

Agreement on Sale of Tokens

PLEASE READ CAREFULLY THIS AGREEMENT ON SALE OF TOKENS BEFORE PURCHASING TOKENS, AS IT AFFECTS YOUR OBLIGATIONS AND LEGAL RIGHTS, INCLUDING, BUT NOT LIMITED TO, WAIVERS OF RIGHTS AND LIMITATION OF LIABILITY. IF YOU DO NOT AGREE WITH THIS AGREEMENT ON SALE OF TOKENS, YOU SHALL NOT PURCHASE TOKENS

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

IF SUCH RESTRICTED PERSON PURCHASES TOKENS, SUCH RESTRICTED PERSON HAS DONE SO ON AN UNLAWFUL, UNAUTHORIZED AND FRAUDULENT BASIS AND IN THIS REGARD SHALL BEAR NEGATIVE CONSEQUENCES CONTEMPLATED IN THIS AGREEMENT ON SALE OF TOKENS

TOKENS MAY HAVE NO VALUE. BUYER MAY LOSE ALL AMOUNTS PAID

Last updated: September 9, 2017

This Agreement on Sale of Tokens ("**Agreement**") constitutes the legal relationship and an agreement between you or the entity that you represent ("**Buyer**") and TokenStars Group Limited, a company registered in British Virgin Islands with the company number 1953160 and registered office at Geneva Place, Waterfront Drive, PO Box 3469, Road Town, Tortola, British Virgin Islands ("**Company**"), and governs **(i)** acquisition of ERC20 compatible ACE tokens distributed on the Ethereum blockchain ("**Tokens**") and **(ii)** holding and use of the Tokens.

Company and Buyer hereby agree as follows:

1. DEFINITIONS

1.1. In addition to the definitions contained elsewhere in the text of this Agreement, the following terms and expressions shall have the meaning ascribed to them here below:

"**Bonus Tokens**" has the meaning, set out in Article 4.1 of Exhibit 1.

"**Company Parties**" means Company and its respective past, present and future employees, officers, directors, contractors, consultants, attorneys, accountants, financial advisors, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns. "**Company Party**" means one of the foregoing, as the case may be.

"**Cryptocurrency**" means Bitcoin (BTC) and Ether (ETH), as the case may be.

"**Damages**" means damages, losses, liabilities, costs or expenses of any kind, whether direct or indirect, consequential, compensatory, incidental, actual, exemplary, punitive or special and including, without limitation, any loss of business, revenues, profits, data, use, goodwill or other intangible losses.

"**Disbursement Date**" has the meaning, set out in Article 2.3 of Exhibit 1.

"**Disputes**" has the meaning, set out in Article 11.2.

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

"**Ethereum ERC20 Wallet**" has the meaning, set out in Article 5.1.2 of Exhibit 1.

"**Intellectual Property**" has the meaning, set out in the Terms of Use.

"**Minimum Threshold**" has the meaning, set out in Article 3.7 of Exhibit 1.

"**Notices**" has the meaning, set out in Article 12.7.

"**Platform**" means the community-based system described in the White Paper and to be developed and deployed by Company Parties.

"**Presale Launch Date**" means the calendar date when the Token Presale launches as it is set out in Article 1.1 of Exhibit 1.

"Presale Expiration Date" means the calendar date when the Token Presale expires as it is set out in Article 1.1 of Exhibit 1.

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

"Refund Receiver" has the meaning, set out in Article 10.1 of Exhibit 1.

"Restricted Persons" has the meaning, set out in Article 4.5.

"Retained Tokens" has the meaning, set out in Article 7.4.2 of Exhibit 1.

"Sale Launch Date" means the calendar date when the Token Sale launches as it is set out in Article 1.2 of Exhibit 1.

"Sale Expiration Date" means the calendar date when the Token Sale expires as it is set out in Article 1.2 of Exhibit 1.

"Services" means the services which Company Parties provide to the holders of the Tokens via the Platform and which are more specifically described in the White Paper.

"Terms of Use" means the document describing the terms of use of the Website available on the Website (as may be amended from time to time).

"Token Presale" has the meaning, set out in Article 1.1 of Exhibit 1.

"Token Sale" has the meaning, set out in Article 1.2 of Exhibit 1.

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

"US Dollars" means the legal tender currency in the United States of America.

"User Account" has the meaning, set out in Article 6.2.1 of Exhibit 1.

"Web Application" has the meaning, set out in Article 6.1 of Exhibit 1.

"Website" means <http://www.tokenstars.com/> and all subdomains and all their respective pages.

"White Paper" means the document describing the Platform, the Tokens, the Services, and other matters related to the Platform, and available on the Website (as may be amended from time to time).

2. ACCEPTANCE OF THIS AGREEMENT

§1. Entrance into Agreement, Terms of Use and White Paper

2.1. This Agreement shall be effective and binding on the parties hereof when the both of the following conditions are satisfied:

2.1.1. Buyer clicks the check box on the Website to indicate that Buyer has read, understands and agrees to the terms of this Agreement; and

- 2.1.2. Company receives the payment for the Tokens from Buyer as it is specified in Article 2.3 of Exhibit 1.
- 2.2. Company Parties have established the Terms of Use, as may be amended from time to time upon a Company Party's sole discretion, which are hereby incorporated by reference. Buyer has read, understands and agrees to those terms.
- 2.3. Company Parties have prepared the White Paper, as may be amended from time to time upon a Company Party's sole discretion, which is hereby incorporated by reference. Buyer has read and understands the White Paper and its contents (in particular, versions 2.0.1. of the White Paper and all its later versions). The content of the White Paper is not binding for Company Parties and is subject to change in line with ongoing research and development of the Platform.

§2. No Partner Relationship between Buyer and Company Parties

- 2.4. Company and Buyer are independent contractors, and neither party hereto, nor any of their respective affiliates, is an agent of the other for any purpose somehow related to this Agreement or has the authority to bind the other.
- 2.5. Purchasing of the Tokens from Company does not create any form of partnership, joint venture or any other similar relationship between Buyer and a Company Party.

3. LEGAL STATUS OF TOKENS

§1. Restricted Use of Tokens

- 3.1. The Tokens are intended to be used only:
 - 3.1.1. to enable usage of and interaction with the Platform and to support its development, testing, deployment, and operation;
 - 3.1.2. as native cryptocurrency of the Platform, to be used by its community as it is strictly described in the White Paper, including as a means to obtain the Services; and
 - 3.1.3. as a means to power the Platform's reward system.
- 3.2. Hereby Buyer accepts explicitly and agrees that:
 - 3.2.1. it is the responsibility of solely Buyer to determine if Buyer can legally purchase the Tokens in his jurisdiction and whether Buyer can then resell the Tokens to another purchaser in any given jurisdiction; and
 - 3.2.2. he is not acquiring the Tokens for any other uses or purposes, except for as specified in Article 3.1; and
 - 3.2.3. none of the Company Parties has other obligations, except as expressly stated in this Agreement.
- 3.3. Important additional details regarding the Tokens, the Services, and the Platform are provided in the White Paper.

§2. No Rights Created by Tokens

- 3.4. Ownership of the Tokens carries no rights, express or implied, other than the right to use the Tokens as specified in Article 3.1. In particular, the Tokens:
 - 3.4.1. do not provide Buyer with rights of any form with respect to any of the Company Parties or its revenues or assets, including any voting, distribution, redemption, liquidation, proprietary (including all forms of Intellectual Property), or other financial or legal rights;
 - 3.4.2. do not represent a loan to any of the Company Parties; and
 - 3.4.3. do not provide Buyer with any ownership or other interest in any of Company Parties.
- 3.5. Acquisition of the Tokens from Company does not present an exchange of payment (Cryptocurrencies or money) for any form of shares in any of Company Parties or the Intellectual Property. For the avoidance of doubt and irrespective of the provisions of the White Paper, Buyer is not entitled to any guaranteed form of dividends, revenue distributions, and voting rights.
- 3.6. For the purpose of this Agreement, the Tokens shall be viewed as software with cryptographic elements that is sold out as a utility appliance for the Platform. Company may from time to time launch various incentive programs, including the one specified in Article 3.1, for the holders of the Tokens to encourage and promote their attention to the Platform.

§3. Not for Investment Purposes

- 3.7. Although the Tokens may be tradable, they are not an investment, currency, security, commodity, a swap on a currency, security or commodity or any other kind of financial instrument. The Tokens are not intended to be marketed, offered for sale, purchased, sold, or traded in any jurisdiction where they are prohibited by applicable laws or require further registration with any applicable governmental authorities.
- 3.8. The Tokens may be exchangeable on cryptographic token exchanges. However, none of Company Parties give warranties or representations that the Tokens will be exchangeable on such exchanges.
- 3.9. This Agreement does not constitute a prospectus of any sort, is not a solicitation for investment and does not pertain in any way to an initial public offering or a share/equity offering and does not pertain in any way to an offering of securities in any jurisdiction. It is a description of the functionality of a Token Smart Contract.

§4. Funds Collected through Token Presale and Token Sale

- 3.10. Funds collected through the Token Presale and the Token Sale will be utilized by Company and other Company Parties in their sole discretion according to the plan specified in the White Paper.

4. TOKEN SALE PROCEDURE

§1. General Provisions on Token Sale Procedure

- 4.1. The substantial information about the procedures and material specifications of the Token Presale and the Token Sale are provided in Exhibit 1, including details regarding the timing, pricing of the Token sale, and the number of Tokens to be sold and distributed. The information about specific procedures on how Buyer should purchase the Tokens may also be provided on the Website.

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

- 4.2. Buyer's purchase of the Tokens from Company during the Token Presale period and the Token Sale period is final, and there are no refunds or cancellations except as may be required by applicable law or regulation.

By sending the payment for the Tokens, Buyer acknowledges that none of the Company Parties are required to provide a refund for any reason and that Buyer will not receive money or other compensation in lieu of a refund.

- 4.3. Company reserves the right to refuse or cancel the Token purchase requests at any time at Company's sole discretion.
- 4.4. Buyer shall provide an accurate digital wallet address to Company for receipt of any Tokens distributed to Buyer pursuant to this Agreement.

§2. Persons Who Are Restricted to Purchase Tokens

- 4.5. The Tokens are not being offered or distributed to, as well as can not be resold or otherwise alienated by their holders to the following restricted persons ("**Restricted Persons**"):

- 4.5.1. citizens of, natural and legal persons, having their habitual residence, location or their seat of incorporation in the United States of America (including its states and the district of Columbia), Puerto Rico, the Virgin Islands of the United States, or any other possessions of the United States of America; and
- 4.5.2. citizens of, natural and legal persons, having their habitual residence, location or their seat of incorporation in the country or territory where transactions with digital tokens are prohibited or in any manner restricted by applicable laws or regulations, or will become so prohibited or restricted at any time after this Agreement becomes effective.

- 4.6. The Restricted Persons are strictly prohibited and restricted from purchasing and using the Tokens and Company Parties are not soliciting purchases and usage by Restricted Persons in any way.

- 4.7. It is solely Buyer's obligation to verify at the time of entering into this Agreement:

- 4.7.1. whether or not Buyer or a person he represents is a Restricted Person;

- 4.7.2. whether or not Buyer is allowed to purchase the Tokens under the applicable laws and regulations; and
 - 4.7.3. whether or not Buyer is allowed by applicable laws and regulations to use the Tokens in the manner specified at the Website.
- 4.8. If a Restricted Person purchases the Tokens, such Restricted Person has done so on an unlawful, unauthorized and fraudulent basis. In such a case, any transactions and operations entered into by the Restricted Person in respect of the Tokens shall be null and void, including, but not limited to, the following:
 - 4.8.1. transactions resulting from acceptance of this Agreement;
 - 4.8.2. any transaction resulting from the acquisition of the Tokens; and
 - 4.8.3. any payment operation.
- 4.9. None of the Company Parties shall be bound by a transaction or an operation specified in Article 4.8, and respective Company Party may, in its sole discretion:
 - 4.9.1. take all necessary and appropriate actions to apply and enforce the consequences of the void transactions and operations specified above;
 - 4.9.2. notify the relevant authorities on the transaction or the operation in question; and
 - 4.9.3. retain all the funds paid by the Restricted Person and either freeze them until the situation is resolved by the respective authority or transfer to the account specified by the relevant financial authority, or apply to cover inflicted losses or discharge liabilities, or refund to the payer of the funds in accordance with the applicable legislation.
- 4.10. Any Restricted Person purchasing the Tokens shall be solely liable for Damages caused to Company Parties and shall indemnify, defend and hold harmless Company Parties from any Damages, losses, and expenses incurred by Company Parties that arise from or are the result of such Restricted Person's purchase of the Tokens.
- 4.11. Company neither offer or distribute the Tokens nor carry on a business (activity) in any regulated activity in Singapore, in People's Republic of China, or in other countries and territories where transactions in respect of, or with use of, digital tokens fall under the restrictive regulations or require from Company to be registered or licensed with any applicable governmental authorities.

5. ACKNOWLEDGMENT AND ASSUMPTION OF RISKS

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

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

6. SECURITY OF BUYER'S TOKENS

- 6.1. Buyer shall implement reasonable measures for securing the wallet, vault or other storage mechanism utilized to receive and hold the purchased Tokens, including any requisite private keys or other credentials necessary to access such storage mechanisms.
- 6.2. In the event that Buyer is no longer in possession of Buyer's private keys or any device associated with Buyer's account or is not able to provide Buyer's login or identifying credentials, Buyer may lose all of Buyer's Tokens and/or access to Buyer's account. Company Parties are under no obligation to recover any Tokens and are not liable for such loss of Buyer's Tokens.

7. BUYER'S PERSONAL INFORMATION

- 7.1. Company may determine, in its sole discretion, that it is necessary to obtain certain information about Buyer in order to comply with applicable laws or regulations in connection with selling the Tokens to Buyer.
- 7.2. Buyer agrees to provide Company or any person appointed by Company with such information promptly upon request and acknowledges that Company may refuse to sell Tokens to Buyer until he provides such requested information and Company has determined that it is permissible to sell Tokens to Buyer under applicable laws or regulations.

8. BUYER'S RESPONSIBILITY FOR THE TAXES

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

9. REPRESENTATIONS AND WARRANTIES

§1. Buyer's Representations and Warranties

- 9.1. By sending the payment for the Tokens, Buyer represents and warrants to each of the Company Parties that each of the following representations and warranties is true, accurate and not misleading on the date when such sending has occurred:

(A) Buyer's Awareness of Transaction, Technology, and Risks

- 9.1.1. Buyer has read and understand this Agreement, the White Paper, the Terms of Use and the Privacy Policy.
- 9.1.2. Buyer has read and understand the risks related to the Tokens and usage of the Platform specified in Exhibit 2.

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

(B) Authority to Enter into Agreement

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

(C) Buyer is not a Restricted Person

- 9.1.9. Buyer is not a Restricted Person and does not represent a Restricted Person.

(D) Compliance with Applicable Laws and Regulations

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

- 9.1.11. Buyer will comply with any applicable tax obligations in Buyer's jurisdiction arising from the respective purchase of the Tokens.
- 9.1.12. The execution and delivery of, and performance under, this Agreement require no approval or other action from any governmental authority or person other than Buyer.

(E) Legal Source of the Funds used for the Purchase

- 9.1.13. The funds, including any digital assets, fiat currency, virtual currency or Cryptocurrency, Buyer uses to purchase the Tokens are not derived from or related to any unlawful activities, including but not limited to money laundering or terrorist financing, and Buyer will not use the Tokens to finance, engage in, or otherwise support any unlawful activities.
- 9.2. Buyer agrees that if his country of residence or other circumstances change such that any of the representations and warranties specified in Article 9.1 are no longer accurate, that Buyer will immediately cease using the Platform.

§2. No Company Parties' Representations and Warranties

- 9.3. Buyer hereby acknowledges and agrees that the Tokens are sold on an "as is", "as available" and "with all faults" basis and Buyer purchases the Tokens exclusively at his own risk without any express or implied representations and/or warranties of any kind by Company Parties.
- 9.4. Company and other Company Parties (if applicable) expressly disclaim all express and implied warranties and representations as to the Tokens and the Platform. None of the Company Parties makes any representations or warranties, express or implied, including:
 - 9.4.1. any warranties or representations of title;
 - 9.4.2. any warranties or representations of merchantability or fitness for a particular purpose with respect to the Platform, the Tokens or their utility, or the ability of anyone to purchase or use the Tokens;
 - 9.4.3. the suitability, reliability, availability, timeliness, and accuracy of the Platform, the Tokens, information, software, products, Services and related graphics contained on the Website for any purpose.
- 9.5. Without limiting the specified in Articles 9.3-9.4, none of the Company Parties represent or warrant that the process of payment of the Tokens or receiving the Tokens will be uninterrupted, error-free, free or shall remain free of viruses or other harmful components, or that the Tokens are reliable and error-free. As a result, Buyer acknowledges and understands that Buyer may lose the entire amount Buyer paid to Company.

10. LIMITATION OF LIABILITY

§1. Limitation of Company Parties' Liability

- 10.1. To the fullest extent permitted by applicable law:

- 10.1.1. in no event will any of Company Parties be liable for any Damages arising out of or in any way related to the sale or use of the Tokens, use of the Platform or otherwise related to this Agreement, regardless of the form of action, whether based in contract, tort (including simple negligence, whether active, passive or imputed), or any other legal or equitable theory (even if the party has been advised of the possibility of such Damages and regardless of whether such Damages were foreseeable); and
 - 10.1.2. in no event will the aggregate liability of the Company Parties (jointly), whether in contract, warranty, tort (including negligence, whether active, passive or imputed), or other theory, arising out of or relating to this Agreement or the use of or inability to use the Tokens or the Platform, exceed the amount you pay to Company for the Tokens.
- 10.2. To the fullest extent permitted by applicable law, Buyer disclaims any right or cause of action against any of the Company Parties of any kind in any jurisdiction that would give rise to any Damages whatsoever, on the part of any Company Party.
- 10.3. Company will not be liable for any delay or failure to perform any obligation under this Agreement where the delay or failure results from any cause beyond Company's reasonable control.
- 10.4. If applicable law does not allow all or any part of the above limitation of liability to apply to Buyer, the limitations will apply to Buyer only to the extent permitted by applicable law.
- 10.5. Buyer understands and agrees that it is Buyer's obligation to ensure compliance with any legislation relevant to his country of domicile concerning purchase and use of the Tokens and that Company Parties should not accept any liability for any illegal or unauthorized purchase or use of the Tokens.

§2. Indemnification for Losses Incurred by a Company Party

- 10.6. To the fullest extent permitted by applicable law, Buyer will indemnify, defend and hold harmless and reimburse Company Parties from and against any and all claims, demands, actions, Damages, losses, costs and expenses (including attorneys' fees) incurred by a Company Party arising from or relating to:
 - 10.6.1. Buyer's purchase or use of the Tokens or the Platform;
 - 10.6.2. Buyer's responsibilities or obligations under this Agreement, the Terms of Use or the Privacy Policy;
 - 10.6.3. Buyer's violation of this Agreement, the Terms of Use or the Privacy Policy;
 - 10.6.4. any inaccuracy in any representation or warranty of Buyer;
 - 10.6.5. Buyer's violation of any rights of any other person or entity; and/or
 - 10.6.6. any act or omission of Buyer that is negligent, unlawful or constitutes willful misconduct.

- 10.7. Company reserves the right to exercise sole control over the defense, at Buyer's expense, of any claim subject to indemnification under Article 10.6. This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between Buyer and Company.

§3. Force Majeure

- 10.8. Company Parties shall not be liable and disclaims all liability to Buyer in connection with any force majeure event, including acts of God, labour disputes or other industrial disturbances, electrical, telecommunications, hardware, software or other utility failures, software or smart contract bugs or weaknesses, earthquakes, storms, or other nature-related events, blockages, embargoes, riots, acts or orders of government, acts of terrorism or war, technological change, changes in interest rates or other monetary conditions, and, for the avoidance of doubt, changes to any blockchain-related protocol.
- 10.9. If an event of force majeure occurs, the party injured hereto by the other's inability to perform may elect to suspend this Agreement, in whole or part, for the duration of the force majeure circumstances. The party hereto experiencing the force majeure circumstances shall cooperate with and assist the injured party in all reasonable ways to minimize the impact of force majeure on the injured party.

§4. Release

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

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

11. GOVERNING LAW AND DISPUTE RESOLUTION

§1. Applicable Law

- 11.1. This Agreement will be governed by and construed and enforced in accordance with the laws of the British Virgin Islands, without regard to conflict of law rules or principles (whether of the British Virgin Islands or any other jurisdiction) that would cause the application of the laws of any other jurisdiction.

§2. Informal Dispute Resolution

- 11.2. Buyer and Company shall cooperate in good faith to resolve any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity, interpretation, breach or termination, and any non-contractual obligation or other matter arising out of or in connection with it ("**Disputes**"). If the parties hereto are unable to resolve a Dispute within 90 days of notice of such Dispute being received by all parties hereto, such Dispute shall be finally settled in arbitration proceeding as stipulated in Articles 11.4-11.8.

§2. No Class Arbitrations, Class Actions or Representative Actions

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

§3. Arbitration Proceedings

- 11.4. Any Dispute shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration in force on the date on which the arbitration is commenced, which Rules are deemed to be incorporated by reference into this Article.
- 11.5. The tribunal shall consist of three arbitrators. Each party hereto shall nominate one arbitrator. In the event that either of the two parties hereto fails to nominate an arbitrator within 30 days after the commencement of the arbitration proceedings, then the London Court of International Arbitration shall nominate an arbitrator on behalf of the party or parties hereto which have failed to nominate an arbitrator. The third arbitrator, who shall be the presiding arbitrator, shall be nominated by the two party-nominated arbitrators within 30 days of the last of their appointments.
- 11.6. The seat of the arbitration shall be London, the United Kingdom. The language of the arbitration shall be English.
- 11.7. Any award of the tribunal shall be final and binding from the day it is made.
- 11.8. The parties hereto agree to keep confidential all matters relating to the arbitration, including related court proceedings, to the greatest extent practicable.

12. MISCELLANEOUS

§1. Entire Agreement

- 12.1. This Agreement constitutes the entire agreement between Buyer and Company relating to purchase of the Tokens from Company. This Agreement supersedes all prior or contemporaneous representations, understandings, agreements, or communications between Buyer and any of the Company Parties, whether written or verbal, regarding the subject matter of this Agreement.

§2. Severability

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

§3. Amendments to Agreement

- 12.3. Company reserves the right to change, modify, add, or remove portions of this Agreement for any reason at any time during the Token Presale or the Token Sale and afterwards by posting the amended Agreement on the Website. The revised version will be effective at the time Company posts it unless indicated otherwise. If you do not agree to be bound by the amended or modified Agreement, you must cease accessing or using the Platform.

§4. Assignment of Rights and Obligations

- 12.4. Company may assign Company's rights and obligations under this Agreement.

§5. No Company's Waiver of Rights

- 12.5. Company's failure to exercise or enforce any right or provision of this Agreement will not operate as a waiver of such right or provision.

§6. Third Party Rights

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

§7. Notices

- 12.7. All notices, requests, claims, demands and other communications concerning this Agreement ("**Notices**") that a Company Party provides to Buyer, including this Agreement, will be provided in electronic form by:
- 12.7.1. posting a Notice on the Website; or
 - 12.7.2. sending an email to the email address then associated with Buyer's account.
- 12.8. Notices provided by posting on the Website will be effective upon posting and Notices provided by email will be effective when a Company Party sends the email. It is Buyer's responsibility to keep his email address current. Buyer will be deemed to have received any email sent to the email address then associated with his account when a Company Party sends the email, whether or not Buyer actually receives or reads the email.
- 12.9. Notices that Buyer provides to a Company Party must be in the English language and delivered to the Company Party by email (ask@tokenstars.com). Such Notices will be effective one business day after they are sent.

§8. Possibility to Negotiate Agreement

- 12.10. Each party hereto has had an unlimited and real opportunity to influence the terms of this Agreement as well as to propose, exclude and add any provisions of this Agreement. All the terms of this Agreement are agreed by parties hereto jointly. The circumstances of the preparation of this Agreement should not affect the interpretation of its terms and the sharing of the burden of proof between the parties hereto. If Buyer has any proposals to amend, correct or add this Agreement, he can contact Company by email (ask@tokenstars.com).

§9. Interpretation

- 12.11. The Exhibits form part of this Agreement and any reference to this Agreement includes the Exhibits. In this Agreement, references to "**Articles**" or "**Exhibits**" are references to Articles of, and Exhibits to, this Agreement.
- 12.12. In this Agreement, unless the context indicates otherwise or the contrary is expressly stated:
 - 12.12.1. references to the singular include references to the plural and *vice versa*;
 - 12.12.2. references to the male include references to the female and *vice versa*;
 - 12.12.3. a reference to a person includes a reference to any individual, body corporate (wherever or however incorporated or established), association, partnership, government, state agency, public authority, joint venture, works council or other employee representative body in any jurisdiction and whether or not having a separate legal personality;
 - 12.12.4. a reference to a person includes a reference to that person's legal personal representatives, successors, permitted assigns and permitted nominees in any jurisdiction and whether or not having separate legal personality;
 - 12.12.5. a reference to a company shall be construed so as to include any company, corporation or other body corporate or other legal entity, wherever and however incorporated or established;
 - 12.12.6. a reference to a "**business day**" implies a day which starts at 12:00 PM PDT of the respective date and ends at 11:59 PM PDT of the following date; and
 - 12.12.7. except as otherwise provided in this Agreement, when referring to time, time in PDT timezone shall apply.
- 12.13. The headings in this Agreement are inserted for convenience and reference purposes only and do not affect its interpretation.
- 12.14. The words "**hereof**", "**herein**", "**hereunder**" and "**hereby**" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement.
- 12.15. Wherever the word "**include**," "**includes**," or "**including**" is used in this Agreement, it shall be deemed to be followed by the words "without limitation".

EXHIBIT 1. TOKEN PRESALE AND TOKEN SALE PROCEDURES

1. Token Presale and Token Sale Periods

- 1.1. Company will conduct a presale of the Tokens ("**Token Presale**"), which will begin at 12:00 PM PDT on August 01, 2017 ("**Presale Launch Date**") and end:
 - 1.1.1. at 12:00 PM PDT on September 09, 2017; or
 - 1.1.2. at the end of the business day when the aggregate number of the paid Tokens and the Bonus Tokens will have achieved 99 000 000 Tokens (as described in Article 7.4.1 hereof), whichever is earlier ("**Presale Expiration Date**").
- 1.2. Company will conduct a sale of the Tokens ("**Token Sale**"), which will begin at 12:00 PM PDT on September 10, 2017 ("**Sale Launch Date**") and end:
 - 1.2.1. at 12:00 PM PDT on October 31, 2017; or
 - 1.2.2. at the end of the business day when the aggregate number of the paid Tokens and the Bonus Tokens will have achieved 99 000 000 Tokens (as described in Article 7.4.1 hereof), whichever is earlier ("**Sale Expiration Date**").

2. Token Price and Payment for Tokens

- 2.1. During the Token Presale and the Token Sale, the price per Token will be 0,0001 Bitcoin (BTC).
- 2.2. Payment for the Tokens shall be made, at Buyer's discretion:
 - 2.2.1. in US Dollars by wire transfer to the account the details of which will be available in the Web Application as specified in Article 6.3 hereof; and/or
 - 2.2.2. in Bitcoins (BTC) by transfer to the unique Bitcoin wallet address the details of which will be available in the Web Application as specified in Article 6.3 hereof; and/or
 - 2.2.3. in Ethers (ETH) by transfer to the unique Ethereum wallet address the details of which will be available in the Web Application as specified in Article 6.3 hereof.
- 2.3. Without prejudice to the provisions set out in Articles 3.1-3.3 hereof, a transaction on payment for the Tokens is considered to be made on the following time and date ("**Disbursement Date**"):
 - 2.3.1. in the case of payment in US Dollars, on the time and date when the respective amount in US Dollars credits the account the details of which will be available in the Web Application as specified in Article 6.3 hereof; and/or
 - 2.3.2. in the case of payment in the Cryptocurrency, on the time and date when Company receives from an intermediary payment service through which the transaction has been effected a notification confirming that such

transaction has not been canceled or reversed by the respective blockchain ledger.

- 2.4. Not confirmed as it is described in Article 2.3.2 hereof, the transaction on payment for the Tokens will be deemed canceled and reversed by the respective blockchain ledger. In this case, the respective amount of payment made by a purchaser will be refunded to such purchaser without distribution to him of any Tokens.
- 2.5. In any case, the Disbursement Date shall occur within the Token Presale period or the Token Sale period. If Buyer:
 - 2.5.1. initiates the payment within the Token Presale period, however, for whatever reason, the Disbursement Date occurs on the date within the Token Sale period, then the respective amount of payment will be counted towards the payment for the Tokens as if they were paid during the Token Sale and Buyer will receive Tokens in the number calculated in accordance with rules as in effect on the Disbursement Date; and
 - 2.5.2. initiates the payment within the Token Sale period, however, for whatever reason, the Disbursement Date occurs on the date after the expiration of the Token Sale period, then Company will have the right, at its sole discretion, to:
 - 2.5.2.1. refund the respective amount of payment to Buyer without distribution to him of any Tokens; or
 - 2.5.2.2. accept the respective amount of payment partially or in full as if it was received on the last day of the Token Sale period and to distribute to Buyer the respective number of Tokens.
- 2.6. In the case of payment in US Dollars or in Ethers (ETH), the respective exchange rate set on Kraken Bitcoin Exchange (<https://www.kraken.com/>) at 12:00:00 PDT of the respective Disbursement Date shall apply.

3. Tokens Purchased

- 3.1. Within one purchase request during the Token Presale, at least 10 000 Tokens shall be paid. If the amount of first payment made by Buyer during the Token Presale is not sufficient to pay for the said number of Tokens, Buyer is entitled to make additional payments during the Token Presale. The aggregate amount of the first payment and all of the additional payments shall be enough to pay for 10 000 or more Tokens. The Disbursement Date within the Token Presale period is deemed to occur when the aggregate amount of all payments within one purchase request became sufficient to pay for at least 10 000 Tokens.

The rules of the preceding paragraph shall apply to each of the subsequent purchase requests made within the Token Presale.

- 3.2. Should as of the Presale Expiration Date the aggregate amount paid by Buyer for the Tokens within one purchase request is not sufficient to pay for all 10 000 Tokens, such amount will be counted towards the payment for the Tokens as if they were paid during the Token Sale and Buyer will receive Tokens in the number

calculated in accordance with rules as in effect on the Sale Launch Date. In such a case, the Disbursement Date in respect of such Tokens is deemed to occur on the Sale Launch Date.

- 3.3. Within one purchase request during the Token Sale, at least 100 Tokens shall be paid. If the amount of first payment made by Buyer during the Token Sale is not sufficient to pay for the said number of Tokens, Buyer is entitled to make additional payments during the Token Sale. The aggregate amount of the first payment and all of the additional payments shall be enough to pay for 100 or more Tokens. The Disbursement Date within the Token Sale period is deemed to occur when the aggregate amount of all payments within one purchase request became sufficient to pay for at least 100 Tokens.

The rules of the preceding paragraph shall apply to each of the subsequent purchase requests made within the Token Sale.

- 3.4. Should as of the Sale Expiration Date the aggregate amount paid by Buyer for the Tokens within one purchase request is not sufficient to pay for all 100 Tokens, then Company will have the right, at its sole discretion, to:

3.4.1. refund the respective amount of payment to Buyer without distribution to him of any Tokens; or

3.4.2. accept the respective amount of payment partially or in full as if it was received on the last day of the Token Sale period and to distribute to Buyer the respective number of Tokens.

- 3.5. The Token is non-divisible, therefore only the integral number of Tokens may be purchased. If the amount paid by Buyer for the Token is not sufficient to purchase one whole Token, the following mathematical rounding rules shall apply:

3.5.1. if the paid amount is less than 0,00005 Bitcoin (BTC), then such amount will not be refunded to Buyer and Buyer will not receive the Token; and

3.5.2. if the paid amount is 0,00005 Bitcoin (BTC) and more, then Buyer will receive the Token.

- 3.6. In the case the total amount of payments for the Tokens received by Company from different Buyers, exceeds the maximum amount calculated with due regard for the restriction on number of Tokens established in Article 7.4.1 hereof, Buyers the payments from whom was received on the last business day of the Token Sale period will receive the Tokens in number calculated proportional to the amount of their payments, subject to the mathematical rounding rules specified in Article 3.5 hereof.

- 3.7. In order for the Token Presale and the Token Sale to be successful, the total amount in US Dollars and the Cryptocurrency equivalent or equal to at least 750 000 US Dollars have to be paid during the period from the Presale Launch Date to the Sale Expiration Date in accordance with the terms set out herein ("**Minimum Threshold**"). If the Minimum Threshold is not achieved, then all payments made by Refund Receivers shall be refunded to them in accordance with Article 10 hereof, and the respective Refund Receivers shall not receive any

Tokens. For the purpose of calculation of the Minimum Threshold, the respective exchange rate set on Kraken Bitcoin Exchange (<https://www.kraken.com/>) at 12:00:00 PDT of the respective Disbursement Date shall apply.

4. Bonus Programs

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

Disbursement Date	Number of Bonus Tokens
During the Token Presale period	45% of the total number of Tokens paid by respective Buyer within the Token Presale period, subject to the limitations set out in Article 3.1 hereof
During the Token Sale period: from September 10, 2017, 12:00 PM PDT till September 13, 2017, 12:00 PM PDT	40% of the total number of Tokens paid by respective Buyer within the Token Sale period, subject to the limitations set out in Article 3.3 hereof
During the Token Sale period: from September 13, 2017, 12:01 PM PDT till September 16, 2017, 12:00 PM PDT	30% of the total number of Tokens paid by respective Buyer within the Token Sale period, subject to the limitations set out in Article 3.3 hereof
During the Token Sale period: from September 16, 2017, 12:01 PM PDT till September 20, 2017, 12:00 PM PDT	20% of the total number of Tokens paid by respective Buyer within the Token Sale period, subject to the limitations set out in Article 3.3 hereof
During the Token Sale period: from September 20, 2017, 12:01 PM PDT till the Sale Expiration Date	0%

- 4.1.1. The Buyer is entitled to receive additional 5% Bonus Tokens in the case the accrued number of Tokens purchased by Buyer exceeds 50 000 Tokens (taking in account all Tokens, acquired by Buyer in a single or multiple transactions). For the avoidance of doubt the number of purchased Tokens doesn't include the Bonus Tokens, that the Buyer may be entitled to receive or other Tokens, that were not directly purchased at the Token Presale or Token Sale.
- 4.1.2. The Buyer is entitled to gain additional conversion bonus: the Buyer will have the right to convert Tokens to other tokens, created by the Company, at the exchange rate, that is calculated with 40% conversion bonus (applicable only for the first conversion). Details will be published on the Website after the procedure of new token acquisitions (not ACE Tokens) will be launched by the Company.
- 4.2. Other than as stated in Article 4.1 hereof, Company may launch different bonus programs enabling different persons to receive the Bonus Tokens. Different bonus programs may be launched for the benefit of different persons.

- 4.3. In some cases, Bonus Tokens may be accrued when applying referral bonus codes. The same person can not use the referral bonus code which he has received as a result of the Token purchase, even if he uses different User Account (as this term is defined in Article 6.2.1 hereof). The personality of each Buyer will be verified through the KYC ("Know Your Customer") procedure.
- 4.4. Bonus programs stated in Articles 4.1-4.3 hereof may be additive, however, to the extent that applies to Buyers, the Bonus Tokens to be due within each such bonus program can be accrued only depending on the number of Tokens that was actually paid by a respective Buyer.
- 4.5. The Bonus Token is non-divisible, therefore only the integral number of the Bonus Tokens may be accrued. In the case the number of the Bonus Tokens is calculated as non-integral value, the following mathematical rounding rules shall apply:
- 4.5.1. if accrued less than 0,5 Token, then Buyer will not receive the Bonus Token; and
- 4.5.2. if accrued 0,5 Token and more, then Buyer will receive the Bonus Token.
- 4.6. Company reserves the right to amend the terms and conditions of bonus programs, at its sole discretion, at any time during the Token Presale and the Token Sale.

5. Buyer's Wallets

- 5.1. To purchase the Tokens, Buyer must have certain token wallets established and operational. Specifically, Buyer must have:
- 5.1.1. one or both of the following wallets depending on which Cryptocurrency Buyer will use to pay for the Tokens:
- 5.1.1.1. a Bitcoin wallet if Buyer wishes to purchase the Tokens using Bitcoin (BTC); and/or
- 5.1.1.2. an Ethereum wallet if Buyer wishes to purchase the Tokens using Ether (ETH);
- 5.1.2. and an Ethereum wallet that supports the ERC20 token standard in order to receive the Tokens due to Buyer ("**Ethereum ERC20 Wallet**").
- 5.2. Company reserves the right to prescribe additional guidance regarding specific wallet requirements.

6. Procedure for Buying and Receiving Tokens

- 6.1. Company will make available at the Website a web application to facilitate the procedure of purchase and receipt of the Tokens ("**Web Application**"). Buyer must ensure that the URL of Buyer's web browser indicates that it is using a hypertext transport protocol secure connection ("https") and that the domain name is correct.
- 6.2. To purchase the Tokens through the Web Application, Buyer shall:

- 6.2.1. undergo a registration procedure and obtain a personal user account available on the Website ("**User Account**"). The registration procedure, as well as terms and conditions of use of the User Account, are in more detail specified in Terms of Use of Website;
 - 6.2.2. enter the Web Application using his User Account; and
 - 6.2.3. follow the on-screen instructions.
- 6.3. The Web Application will guide participants through the procedure of purchase and receipt of the Tokens, in particular:
 - 6.3.1. it will ask Buyer to check the boxes in order to confirm his consent on terms and conditions of sale of the Tokens;
 - 6.3.2. it will guide Buyer through the whole procedure on payment for the Tokens;
 - 6.3.3. it will ask Buyer to provide the information required for carrying out KYC ("Know Your Customer") procedure; and
 - 6.3.4. if Company and/or Company's agents approve the validity, sufficiency, and accuracy of the information referred to in Article 6.3.3 hereof, Buyer will be asked to provide to the Web Application the address of his Ethereum ERC20 Wallet for the delivery of the Tokens due to him.
- 6.4. Company reserves the right to refuse or cancel the Token purchase requests at any time at Company's sole discretion, including cases when the information provided by Buyer is not sufficient, inaccurate or misleading, Buyer is deemed to be a Restricted Person, or Buyer has not complied with any of the requirements of the Web Application.
- 6.5. In the case specified in Article 6.4 hereof, Company may, at its sole discretion, either:
 - 6.5.1. retain all the funds paid by the respective payer; or
 - 6.5.2. refund to the payer of the funds in accordance with the Article 10 hereof.

7. Creation and Distribution of Tokens

- 7.1. Following the results of the Token Presale and the Token Sale, Company will make a register containing the information on the number of Tokens paid by all Token purchasers during the Token Presale and the Token Sale, and the number of the Bonus Tokens accrued in accordance with the terms and conditions hereof.
- 7.2. The information specified in Article 7.1 will be downloaded to the Token Smart Contract, which will then create the Tokens and distribute them among all interested parties.
- 7.3. Company anticipates that distribution of the Tokens from the Token Smart Contract to Token purchasers will occur on November 7, 2017, 12:00 PM PDT (or

sooner, at Company's sole discretion), but reserves the right to delay distribution up to four weeks after the termination of the Token Sale period.

7.4. The total number of Tokens which will be created by the Token Smart Contract shall be equal to the sum of the following:

7.4.1. the total number of the Tokens paid by all Buyers in accordance with the terms and conditions hereof and the total number of the Bonus Tokens accrued to all interested parties in accordance with the terms and conditions hereof. The aggregate number of such paid Tokens and Bonus Tokens, in any case, shall not exceed 99 000 000 Tokens; and

7.4.2. the total number of the additional Tokens distributed to Company ("**Retained Tokens**") which will be created in a number of 40 Tokens for every 60 Tokens specified in Article 7.4.1 hereof. The aggregate number of such Retained Tokens, in any case, shall not exceed 66 000 000 Tokens.

For the avoidance of doubt, the maximum number of Tokens that may be created following the results of the Token Presale and the Token Sale is 165 000 000 Tokens. However, if, subject to due calculations performed in accordance with provisions of this Article 7.4, the Company initiates the creation of less Tokens, afterwards, it will not initiate the creation of the balance of Tokens to reach the said maximum number.

7.5. The Tokens specified in Article 7.4.1 hereof in the number due to each Buyer or the third party (if any), will be distributed by the Token Smart Contract to the address of respective person's Ethereum ERC20 Wallet.

7.6. The Retained Tokens in full will be distributed by the Token Smart Contract to Company. Company anticipates to use the Retained Tokens, at its sole discretion, for the following purposes:

7.6.1. 50% of the Retained Tokens will be distributed to the Company's team, partners and advisors, as remuneration for services provided for the benefit of Company; and

7.6.2. 50% of the Retained Tokens will be distributed to the Platform's community as it is specified in the White Paper.

7.7. Although it has no plans to do so, Company reserves the right to burn the Retained Tokens at any point after the Token Sale.

7.8. All Tokens will be of equal value and functionality.

8. Passing of Title and Risks

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

9. Stop of Distribution Process

- 9.1. Company reserves a right to an emergency to stop the process of distribution of the Tokens in limited situations, such as, but not limited to:
- 9.1.1. serious security issue detected;
 - 9.1.2. serious network performance issue, depriving all users of equal treatment;
 - 9.1.3. any type of material attack on the Tokens, the Platform, the Website or Ethereum network.

10. Refund of Payments

- 10.1. In the cases specified in the Agreement and/or in this Exhibit, as well as in other cases at Company's sole discretion, Company can perform a refund of payment (partially or in full) made by a person in favor of Company in order to acquire the Tokens ("**Refund Receiver**").
- 10.2. Company reserves the right to choose, at its sole discretion, the form of payment for the refund (US Dollars, Bitcoin (BTC) or Ether (ETH)). The form of payment for the refund may not be the same as the Refund Receiver used when made a respective payment in favor of Company. For instance, even if the Refund Receiver's payment was settled in US Dollars, the refund may be performed in Cryptocurrency, and *vice versa*.
- 10.3. If initially paid by the Refund Receiver in the Cryptocurrency, Company, at its sole discretion, may:
- 10.3.1. refund to the Refund Receiver the same amount in the same Cryptocurrency, subject to deductions set out in Article 10.7 hereof; or
 - 10.3.2. refund to the Refund Receiver the amount in any Cryptocurrency adjusted as it is set out in Article 10.5 hereof, subject to deductions set out in Article 10.7 hereof; or
 - 10.3.3. refund to the Refund Receiver the amount translated into US Dollars at respective Cryptocurrency/US Dollar exchange rate set on Kraken Bitcoin Exchange (<https://www.kraken.com/>) at 12:00:00 PDT either of the Disbursement Date or of the date when Company makes the refund (at Company's sole discretion), subject to deductions set out in Article 10.7 hereof.
- 10.4. If initially paid by the Refund Receiver in US Dollars, Company, at its sole discretion, may:
- 10.4.1. refund to the Refund Receiver the same amount in US Dollars, subject to deductions set out in Article 10.7 hereof; or
 - 10.4.2. refund to the Refund Receiver the amount translated into Cryptocurrency at respective US Dollars/Cryptocurrency exchange rate set on Kraken Bitcoin Exchange (<https://www.kraken.com/>) at 12:00:00 PDT either of the Disbursement Date or of the date when Company makes the refund

(at Company's sole discretion), subject to deductions set out in Article 10.7 hereof.

- 10.5. In order to mitigate risks of exchange rates fluctuations, Company reserves the right to make adjustments to the amounts in Cryptocurrency refunded to the Refund Receivers. For such purposes, the following formula shall apply:

$R = Cr \times r_1 \div r_2$, where:

R – amount refunded to the Refund Receiver, in Cryptocurrency;

Cr – amount received by Company from the respective Refund Receiver, in Cryptocurrency;

r_1 – respective Cryptocurrency/US Dollar exchange rate set on Kraken Bitcoin Exchange <https://www.kraken.com/> at 12:00:00 PDT of the respective Disbursement Date, in US Dollars; and

r_2 – respective US Dollars/Cryptocurrency exchange rate set on Kraken Bitcoin Exchange (<https://www.kraken.com/>) at 12:00:00 PDT of the date when Company makes the refund, in Cryptocurrency.

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

EXHIBIT 2. LIST OF RISKS

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

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

1. RISKS CONNECTED TO THE VALUE OF TOKENS

- 1.1. **No Rights, Functionality or Features.** The Tokens do not have any rights, uses, purpose, attributes, functionalities or features, express or implied, including, without limitation, any uses, purpose, attributes, functionalities or features on the Platform. Company Parties do not guarantee and are not representing in any way to Buyer that the Tokens have any rights, uses, purpose, attributes, functionalities or features.
- 1.2. **Lack of Development of Market for Tokens.** Because there has been no prior public trading market for the Tokens, the Token sale may not result in an active or liquid market for the Tokens, and their price may be highly volatile. Even if the Tokens are tradable in a secondary market, in practice, there may not be enough active buyers and sellers or the bid-ask spreads may be too wide. The Token holders may not be able to exit their token investments easily. In the worst case scenario where no secondary market develops, a Token holder may not be able to liquidate his/her token holdings at all. The exchanges or platforms that facilitate secondary trading of the Tokens may not be regulated by the applicable laws.
- 1.3. **Risks Relating to Highly Speculative Traded Price.** The valuation of digital tokens in a secondary market is usually not transparent, and highly speculative. The Tokens do not hold any ownership rights to Company's assets and, therefore, are not backed by any tangible asset. Traded price of the Tokens can fluctuate greatly within a short period of time. There is a high risk that a Token holder could lose his/her entire contribution amount. In the worst case scenario, the Tokens could be rendered worthless.
- 1.4. **Tokens May Have No Value.** The Tokens may have no value and there is no guarantee or representation of liquidity for the Tokens. Company Parties are not and shall not be responsible for or liable for the market value of the Tokens, the transferability and/or liquidity of the Tokens and/or the availability of any market for the Tokens through third parties or otherwise.
- 1.5. **Tokens are Non-Refundable.** Company is not obliged to provide the Token holders with a refund related to the Tokens for any reason, and the Token holders will not receive money or other compensation in lieu of the refund. No promises of future performance or value are or will be made in respect to the Tokens, including no promise of inherent value, no promise of continuing payments, and

no guarantee that the Tokens will hold any particular value. Therefore, the recovery of invested assets may be impossible or may be subject to foreign laws or regulations, which may not be the same as the private law of the Token holder.

2. BLOCKCHAIN AND SOFTWARE RISKS

- 2.1. **Blockchain Delay Risk.** On the Bitcoin and Ethereum blockchain, timing of block production is determined by proof of work so block production can occur at random times. For example, the Cryptocurrency transferred in the final seconds of a distribution period during the Token Presale or the Token Sale may not get included for that period. Buyer acknowledges and understands that the Bitcoin or Ethereum blockchain may not include the Buyer's transaction at the time Buyer expects and Buyer may not receive the Tokens in this regard.
- 2.2. **Blockchain Congestion Risk.** The Bitcoin and Ethereum blockchains are prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the respective network in an attempt to gain an advantage in purchasing cryptographic tokens. Buyer acknowledges and understands that Bitcoin or Ethereum block producers may not include Buyer's transaction when Buyer wants or Buyer's transaction may not be included at all.
- 2.3. **Risk of Software Weaknesses.** The Token Smart Contract concept, the underlying software application and software platform (i.e. the Ethereum blockchain) are still in an early development stage and unproven. There is no representation and warranty that the process for creating the Tokens will be uninterrupted or error-free. There is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of the Cryptocurrency and/or the Tokens.
- 2.4. **Risk of New Technology.** The Platform, the Tokens and all of the matters set forth in the White Paper are new and untested. The Platform and the Tokens might not be capable of completion, creation, implementation or adoption. It is possible that no blockchain utilizing the Platform will be ever launched. Buyer should not rely on the Platform, the Token Smart Contract or the ability to receive tokens associated with the Platform in the future. Even if the Platform is completed, implemented and adopted, it might not function as intended, and any Tokens may not have functionality that is desirable or valuable. Also, technology is changing rapidly, so the Platform and the Tokens may become outdated.

3. SECURITY RISKS

- 3.1. **Risk of Loss of Private Keys.** The Tokens purchased by Buyer may be held by Buyer in Buyer's digital wallet or vault, which requires a private key, or a combination of private keys, for access. Accordingly, loss of requisite private keys associated with Buyer's digital wallet or vault storing the Tokens will result in loss of such Tokens, access to Buyer's Token balance and/or any initial balances in blockchains created by third parties. Moreover, any third party that gains access to such private keys, including by gaining access to login credentials of a hosted wallet or vault service Buyer uses, may be able to misappropriate Buyer's Tokens. Company Parties are not responsible for any such losses.

- 3.2. **Lack of Token Security.** The Tokens may be subject to expropriation and or/theft. Hackers or other malicious groups or organizations may attempt to interfere with the Token Smart Contract or the Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because the Ethereum platform rests on open source software, there is the risk that Ethereum smart contracts may contain intentional or unintentional bugs or weaknesses which may negatively affect the Tokens or result in the loss of Buyer's Tokens, the loss of Buyer's ability to access or control Buyer's Tokens. In the event of such a software bug or weakness, there may be no remedy and holders of the Tokens are not guaranteed any remedy, refund or compensation.
- 3.3. **Risk of Ethereum Mining Attacks.** The blockchain used for the Token Smart Contract is susceptible to mining attacks, including double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attacks present a risk to the Token Smart Contract, expected proper execution and sequencing of the Token transactions, and expected proper execution and sequencing of contract computations.
- 3.4. **Failure to Map a Public Key to Buyer's Account.** Failure of Buyer to map a public key to Buyer's account may result in third parties being unable to recognize Buyer's Token balance on the Ethereum blockchain when and if they configure the initial balances of a new blockchain based upon the Platform of which Company makes no representation or guarantee.
- 3.5. **Risk of Incompatible Wallet Service.** The wallet or wallet service provider used for the acquisition and storage of the Tokens has to be technically compatible with the Tokens. The failure to assure this may have the result that Buyer will not gain access to his Tokens.

4. RISKS RELATING TO PLATFORM DEVELOPMENT

- 4.1. **Risk Related to Reliance on Third Parties.** Even if completed, the Platform will rely, in whole or partly, on third parties to adopt and implement it and to continue to develop, supply, and otherwise support it. There is no assurance or guarantee that those third parties will complete their work, properly carry out their obligations, or otherwise meet anyone's needs, all of which might have a material adverse effect on the Platform.
- 4.2. **Dependence of Platform on Senior Management Team.** The ability of Company Parties which are responsible for maintaining competitive position of the Platform is dependent to a large degree on the services of a respective senior management team. The loss or diminution in the services of members of respective senior management team or an inability to attract, retain and maintain additional senior management personnel could have a material adverse effect on the Platform. Competition for personnel with relevant expertise is intense due to the small number of qualified individuals, and this situation seriously affects Company Parties' ability to retain its existing senior management and attract additional qualified senior management personnel, which could have a significant adverse impact on the Platform.

- 4.3. **Dependence of Platform on Various Factors.** The development of the Platform may be abandoned for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects, or departure of key personnel.
- 4.4. **Lack of Interest to the Platform.** Even if the Platform is finished and adopted and launched, the ongoing success of the Platform relies on the interest and participation of third parties like developers. There can be no assurance or guarantee that there will be sufficient interest or participation in the Platform.
- 4.5. **Changes to the Platform.** The Platform is still under development and may undergo significant changes over time. Although Company Parties intend for the Platform to have the features and specifications set forth in the White Paper, Company Parties may make changes to such features and specifications for any number of reasons, and any party that adopts the Platform and launches the Platform also may make changes, any of which may mean that the Platform does not meet Buyer's expectations.
- 4.6. **Risk associated with Other Applications.** The Platform may give rise to other, alternative projects, promoted by unaffiliated third parties, under which the Token will have no intrinsic value.
- 4.7. **Risk of an Unfavorable Fluctuation of Cryptocurrency Value.** The proceeds of the sale of the Tokens will be denominated in cryptocurrency and may be converted into other cryptographic and fiat currencies. If the value of cryptocurrencies fluctuates unfavorably during or after the Token Presale or the Token Sale, Company Parties may not be able to fund development, or may not be able to develop or maintain the Platform in the manner that it intended.

5. RISKS ARISING IN COURSE OF COMPANY PARTIES' BUSINESS

- 5.1. **Risk of Conflicts of Interest.** Any Company Party may be engaged in transactions with related parties, including respective majority shareholder, companies controlled by him or in which he owns an interest, and other affiliates, and may continue to do so in the future. Conflicts of interest may arise between any Company Party's affiliates and respective Company Party, potentially resulting in the conclusion of transactions on terms not determined by market forces.
- 5.2. **Risks Related to Invalidation of Company Parties Transactions.** Company Parties have taken a variety of actions relating to its business that, if successfully challenged for not complying with applicable legal requirements, could be invalidated or could result in the imposition of liabilities on respective Company Party. Since applicable legislation may subject to many different interpretations, respective Company Party may not be able to successfully defend any challenge brought against such transactions, and the invalidation of any such transactions or imposition of any such liability may, individually or in the aggregate, have a material adverse effect on the Platform.
- 5.3. **Risk Arising from Emerging Markets.** Company Parties or some of them may operate on emerging markets. Emerging markets are subject to greater risks than more developed markets, including significant legal, economic and political risks.

Emerging markets are subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks. Emerging economies are subject to rapid change and that the information set out in this Agreement or in the Website may become outdated relatively quickly.

6. GOVERNMENTAL RISKS

- 6.1. **Uncertain Regulatory Framework.** The regulatory status of cryptographic tokens, digital assets, and blockchain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether governmental authorities will regulate such technologies. It is likewise difficult to predict how or whether any governmental authority may make changes to existing laws, regulations and/or rules that will affect cryptographic tokens, digital assets, blockchain technology and its applications. Such changes could negatively impact the Tokens in various ways, including, for example, through a determination that the Tokens are regulated financial instruments that require registration. Company may cease the distribution of the Tokens, the development of the Platform or cease operations in a jurisdiction in the event that governmental actions make it unlawful or commercially undesirable to continue to do so.
- 6.2. **Failure to Obtain, Maintain or Renew Licenses and Permits.** Although as of the date of starting of the Token Presale there are no statutory requirements obliging Company to receive any licenses and permits necessary for carrying out of its activity, there is the risk that such statutory requirements may be adopted in the future and may relate to any of Company Parties. In this case, Company Parties' business will depend on the continuing validity of such licenses and permits and its compliance with their terms. Regulatory authorities will exercise considerable discretion in the timing of license issuance and renewal and the monitoring of licensees' compliance with license terms. Requirements which may be imposed by these authorities and which may require any of Company Party to comply with numerous standards, recruit qualified personnel, maintain necessary technical equipment and quality control systems, monitor our operations, maintain appropriate filings and, upon request, submit appropriate information to the licensing authorities, may be costly and time-consuming and may result in delays in the commencement or continuation of operation of the Platform. Further, private individuals and the public at large possess rights to comment on and otherwise engage in the licensing process, including through intervention in courts and political pressure. Accordingly, the licenses any Company Party may need may not be issued or renewed, or if issued or renewed, may not be issued or renewed in a timely fashion, or may involve requirements which restrict any Company Party's ability to conduct its operations or to do so profitably.
- 6.3. **Risk of Government Action.** The industry in which Company Parties operate is new and may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. There can be no assurance that governmental authorities will not examine the operations of Company Parties and/or pursue enforcement actions against them. All of this may subject Company Parties to judgments, settlements, fines or penalties, or cause Company Parties to restructure their operations and activities or to cease offering certain products or services, all of which could harm Company Parties' reputation or lead to higher

operational costs, which may, in turn, have a material adverse effect on the Tokens and/or the development of the Platform.

6.4. **Risk of Burdensomeness of Applicable Laws, Regulations, and Standards.**

Failure to comply with existing laws and regulations or the findings of government inspections, or increased governmental regulation of Company Parties operations, could result in substantial additional compliance costs or various sanctions, which could materially adversely affect Company Parties business and the Platform. Company Parties operations and properties are subject to regulation by various government entities and agencies, in connection with ongoing compliance with existing laws, regulations and standards. Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations, and standards. Respective authorities have the right to, and frequently do, conduct periodic inspections of any Company Party's operations and properties throughout the year. Any such future inspections may conclude that any Company Party has violated laws, decrees or regulations, and it may be unable to refute such conclusions or remedy the violations. Any Company Party's failure to comply with existing laws and regulations or the findings of government inspections may result in the imposition of fines or penalties or more severe sanctions or in requirements that respective Company Party cease certain of its business activities, or in criminal and administrative penalties applicable to respective officers. Any such decisions, requirements or sanctions, or any increase in governmental regulation of our operations, could increase Company Parties costs and materially adversely affect Company Parties business and the Platform.

6.5. **Unlawful or Arbitrary Government Action.** Governmental authorities may have a high degree of discretion and, at times, act selectively or arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary a law or influenced by political or commercial considerations. Moreover, the government also has the power in certain circumstances, by regulation or government act, to interfere with the performance of, nullify or terminate contracts. Unlawful, selective or arbitrary governmental actions have reportedly included the denial or withdrawal of licenses, sudden and unexpected tax audits, criminal prosecutions and civil actions. Federal and local government entities have also used common defects in matters surrounding the Token sale as pretexts for court claims and other demands to invalidate or to void any related transaction, often for political purposes. In this environment, Company Parties competitors may receive preferential treatment from the government, potentially giving them a competitive advantage over Company Parties.