.
  - Market Research - carry out a survey
  - Select the target on the basis of their skills
  - Specify if the content will be visible
- Establish the campaign costs and the size of users and approvers' reward

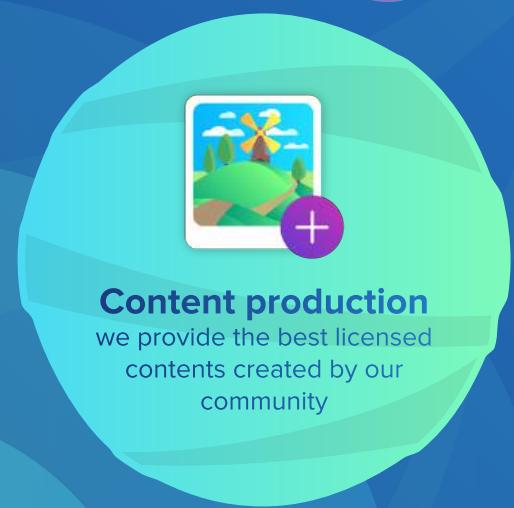
**Not all the contents  
are visible online**

Not all the contents are visible online - In the activity setup, clients can specify if they want the content created to be visible or not e.g. in the case of advertising campaigns it will be, for app review or bug testing activities it will not.

# WHAT WE ARE ALREADY DOING

We have already developed some of the services that we said will be provided through the adoption of the blockchain.

In particular we have so far been providing:



# TOKEN SALE

- OVERVIEW
- TOKEN DISTRIBUTION
- USE OF PROCEEDS

# OVERVIEW

**Friendz coins are utility tokens ERC20 based on Ethereum blockchain.**

**Friendz ICO will start on March, the 1st and will run for three weeks or until the hard cap is reached. 50% of all Friendz Coins will be available during the ICO event.**

## OVERVIEW

Token name	Friendz Coins
Token Symbol	FDZ
Total FDZ token amount	1,500,000,000 FDZ
Available in ICO (hard cap)	750,000,000 FDZ
Emission rate	New tokens will not ever be created. All the unsold tokens will be destroyed.
Conversion rate	1 FDZ = 0.067 USD

## ICO EVENT (1ST OF MARCH)

Locked

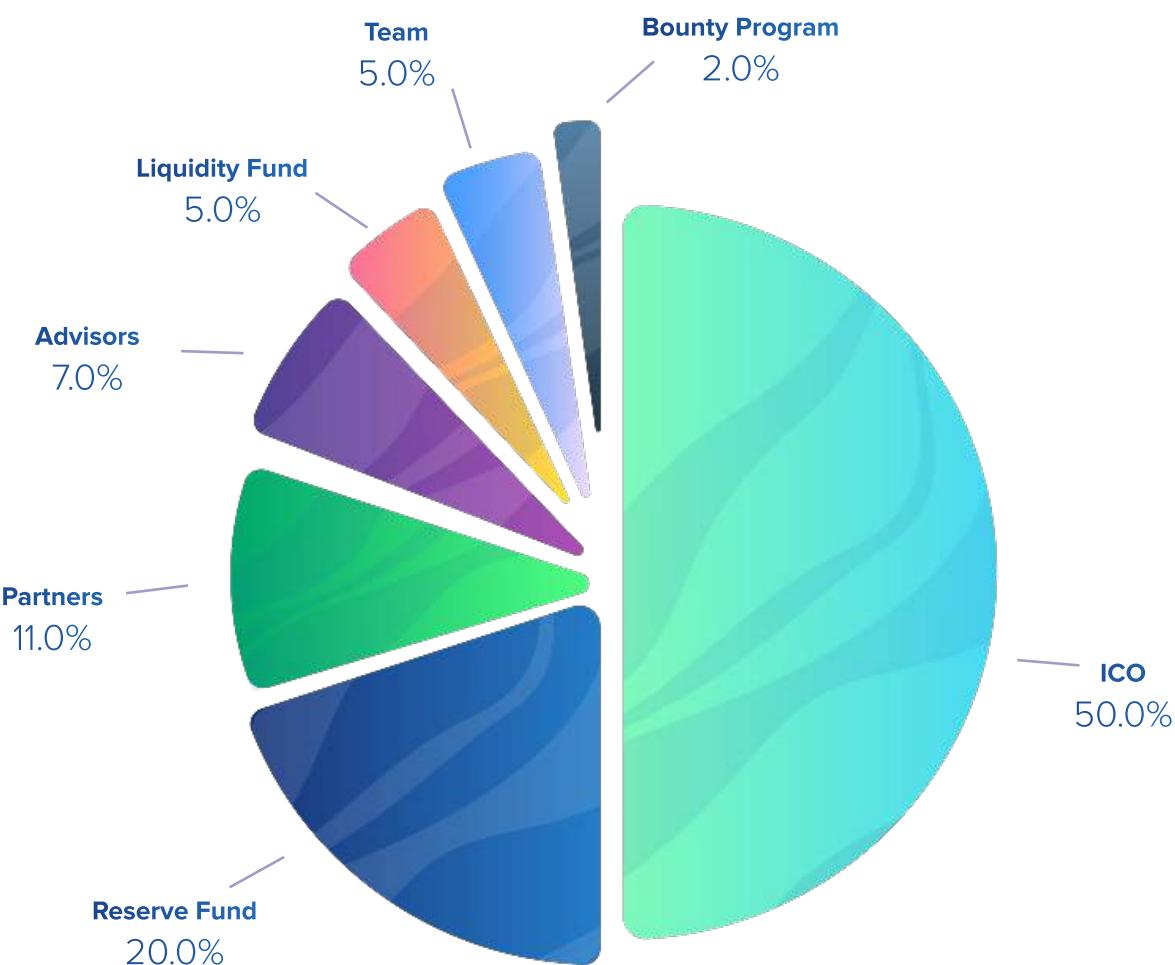
Exchange rates during ICO event	ICO Power Hour	1 FDZ = 0.048 USD	YES
	ICO Day1	1 FDZ = 0.056 USD	NO
	ICO Week 1	1 FDZ = 0.061 USD	NO
	ICO Week 2	1 FDZ = 0.067 USD	NO
Minimum transaction amount	0.1 ETH		
Main ICO distribution period	March 1st - March 21st		
Token distribution	Smart contract will distribute tokens instantly after successful transfer of ETH		
Minimum goal	50,000,000 FDZ		
Hard cap	750,000,000 FDZ		

If the minimum goal is not met, ETH will be returned to contributors.  
We do not accept contributions from U.S. person or Chinese resident.

# TOKEN DISTRIBUTION

**50%** of the total amount of tokens created will be available during the ICO event. **20%** of the tokens will be assigned to an internal Reserve fund, in order to create a deposit of locked tokens that will be used for future financing, to expand the business worldwide beyond European countries. The tokens in the Reserve Fund will be locked for 12 months. **11%** of the tokens will go to our Partners as a remuneration for their support to our business. Partners include tax, accounting, legal, strategic, marketing and other partners.

**7%** of the total amount of tokens will be provided to the advisors and it will be locked for 12 months, to make sure they will be committed to the project as well for a sufficient amount of time. **5%** of the tokens will be rewarded to the team over time for their important role of value creation in the project as a whole, in order to motivate them and gain their total commitment **5%** of all tokens will be available to the company as a liquidity fund. This fund will be used only if necessary. **2%** will be provided to contributors through Bounty programs.

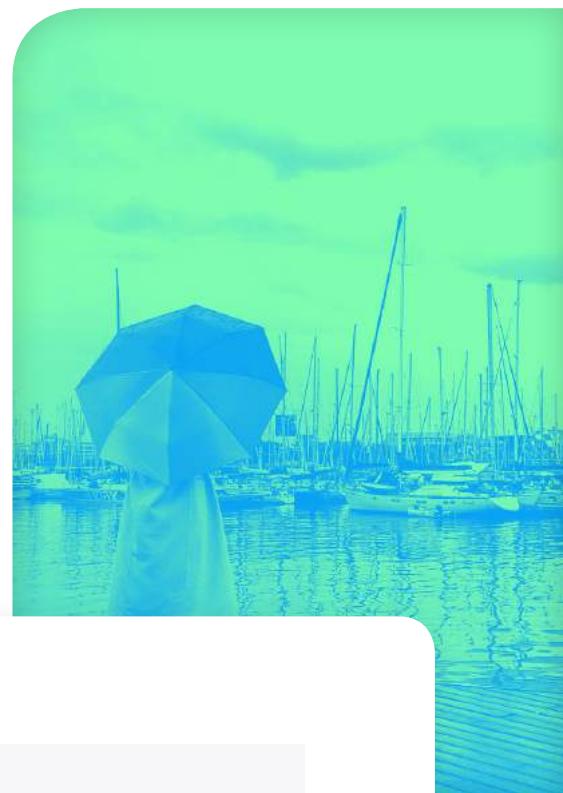


## Locking scheme

We intend to lock the tokens for a fixed period to reduce the probability of a dump when Friendz tokens hit the market, something that usually happens to most new tokens. Tokens assigned to the Reserve Fund, advisors, team and ICO Power Hour will be locked for 12 months and made available proportionally. The tokens will be available on a monthly basis, for 1/12 of the amount.

## Bonus rates

Friendz ICO will have the following bonus structure for the ICO event.



All the transactions received during the Power Hour (first hour of the ICO Event) will have the right of 40% bonus based on the official ICO token price.

All the transactions received after the first hour during the first day of the ICO Event will have the right of 20% bonus based on the official ICO token price.

All the transactions received after the first day during the first week of the ICO Event will have the right of 10% bonus based on the official ICO token price.

Our ICO will start on March, the 1st and will run for three weeks or until the hard cap is reached.

# USE OF PROCEEDS

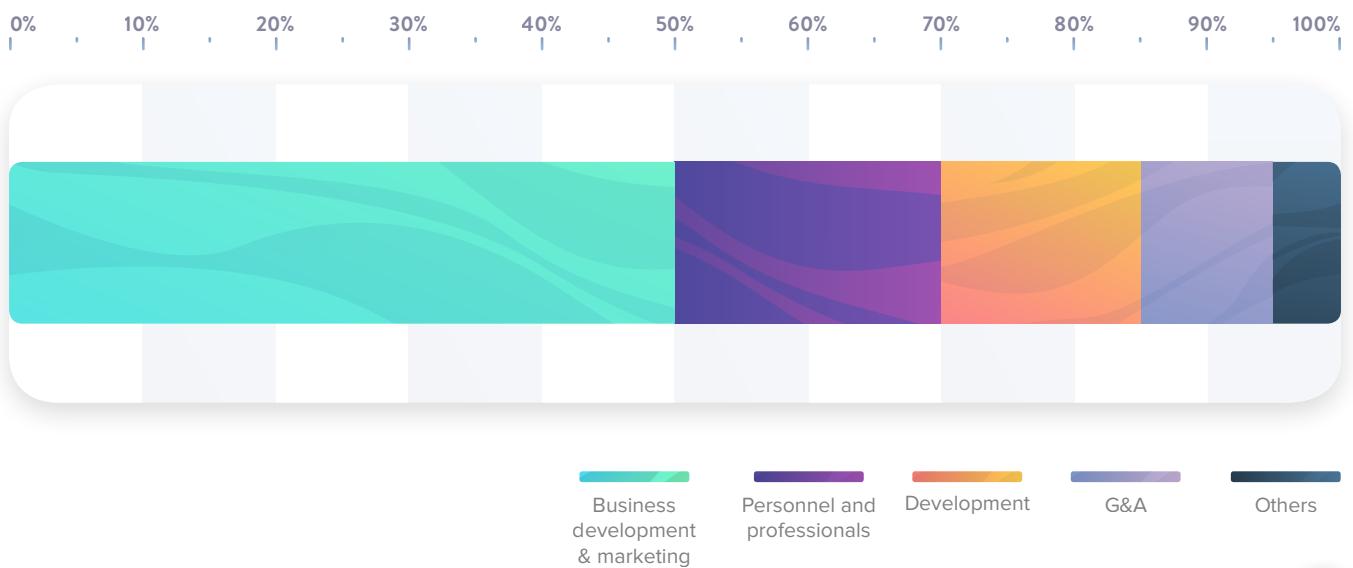
The funds collected in the ICO process will be used for three main purposes:

- To expand** our business abroad
- To create** an multinational community
- To develop** technical improvements

Currently, Friendz is active in Italy and Spain. We intend to expand our business in other countries around the world, starting from the most relevant markets in the European Union and extending to all the European countries outside the European Union that are investing actively in the Digital Marketing, by the end of 2020.

In the long term, our efforts will be focused on the creation of a business suitable for the delivery of the new services we intend to provide. We will not only offer digital advertising services, but a number of other products that will involve a huge multinational community.

In order to do this, we need to achieve key technical and strategic improvements, including the acquisition of assets and licences, mergers, acquisitions and other extraordinary finance operations with other companies necessary to the international development.



# ICO PARTNERS

# ICO PARTNERS

We established strategic partnerships that help us develop our business.



**THE ROCK**  
TRADING LTD.

## The Rock Trading Exchange

The Rock Trading Ltd. is one of the oldest cryptovalue exchanges allowing the trade of Bitcoin, Litecoin, Ether, Peercoin, Zcash, XRP and finally Friendz Coins. With over 10 years of experience, 36,382 users and 112,318 BTC traded last year, Friendz is proud to be listed on their platform, considered to be the most reliable proxy for fiat money exchange on the market.

**TRIBOO**

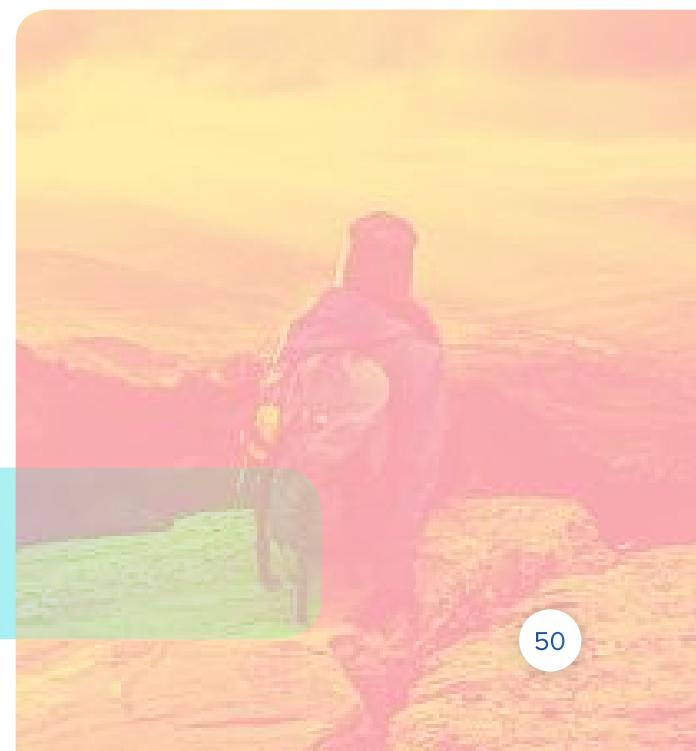
## Triboo Commercial Partner

E-Commerce, online marketing, advertising: Triboo is a unique digital ecosystem, addressing different customer segments through targeted propositions from advertising to sales. Triboo Group is a listed company, leader the Italian Digital Marketing scene and is Friendz marketing and commercial partner.



## Ibex Tax Advisor

IBEX CAPITAL LTD is a wealth management firm founded in 2006 by highly qualified professionals with a significant experience in Private and Investment Banking. IBEX CAPITAL aims to support its Private and Institutional Clients to achieve their financial and risk objectives, providing them with high quality, innovative and independent services. It collaborates with Friendz as accounting and tax advisor.

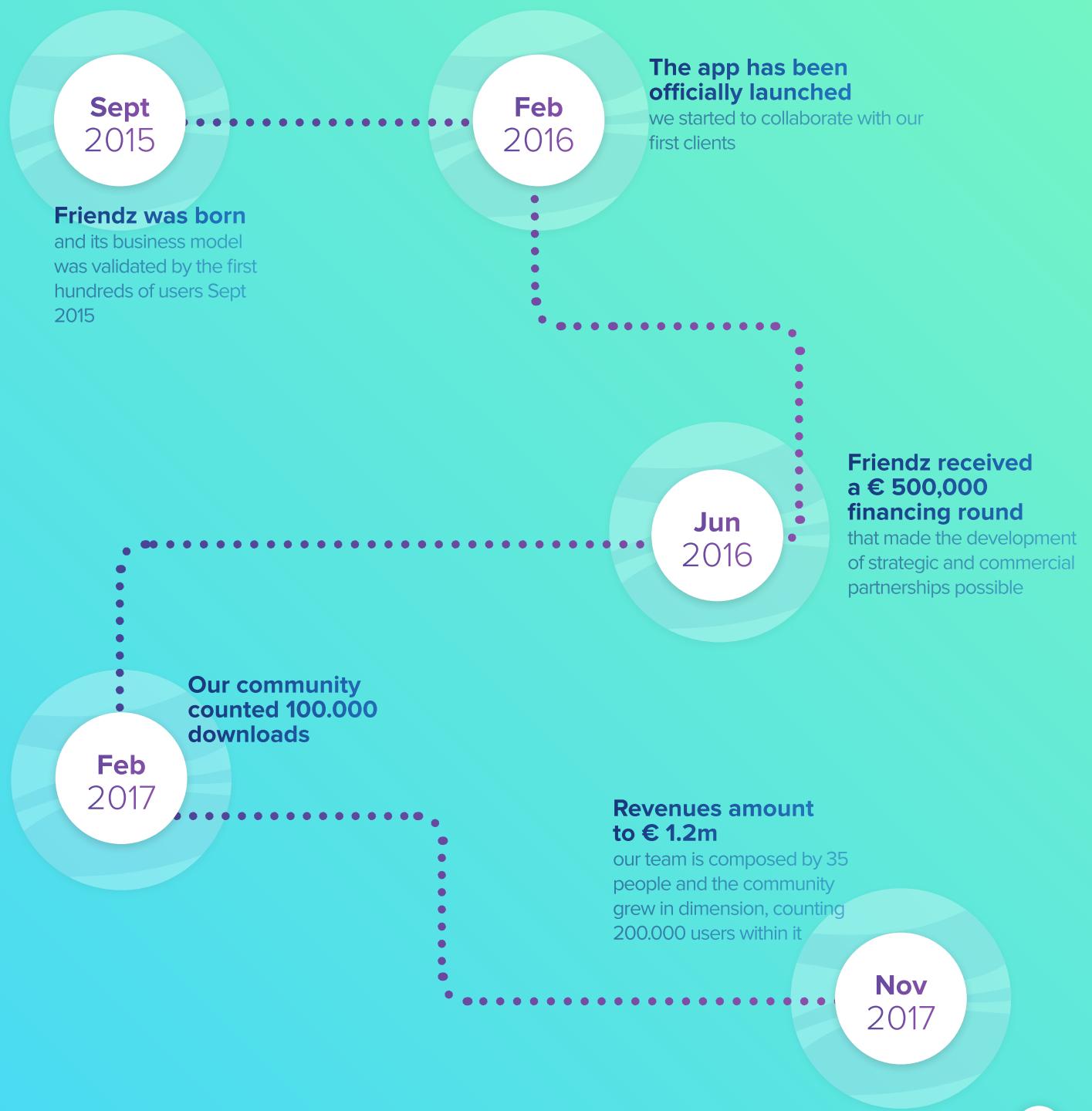


# ROADMAP

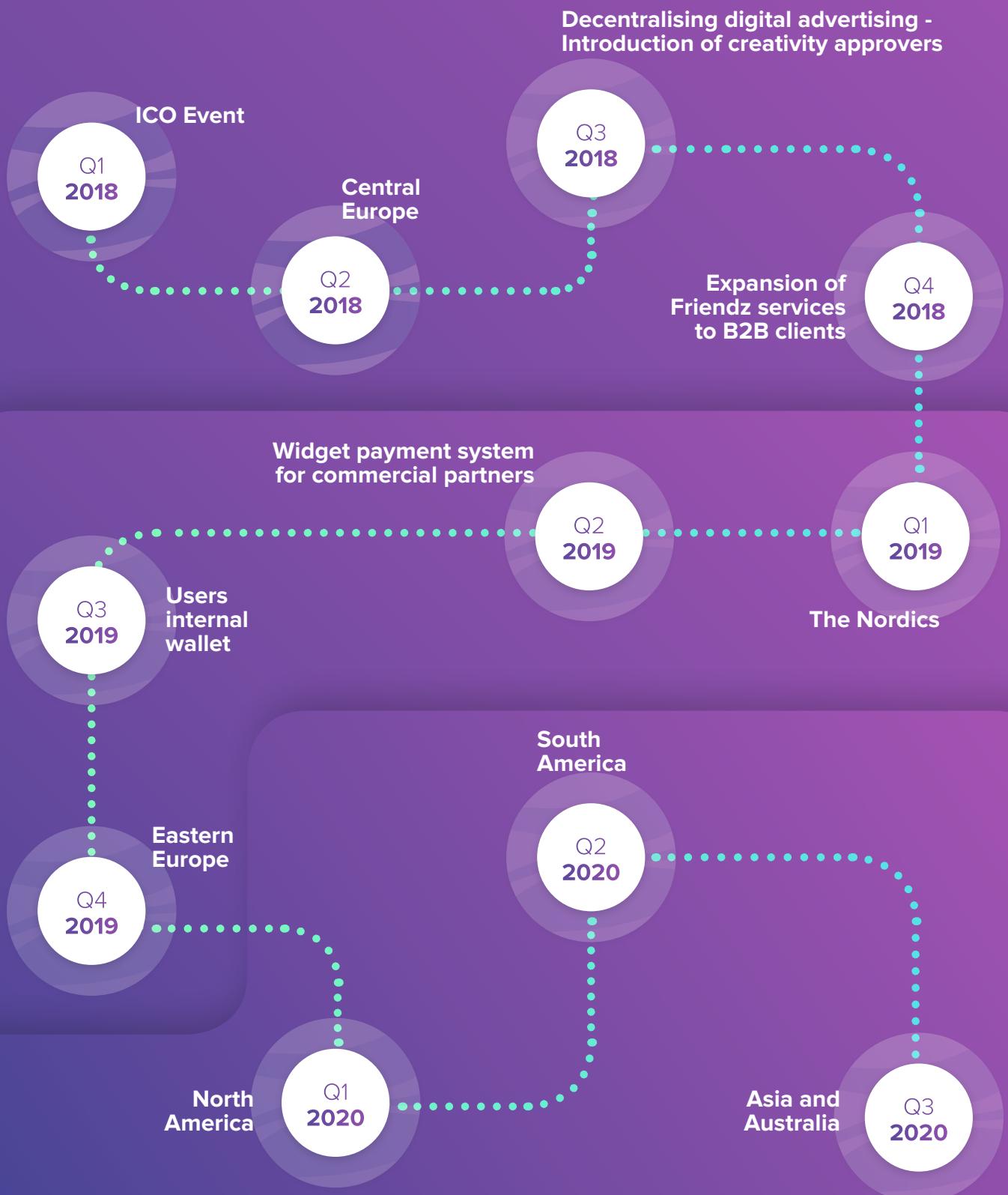
- WHAT WE ALREADY DID
- FUTURE EXPANSION

# WHAT WE ALREADY DID

Unforgettable milestones characterised the story of Friendz in the last two years, but the future is yet to come with new goals to be achieved.



# FUTURE EXPANSION



The extent of the expansion and of the activities carried out can depend on the amount collected during the ICO.

# THE TEAM

- THE FOUNDERS
- THE DEVELOPMENT TEAM
- THE MARKETING TEAM
- FRIENDZ TEAM

# THE FOUNDERS

**Friendz has three co-founders: Alessandro Cadoni, Daniele Scaglia and Cecilia Nostro.**

All young and determined, they are passionate entrepreneurs with the dream of revolutionising the world of Digital Marketing. They love the project and have never missed on an opportunity to demonstrate their commitment, having left their full time jobs and dedicated their hearts and souls fully to the company.

The key element that has made Friendz a success story is the perfect synergy in the founders' personalities: one pragmatic, one thoughtful and another extrovert, together they combined their unique skills in order to achieve success.



Daniele Scaglia

Master Degree in Industrial Process Engineering at Politecnico di Milano

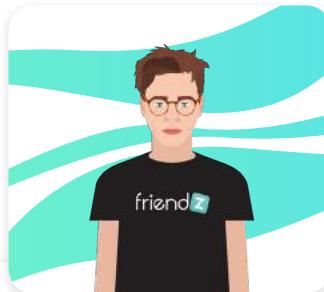
Daniele is the **Head of Operations Division** - he is responsible for internal processes and communications: he organizes the workflow making sure that everything runs perfectly. He is also in charge of managing campaigns' creation process together with the Operations Team.



Cecilia Nostro

Graduated in Economics and Management at Università di Torino in Italy, with a Double Degree in Management in Switzerland and Argentina

Cecilia is the **Head of Marketing and Sales Division** - she is responsible for the communication with clients: she meets clients and makes them fall in love with Friendz. She manages the relationships with clients from the initial brief to the final report. Moreover, she always has an eye open on marketing and PR activities, working closely with the Marketing & Sales Team.



Alessandro Cadoni

Master Degree in Management Engineering at Politecnico di Milano and LIUC University

Alessandro is the **Head of Community Division** - he is responsible for the communication with users: he establishes the guidelines and is involved in the management of a wide range of tasks from engagement activities, to social media communication, to customer care, together with the Community Team.



# THE DEVELOPMENT TEAM

Our CTO Giorgio Pallocca has developed a passion for IT since he was 14, when he programmed his first video in Pascal.



Giorgio Pallocca

He has refined and improved his technical skills over the years. Some of the relevant professional experiences that are worth mentioning are his role as the head of development at Ohmygoodness Inc. (a Palo Alto startup managing about 500.000 users per day), and later as the CEO and CTO at Dexma and Netlex. Netlex has since been acquired by TeamSystem, a european software company with a turnover of about € 350m per year.

Giorgio Pallocca is **Head of Development Division** - he is responsible for the system and blockchain architecture: he is in charge of developing the platforms, smart contracts and together with the Development Team takes care of the system security.

Meet the team of superheroes that developed our platform



Mario Soprano  
BLOCKCHAIN DEVELOPER



Flavio Lanternini  
BLOCKCHAIN DEVELOPER



Alessandro Serafini  
BACKEND DEVELOPER



Dario Dantino  
FRONTEND DEVELOPER

# THE MARKETING TEAM

Meet the team behind our communication strategy



Simona Fontana  
PROJECT MANAGER

Martina Pirisi  
COMMUNITY MANAGER ENG



Silvia Romano  
GRAPHIC DESIGNER



Roberto Addeo  
COMMUNITY SPECIALIST



Francesca Bianchi  
COMMUNITY SPECIALIST



Ornella Di Bonito  
COMMUNITY SPECIALIST



Sahir Parmar  
COMMUNITY SPECIALIST

# FRIENDZ TEAM

**Friendz team is actually composed of 35 people working in 3 different locations i.e Milan, Rome and Madrid.**

## Community

Taking care of users, customer assistance and managing campaigns



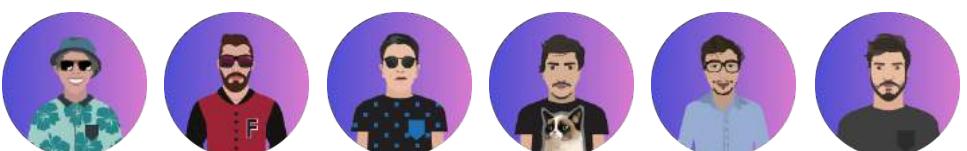
## Marketing & Sales

Making companies fall in love with Friendz and telling the world that we are great!



## Operations

Creating new campaigns, conveying brand messages, dealing with clients



## Giulio Corno

### Strategic Support

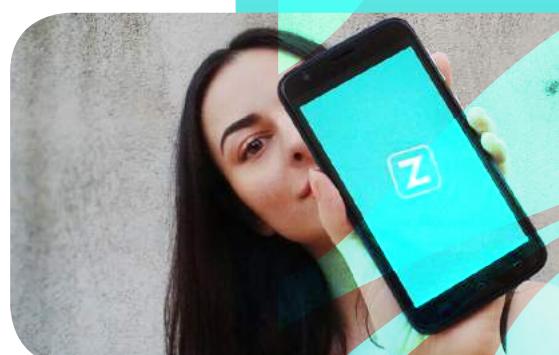
President @ TRIBOO Group



Our Team is definitely our most valuable asset: it is extremely important for us, that every new member of the team is passionate about what he is doing, wants to be disruptive in his initiatives and is conscious that his work is unique and fundamental. We hired the first team members taking into consideration their personality and motivation rather than specific technical competences.

More importantly we have never

shied away from welcoming people without any work experience in our company. On the contrary, we believe that the attitude, energy and determination typical of a newcomer, could provide that added value we are always looking for to make our projects special. Over time we have also teamed up with technicians and competent advisors who have made a great contribution in developing and continually improving our services.



# FRIENDZ COIN LEGAL AND CROWDSALE



# FRIENDZ COIN LEGAL AND CROWDSALE

## General Informations

The Friendz Coin does not have the legal qualification of a security, since it does not give any rights to dividends or interests. FDZ Token does not have the legal qualification as a payment token, since it is not intended to be used as a means of payment to acquire goods or services by third parties, or a means of money or value transfer. The sale of FDZs is final and non-refundable. FDZs are not shares and do not give any right to participate to the general meeting of FRIENDZ. FDZ cannot have a performance or a particular value outside the FRIENDZ SA network. FDZ shall therefore

not be used or purchased for speculative or investment purposes. The purchaser of FDZ is aware that national securities laws, which ensure that investors are sold investments that include all the proper disclosures and are subject to regulatory scrutiny for the investors' protection, are not applicable.

Anyone purchasing FDZ expressly acknowledges and represents that she/he has carefully reviewed this white paper and fully understands the risks, costs and benefits associated with the purchase of FDZ.

## Knowledge Required

The purchaser of FDZ undertakes that she/he understands and has significant experience of cryptocurrencies, blockchain systems and services, and that she/he fully understands the risks associated with the crowdsale as well as the mechanism related to the use of cryptocurrencies (incl. storage).

FRIENDZ SA shall not be responsible for any loss of FDZ or situations making it impossible to access FDZs, which may result from any actions or omissions of the user or any person undertaking to acquire FDZs, as well as in case of hacker attacks.

## Risks

Acquiring FDZ and storing them involves various risks, in particular the risk that FRIENDZ may not be able to further develop its operations and develop its blockchain and provide the services promised. Therefore, and prior to acquiring FDZs, any user should carefully consider the risks, costs and benefits of acquiring FDZ in the context of the crowdsale and, if necessary, obtain any independent advice in this regard. Any interested person who is not in the position to accept or to understand the risks associated with the activity or any other risks as indicated in the Terms & Conditions of the crowdsale should not acquire FDZs.

## Important disclaimer

This white paper shall not and cannot be considered as an invitation to enter into an investment. It does not constitute or relate in any way nor should be considered as an offering of securities in any jurisdiction. The white paper does not include nor contain any information or indication that might be considered as a recommendation or that might be used to base any investment decision. This document does not constitute an offer or an invitation to sell shares, securities or rights belonging to FRIENDZ or any related or associated company. The FDZ is just a utility token which can be used only on the FRIENDZ platform and is not intended to be used as an investment.

The offering of FDZ on a trading platform is done in order to allow the use of the FRIENDZ platform and not for speculative purposes. The offering of FDZ on a trading platform is not changing the legal qualification of the token, which remains a simple means for the use of the FRIENDZ platform and is not a security.

FRIENDZ is not to be considered as advisor in any legal, tax or financial matters. Any information in the white paper is given for general information purpose only and FRIENDZ does not provide with any warranty as to the accuracy and completeness of this information. Given the lack of crypto-token qualifications in most countries, each buyer is strongly advised to carry out a legal and tax analysis concerning the purchase and ownership of FRIENDZ's according to their nationality and place of residence.

FRIENDZ today is not a financial intermediary according to Swiss Law and is not required to obtain any authorization for Anti-Money Laundering purpose. This qualification may change in case FRIENDZ will offer services which are to be considered as qualifying a financial intermediation activity. In this case, the use of FRIENDZ services may require the positive conclusion of an AML/KYC identification process.

FDZs confer no direct or indirect right to FRIENDZ's capital or income, nor does it confer any governance right within FRIENDZ; an FDZ is not proof of ownership or a right of control over FRIENDZ and does not grant the controlling individual any asset or share in FRIENDZ, or in the FRIENDZ network. An FDZ does not grant any right to participate in control over FRIENDZ's management or decision-making set-up, or over the FRIENDZ network and governance to the Purchasers.

Regulatory authorities are carefully scrutinizing businesses and operations associated to cryptocurrencies in the world. In that respect, regulatory measures, investigations or actions may impact FRIENDZ's business and even limit or prevent it from developing its operations in the future. Any person undertaking to acquire FDZ must be aware of the FRIENDZ business model, the white paper or terms and conditions may change or need to be modified because of new regulatory and compliance requirements from any applicable laws in any jurisdictions. In such a case, purchasers and anyone undertaking to acquire FDZ acknowledge and understand that neither FRIENDZ nor any of its affiliates shall be held liable for any direct or indirect loss or damage caused by such changes.

FRIENDZ will do its utmost to launch its operations and develop the FRIENDZ platform. Anyone undertaking to acquire FDZ acknowledges and understands that FRIENDZ will launch its first services by the start of the Crowdsale. Other services available to the FDZ Token purchasers may be offered at a later stage, according to the Whitepaper. On concluding the Commercial Operation, these tokens will be issued by a technical process referred to as a «Blockchain».

This is an open source IT protocol over which the Company has no rights or liability in terms of its development and operation. The token distribution mechanism will be controlled by a Smart Contract; this involves a computer program that can be executed on the Ethereum network or on a blockchain network that is compatible with Smart Contract programming language. They acknowledge and understand therefore that FRIENDZ (incl. its bodies and employees) assumes no liability or responsibility for any loss or damage that would result from or relate to the incapacity to use FDZs, except in case of intentional misconduct or gross negligence.

FDZs is based on the Ethereum protocol. Therefore, any malfunction, unplanned function or unexpected operation of the Ethereum protocol may cause the FRIENDZ network or FRIENDZs to malfunction or operate in a way that is not expected. Ether, the native Ethereum Protocol account unit may itself lose value in a similar way to FDZs, and also in other ways.

## Representation and warranties

By participating in the crowdsale, the purchaser agrees to the above and in particular, they represent and warrant that they:

- have read carefully the terms and conditions attached to the white paper; agree to their full contents and accept to be legally bound by them;
- are authorized and have full power to purchase FDZ according to the laws that apply in their jurisdiction of domicile;
- are not a U.S. citizen, resident or entity (a "U.S. Person") nor are they purchasing FRIENDZ or signing on behalf of a U.S. Person;
- are not a Chinese resident or entity nor are they purchasing FRIENDZ Token or signing on behalf of a Chinese resident;
- live in a jurisdiction which allows FRIENDZ to sell FDZ through a crowdsale without requiring any local authorization and are in compliance with the local, state, and national laws and regulations when purchasing, selling and/or using FRIENDZs;
- are familiar with all related regulations in the specific jurisdiction in which they are based and that purchasing cryptographic tokens in that jurisdiction is not prohibited, restricted or subject to additional conditions of any kind;
- will not use the crowdsale for any illegal activity, including but not limited to money laundering and the financing of terrorism; purchase FDZ because they wish to have access to the FRIENDZ platform;
- have sufficient knowledge about the nature of the cryptographic tokens and have significant experience with, and functional understanding of, the usage and intricacies of dealing with cryptographic tokens and currencies and block-chain-based systems and services;
- purchase FDZ because they wish to have access to the FRIENDZ platform;
- are not purchasing FDZ for the purpose of speculative investment or usage.

## Governing Law – Arbitration

The Client acknowledges and accepts that the FRIENDZ ICO operation is taking place within a Swiss legal environment that is still under development. The Parties agree to seek an amicable settlement prior to bringing any legal action. All disputes arising with the with papers provided, shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers of Commerce in force on the date when the Notice of Arbitration is submitted in accordance with these Rules. The arbitration panel shall consist of one arbitrator

only. The seat of the arbitration shall be Lugano, Switzerland. The arbitral proceedings shall be conducted in English.

FDZs will not be listed on any regulated stock exchange, such as SIX Swiss Exchange, or SIX. These Terms have been prepared without regard to the legal standards for prospectuses under art. 1156 or art. 652a of the Swiss Code of Obligations or the legal standards for facilitated prospectuses under art. 5 of the Collective Investment Schemes Act ("CISA") or art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange in Switzerland. Neither these Terms nor any other material relating to the Offer, FRIENDZ or FDZs will be or have been filed with or approved by any Swiss regulatory authority. Specifically, these Terms will not be filed with, and the Offer of FDZs will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA). Furthermore, the Offer of FDZs has not been and will not be authorized under the CISA. Thus, the protection which is given to purchasers of interests or units in collective investment schemes under the CISA does not extend to purchasers of FDZs.