

## TERMS AND CONDITIONS OF TOKEN SALE AND USE

PLEASE READ THESE TERMS AND CONDITIONS OF TOKEN SALE AND USE CAREFULLY BEFORE ACCESSING THE WEBSITE LOCATED AT <HTTPS://KINESIS.MONEY/EN/> (THE “**WEBSITE**”) OR THE KINESIS PLATFORM (DEFINED BELOW) OR PURCHASING TOKENS. YOU ACKNOWLEDGE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH PURCHASING THE TOKENS DESCRIBED HEREIN AND AGREE TO ASSUME SUCH RISKS UPON ANY PURCHASE OF TOKENS. IN ADDITION, NOTE THAT THESE TERMS CONTAIN A BINDING CLASS ACTION WAIVER, WHICH, IF APPLICABLE TO YOU, AFFECT YOUR LEGAL RIGHTS. IF YOU DO NOT AGREE TO THESE TERMS, DO NOT PURCHASE THE TOKENS DESCRIBED HEREIN.

The following Terms and Conditions of Token Sale and Use (these “**Terms**”) form an agreement between Kinesis Cayman, an exempted company incorporated with limited liability in the Cayman Islands (the “**Company**” or “**we**”) and you, or the entity you represent, (“**you**” or the “**Purchaser**”) and contain the terms and conditions pursuant to which you will purchase cryptographic ERC-20 standard tokens on the Ethereum blockchain with the symbol ‘KVT’ and named ‘Kinesis Velocity Token’ (the “**Tokens**” and each a “**Token**”) from the Company. You and the Company are each a “**Party**” and, together, the “**Parties**” to these Terms. This document describes the Token sale (the “**Token Sale**”) and your rights as a Token holder.

Prior to purchasing Tokens, you should carefully consider these Terms. By clicking the check boxes and the Submit button on the web application to purchase KVTs, you agree and accept to be bound by these Terms and any terms incorporated hereafter. If you have any questions regarding these Terms, please contact the Company at [help@kinesis.money](mailto:help@kinesis.money). If any of these Terms are unacceptable to you, do not purchase the Tokens.

Prior to purchasing Tokens, you should carefully consider these Terms and, to the extent necessary, consult a lawyer, accountant, and/or tax professional, as applicable.

Purchases of Tokens should be undertaken only by individuals or companies that have significant experience with, and understanding of, the usage and intricacies of cryptographic tokens, including Ethereum-based tokens and blockchain-based software systems. Purchasers should have an expert understanding of the storage and transmission mechanisms associated with cryptographic tokens. While the Company will be available to assist the Purchaser of Tokens during the Token Sale, the Company will not be responsible in any way for loss of any cryptocurrency, including Tokens, resulting from actions taken by, or omitted by Purchaser. If you do not have such experience or expertise, then you should not purchase Tokens or participate in the Token Sale. Your participation in the Token Sale is deemed to be your understanding and acknowledgment that you satisfy the requirements mentioned in this paragraph.

As further described herein, by purchasing Tokens, and to the extent permitted by law, you agree to not hold the Company or its respective past, present, and future employees, officers, directors, contractors, consultants, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and/or designees liable for any losses or any special, incidental, or consequential damages arising from, or in any way connected, to the sale of Tokens, including losses associated with these Terms.

**You acknowledge, understand and agree that:-**

- 1. You are subject to and bound by these Terms by virtue of purchasing the Tokens.**
- 2. The Tokens have no rights, intended uses or attributes outside of use with the Kinesis Platform or as otherwise expressly referred to in these Terms.**
- 3. A purchase of Tokens is non-refundable and cannot be cancelled.**
- 4. A purchase of Tokens involves many, varied risks which can result in the loss of all amounts paid.**

5. The Company reserves the right to refuse or cancel Token purchase requests at any time in its sole and absolute discretion.
6. The Tokens are not backed by any physical bullion or other assets which a Purchaser would have any rights or access to.
7. Certain persons, including persons who commit to purchasing Tokens earlier than you, may receive more Tokens from the Company for the same amount paid. For the avoidance of doubt, the Company may, at its sole discretion and without prior consultation, offer Tokens at any price point and/or on any terms that it deems reasonable or advantageous in the circumstances.
8. These Terms limit the liability of the Company and its Associated Parties (defined below) in connection with the sale of Tokens.
9. You have reviewed to your satisfaction all supporting collaterals concerning the risks associate with purchasing Tokens including but not limited to the extensive Risk Factors section within the Confidential Offering Memorandum.

**NOTHING IN THESE TERMS SHALL BE DEEMED TO CONSTITUTE A PROSPECTUS OF ANY SORT, A SOLICITATION FOR INVESTMENT OR INVESTMENT ADVICE NOR DOES IT IN ANY WAY PERTAIN TO AN OFFERING OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION. TO THE MAXIMUM AMOUNT PERMITTED BY APPLICABLE LAW, EACH OF THE COMPANY AND KINESIS FOUNDATION (COLLECTIVELY, THE “ASSOCIATED PARTIES” AND EACH AN “ASSOCIATED PARTY”) EXPRESSLY DISCLAIM AND SHALL NOT BE LIABLE FOR ANY AND ALL RESPONSIBILITY FOR ANY DIRECT OR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHER LOSSES OF ANY KIND, IN TORT, CONTRACT OR OTHERWISE (INCLUDING BUT NOT LIMITED TO LOSS OF REVENUE, INCOME OR PROFITS, AND LOSS OF USE OR DATA), ARISING OUT OF OR IN CONNECTION WITH (I) THE PURCHASER’S ACCEPTANCE OF OR RELIANCE ON ANY INFORMATION CONTAINED IN THESE TERMS OR THE WHITEPAPER (DEFINED BELOW), (II) ANY ERROR, OMISSION OR INACCURACY IN ANY SUCH INFORMATION OR (III) ANY ACTION RESULTING THEREFROM.**

Purchaser agrees to buy, and Company agrees to sell, Tokens in accordance with the following terms:

#### **1. Acceptance of Confidential Offering Memorandum, Whitepaper and Terms**

These Terms shall be effective and binding on all parties upon the earlier of (i) you clicking the check boxes and the clicking the Submit button contained in the application form to purchase KVTs or (ii) you sending any unit of acceptable currency or cryptocurrency to the Company's bank account or digital wallet address (as relevant) in accordance with the Token Purchase Instructions (as defined below).

The Company has prepared the Confidential Offering Memorandum and Whitepaper, which are available at <https://kinesis.money/documents/translations/kinesis-whitepaper-en.pdf> and <https://kinesis.money/documents/translations/kinesis-offering-memorandum-en.pdf>, describing matters relating to the Company, Kinesis Foundation the Kinesis Platform and the Tokens. You acknowledge that you have read and understand the Confidential Offering Memorandum and Whitepaper and have no objection to their contents. Information in the Whitepaper is of a descriptive nature only and does not, unless explicitly incorporated herein, form a part of these Terms. Information in the Confidential Offering Memorandum is detailed in nature and is intended form a part of these Terms. Where there exists any conflict or inconsistency between the Terms of this Agreement and the Confidential Offering Memorandum, the Confidential Offering Memorandum shall succeed to the extent of the inconsistency.

Unless otherwise stated herein, these Terms govern only your purchase of Tokens from the Company during the Token Sale. The use of the Tokens will be governed primarily by other applicable terms and policies, which currently include the Terms of Use (available at <https://kinesis.money/en/terms-of-use/>) and Privacy Policy (available at <https://kinesis.money/en/privacy-policy/>) (collectively and as each may be amended and updated from time to time, the “**Terms of Service**”). The Company may add new terms or policies to the Terms of Service in its sole discretion, and may update the Terms of Service from time to time according to modification procedures set forth therein. To

the extent of any conflict with these Terms, the Terms of Service shall control with respect to any issues relating to the use of the Tokens.

## 2. Purpose and Use of Tokens on the Kinesis Platform

The Company intends for the Tokens to be sold to fund the development and maintenance of an ecosystem consisting of a monetary system platform and associated applications (the “**Kinesis Platform**”) by Kinesis Foundation, an affiliate of the Company, and the smart contract connected to the Kinesis Platform (the “**Kinesis Smart Contract**”). The Kinesis Platform is more particularly described in the whitepaper relating to the Company and available at <https://kinesis.money/documents/translations/kinesis-whitepaper-en.pdf> (as amended from time to time) (the “**Whitepaper**”). A summary of the Whitepaper and the Kinesis Platform’s Blueprint are also available at <https://kinesis.money/documents/translations/kinesis-whitepaper-summary-en.pdf> and <https://kinesis.money/documents/translations/kinesis-blueprint-en.pdf> respectively.

The Tokens may be sold or exchanged for fiat currency on an exchange, if and/or when any such exchange agrees to list Tokens, which in no case can be assured or guaranteed in any way.

Purchase, ownership, receipt or possession of Tokens carries no rights, express or implied, other than the right to use the Tokens as a means to participate in the Kinesis Platform as provided in these Terms and the Terms of Service (as defined below). In particular, you understand and agree that, save as expressly set out in these Terms, the Tokens do not represent or confer any ownership right or stake, share, security or equivalent rights, or any right to receive future revenue shares, intellectual property rights, or any other form of participation in or relating to the Kinesis Platform or the Company, the Associated Parties and its or their corporate affiliates, subject to limitations and conditions in these Terms and other applicable terms, conditions or policies, which may and likely will be implemented by the Company and other participants in the Kinesis Platform at a later date. Tokens are not intended to be a loan contract, digital currency, security, commodity or any other kind of financial instrument. You are purchasing Tokens solely for the purpose of participating in the Kinesis Platform, and you are aware of the risks associated with the Company, Kinesis Foundation, the Kinesis Platform and the Tokens. You are not purchasing Tokens for any other purpose including, without limitation, any investment, speculative or financial purpose.

You acknowledge and agree that the Kinesis Platform is in an early stage of development and may undergo significant changes over time.

## 3. Rights attaching to Tokens

It is currently anticipated that the Tokens shall, subject to the relevant holder of such Tokens having first satisfied the Company’s Compliance Procedures (defined below), carry the following rights:-

### A. Access to the Kinesis Currency Exchange with preferential yield rates.

The holders of the Tokens shall be given access to the Kinesis Currency Exchange whereby holders will have the ability to participate in the pre-ICO phase of the launch of Kinesis Currencies with a preferential yield rate to other, non-holders of Tokens.

### B. Participation in transaction fees.

The Company shall distribute an aggregate sum equal to 20% of the transaction fees generated in connection with the Kinesis Currencies suite as part of the Kinesis Platform (the “**Fee Distribution**”) to the holders of the Tokens (which have completed the Company’s Compliance Procedures) on a pro rata basis by reference to the number of Tokens held by such persons. The Fee Distribution shall be calculated on a daily basis by the Company (in its sole and absolute discretion) and then the aggregate Fee Distributions for a calendar month shall be distributed to the Kinesis wallet addresses that have been associated with the Ethereum address holding the KVTs on the last day of such calendar month. The Fee Distributions shall be payable in the form of Kinesis Currencies that have been generated as transaction fees during

that particular calendar month.

C. Participation in certain commissions.

The Company shall distribute an aggregate sum equal to 20% of the commissions generated by the Kinesis Commercial Centre via the Kinesis Platform (the “**Commission Distribution**”) to the holders of the Tokens (which have completed the Company’s Compliance Procedures) on a pro rata basis by reference to the number of Tokens held by such persons. The Commission Distribution shall be calculated on a daily basis by The Company (in its sole and absolute discretion) and then the aggregate Commission Distributions for a calendar month shall be distributed to the Kinesis wallet addresses that have been associated with the Ethereum address holding the KVTs of such holders of Tokens on the last day of such calendar month. The Commission Distributions shall be payable in the form of Kinesis Currencies that have been generated as commissions via the Kinesis Commercial Centre during that particular calendar month.

For the purposes of determining those holders of Tokens that are entitled to receive the Fee Distribution and/or Commission Distribution (together, the “**Distributions**” and each a “**Distribution**”), the directors of The Company may fix in advance of the distribution a time and date as the record date for any such determination of those holders of Tokens that are entitled to receive the relevant Distribution. If no record date is fixed for the determination of those holders of Tokens that are entitled to receive the relevant Distribution, 11:59 pm on the date immediately prior to the date of the relevant Distribution shall be the record date for such determination of holders of Tokens that are entitled to receive the relevant Distribution.

No Distribution will be paid or payable to any Token holder which has not yet satisfied the Compliance Procedures of the Company. No Distribution will be paid or payable to anyone other than the Token holders of record and will only be made to the wallet address on record for such Token holder

Whilst the above sets out the rights which are proposed to be offered to the holders of Tokens, Purchasers must accept and be aware that such rights may be subject to change or variation by the Company if and to the extent that such changes are considered necessary or desirable by the directors of the Company (acting reasonably) to ensure compliance with any applicable laws, rules or regulations.

#### 4. **How to Participate in the Token Sale**

The Company reserves the right, in its sole discretion, to modify any of the Token Sale procedures or any of the timelines described in these Terms due to, among other things, network congestion or other technical challenges.

A. Registration of account.

In order to acquire Tokens, you must first complete an application to purchase KVTs contained on the Website.

B. User Credentials.

In order to acquire Tokens, you will be required to complete the whitelisting instructions on the Company’s Website (including, without limitation, the satisfactory completion of the Company’s anti-money laundering and “know your client” policies and procedures (including a verification as to the Purchaser’s source of funds) (the “**Compliance Procedures**”) and to provide your email address and telephone number (“**User Credentials**”).

You agree not to allow anyone to use your personal information contained in your application to access applicant specific pages on the Website or facilitate any unauthorized access to the Token Sale. If you do share your User Credentials with anyone, that person’s activities will be deemed to have been authorized by you. You are responsible for any acts or omissions that occur during the Token Sale with the use of your User Credentials. The Company reserves the right to suspend or block your access to the Token Sale upon suspicion of any unauthorized access or use, or any attempt thereof, associated with your User Credentials. You agree to maintain and promptly update your User Credentials and “know your client”

information and to keep such information accurate, complete and current.

C. Payment of Purchase Price.

You must pay the Purchase Price by sending the correct quantity of one Payment Currency to the wire instructions (or unique address, as applicable) displayed to you via the Website. Your purchase can not be completed until the Company receives the full amount of the Purchase Price. If Payment Currency is cryptocurrency, the Purchase Price will not be considered paid in full until the Company receives thirty (30) network confirmations of the transaction on the relevant blockchain.

D. Gas fees.

In the event that, due to the deduction of gas or other transfer fees, the amount of the Payment Currency that the Company receives from you is greater or less than the amount of the Purchase Price associated with the number of Purchased Tokens selected by you in the Portal, the Company will increase or decrease your number of Purchased Tokens in accordance with the amount actually received by the Company and you agree to any such adjustment of the number of Purchased Tokens. Alternatively, the Company may request a transfer of the remaining Purchase Price required at its ultimate discretion to which the Customer undertakes to provide in a timely manner.

E. Token Purchase Instructions.

In order to receive Tokens, you must correctly provide an ERC-20 compatible Ethereum wallet address to receive Tokens (the "**Token Receipt Address**"). It is important that you carefully provide the Company with your Token Receipt Address as failure to provide a correct Token Receipt Address may result in a total loss of your Purchased Tokens.

In addition to the instructions above, the Company will provide further procedures and instructions regarding the purchase and delivery of Tokens ("**Token Purchase Instructions**"). The Token Purchase Instructions will set out the applicable Gas limit and the field you should insert in the sending data field. By accepting these Terms, you acknowledge and agree and have no objection to the Token Purchase Instructions. Failure to follow the exact procedures described in the Token Purchase Instructions may result in the incorrect transmission and/or the total loss of your Purchased Tokens.

The receipt or purchase of Tokens through any other means other than the means described in the Token Purchase Instructions are not sanctioned or agreed to in any way by the Company.

F. Delivery of Tokens.

Subject to these Terms, the Company will deliver the quantity of Tokens you are to receive prior to the end of the Public Sale Period (the "**Token Delivery Date**") provided, however, that the Company will endeavor to deliver the quantity of Tokens you are to receive within one (1) week of receipt of payment from you, however, the Company reserves the right to extend the Token delivery deadline for up to four (4) additional weeks if necessary to address any technical difficulties), (ii) one (1) week after you provide a complete and accurate Token Receipt Address, and (iii) one (1) week after you provide complete and accurate information and documentation requested by the Company in connection with the Compliance Procedures (provided, however, that the Company reserves the right to extend the Token delivery deadline if the Company determines, in its sole discretion, that additional time is advisable to analyse information and documentation received in connection with its Compliance Procedures and conduct related compliance). For the avoidance of doubt, any extension pursuant to these Terms shall not affect the obligation of the Company and you to make and take delivery, respectively, of Purchased Tokens.

## 5. Rejection and refund policy

Your purchase of Tokens during the Token Sale is final. You cannot cancel the purchase and your purchase cannot be refunded, except as provided in these Terms or as may be required by applicable law.

The Company has the right to reject your offer to purchase Tokens, in whole or in part, without giving a reason for that rejection and in those circumstances, the cryptocurrencies and fiat submitted by you will be returned to you in manner described above.

## **6. After the Token Sale**

Purchasers should have no expectation of ownership or influence over the governance of the Company. Prior to a Purchaser selling Tokens, such Purchaser shall ensure that the buyer of any such Token undertakes to comply with all the provisions of these Terms as if such person were a Purchaser in the Token sale (including, without limitation, the satisfactory completion of the Compliance Procedures). No certificate will be issued in relation to Tokens and a Purchaser's personal Token holding is not required to be reflected, recognized, or recorded in any account or ledger maintained by the Company save in connection with the Compliance Procedures.

## **7. Security**

You are responsible for implementing all measures for securing the wallet, vault, or other storage mechanism you use to receive and hold Tokens purchased from the Company, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If your private key(s) or other access credentials are lost, you may lose access to your Tokens. Under no circumstance whatsoever or howsoever is the Company responsible for any losses, costs, or expenses relating to lost access credentials.

## **8. Taxation of Tokens and Taxation Related to the Token Sale**

The Purchase Price that you pay for the Tokens is exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase of Tokens, including, for example, sales, use, value added, and similar taxes. It is also your responsibility to withhold, collect, report, and remit the correct taxes to the appropriate tax authorities. The Company is not responsible for withholding, collecting, reporting, or remitting any sales, use, value added, or similar tax arising from your purchase of Tokens.

The Purchaser bears the sole responsibility in determining if the purchase of Tokens, or the potential appreciation or depreciation in the value of Tokens over time has tax implications for the Purchaser in the Purchaser's relevant jurisdiction.

By purchasing Tokens, the Purchaser agrees not to hold any of the Company, its affiliates, shareholders, directors, or advisors liable for any tax liability associated with or arising from the purchase of Tokens.

## **9. Force Majeure**

The Company is not liable for failure to perform caused by unavoidable casualty, delays in delivery of materials, embargoes, government or regulatory orders, acts of civil or military authorities, acts by common carriers, emergency conditions (including weather conditions), acts of terrorism, security issues arising from the technology used, failure of Ethereum or other similar platform, or any similar unforeseen event that renders performance commercially implausible. If an event of force majeure occurs, the party injured by the other's inability to perform may elect to suspend the terms, in whole or part, for the duration of the force majeure circumstances. The party experiencing the force majeure circumstances shall cooperate with and assist the injured party in all reasonable ways to minimize the impact of force majeure on the injured party.

## **10. Acknowledgment and Assumption of Risks**

Purchaser acknowledges and agrees that there are risks associated with purchasing Tokens, holding Tokens, and using Tokens, as disclosed and explained herein, in the Whitepaper and in the Confidential Offering Memorandum's Risk Factors section. If you have any questions regarding these risks, please contact us at help@kinesis.money. BY PURCHASING TOKENS, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THESE RISKS.

## **11. Representations and Warranties**

In consideration of the Company's acceptance of the Purchaser's offer to purchase Tokens and recognizing its reliance thereon, the Purchaser covenants, agrees, represents, and warrants to the Company as of the time of their purchase request and receipt of Tokens that:

- The Purchaser has read, understands, and is in full compliance with these Terms (including all Exhibits), and the Purchaser understands that, by purchasing, or otherwise receiving, a Token, the Purchaser is accepting all of the terms and conditions set forth herein;
- The Purchaser is not relying on any representations or statements made or information supplied by or on behalf of the Company other than information contained in these Terms and the Whitepaper. In the event of any inconsistency between the statements disclosed or terms provided in the Whitepaper and these Terms, these Terms shall govern;
- The Purchaser 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 these Terms and to appreciate the risks and implications of purchasing Tokens;
- The Purchaser has obtained sufficient information about Tokens, the Kinesis Platform, Kinesis Foundation and the Company to make an informed decision to purchase Tokens and has otherwise had opportunity to contact the Company at [help@kinesis.money](mailto:help@kinesis.money) with any questions regarding purchasing Tokens;
- The Purchaser is acquiring the Tokens solely for the Purchaser's own account and not as nominee or custodian for another person or entity and not as nominee or custodian for another person or entity; provided, however, that if the Purchaser is an individual purchasing Tokens on behalf of any entity, the Purchaser is authorized to accept these Terms on such entity's behalf and that such entity will be responsible for breach of these Terms by the Purchaser or any other employee or agent of such entity (references to "**Purchaser**", "**you**" and similar expressions in these Terms refer to the Purchaser and such entity, jointly);
- The Purchaser is either (i) an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933 ("**Securities Act**") or (ii) an Eligible Purchaser as defined in Exhibit A to these Terms and is not acting on behalf of, or for the benefit of, nor does the Purchaser intend transferring any Tokens they may purchase to, any person who is not an Eligible Purchaser;
- The Purchaser has read the Confidential Offering Memorandum dated 1 September 2018 and agrees to abide the restrictions on the resale of the Securities contained therein, including under the section entitled "Notice to Investors."
- The Purchaser is legally permitted to purchase, receive, possess, and make use of Tokens in its relevant jurisdiction; the Purchaser is of legal age to purchase Tokens in the Purchaser's relevant jurisdiction, and the Purchaser is not aware of any other legal reason to prevent it from obtaining Tokens; and, further, the Purchaser is not (i) a citizen, resident (tax or otherwise), or a citizen or resident of China or the Cayman Islands, (ii) a citizen or resident of a geographic area in which access to or use of the Kinesis Platform or Token is prohibited by applicable law, decree, regulation, treaty, or administrative act, or (iii) a citizen or resident of, or located in, a geographic area that is subject to U.S., Cayman Islands or other sovereign country sanctions or embargoes (including, without limitation, Libya, Sudan, South Sudan, Syria, Islamic Republic of Iran or the Democratic People's Republic of North Korea), and the Purchaser agrees that if the Purchaser's country of residence or other circumstances change such that the representations in this clause are no longer accurate, that Purchaser will immediately cease the restricted use of the Kinesis Platform or Token, as applicable;
- The Purchaser did not acquire and will not transfer any Tokens within the People's Republic of China (a "**Restricted Territory**"). The Purchaser is not aware of and is in no way relying on, and did not become aware of the sale of Tokens through or as a result of, from or in any Restricted Territory: any form of general solicitation or general advertising including, without limitation, any article, notice, advertisement or other

communication published in any newspaper, magazine or similar media or broadcast over television or radio, or electronic mail over the internet, in connection with the offering and sale of the Tokens and you are not purchasing the Tokens and did not become aware of the offering of the Tokens through or as a result of, in any Restricted Territory, any seminar or meeting to which you were invited by, or any solicitation of a subscription by, a person not previously known to you in connection with investments in securities generally;

- The Purchaser understands that its purchase of Tokens does not involve the purchase or receipt of shares, ownership, or any equivalent in any existing or future public or private company, corporation, or other entity in any jurisdiction;
- The Purchaser's purchase of Tokens hereunder was not made using funds stemming from illegal or unethical activities or sources; and the Purchaser is not purchasing or using Tokens for any illegal purpose, and will not use Tokens for any illegal purpose;
- The Purchaser will comply with any applicable tax obligations in its jurisdiction arising from its purchase of Tokens, and the Purchaser accepts that it bears sole responsibility for determining the tax implications, if any, relating to (i) the purchasing, allocation, use or ownership of Tokens, (ii) the potential appreciation or depreciation in the value of Tokens over time, if any, (iii) the sale and purchase of Tokens, and (iv) any other action or transaction related to Tokens;
- PURCHASER WAIVES ANY RIGHT THAT IT MAY HAVE, OR OBTAIN IN THE FUTURE, TO PARTICIPATE IN A CLASS ACTION LAWSUIT OR A CLASS WIDE ARBITRATION AGAINST ANY ENTITY OR INDIVIDUAL INVOLVED WITH THE SALE OF TOKENS;
- Neither the Company nor any member, director, officer, employee or agent of the Company has provided the Purchaser with any advice regarding whether Tokens is a suitable token for the Purchaser;
- The Purchaser understands that the Company is not currently required to register with the Cayman Islands Monetary Authority ("**CIMA**") because the Company is not a collective investment vehicle and the Tokens are not shares, trust units or partnership interests and accordingly are not currently considered equity interests for the purposes of the Mutual Funds Law (2015 Revision) of the Cayman Islands ("**MFL**"). The Purchaser understands that CIMA has therefore not reviewed the Tokens, Kinesis Platform or these Terms and have not passed any judgment on the merits of the Company or acquiring the Tokens. CIMA will have no oversight of the operations of the Company, Kinesis Foundation, the Tokens or the Kinesis Platform;
- The Purchaser understands that the Cayman Islands Government has not yet proposed or passed any legislation expressly regulating crypto currencies, cryptographic tokens, initial coin offerings or token generating events and its regulatory intentions are unclear. The Purchaser understands that any new laws imposed in the Cayman Islands (or amendments to the existing laws of the Cayman Islands, such as the MFL) could, among other things: (i) prohibit the sale, purchase or transfer of the Tokens or otherwise make holding them illegal, (ii) require the Company to register itself or the Tokens with CIMA and become subject to its supervision, (iii) require the Company to move to another jurisdiction and/or (iv) adversely affect or destroy the value of a Purchaser's Tokens, and that such new laws or amendments could be imposed very quickly and without warning;
- The Purchaser is not making a regulated investment, as this or any similar term may be interpreted by any regulatory agency in its relevant jurisdiction;
- The Purchaser has read CIMA's public advisory on virtual currencies dated 23 April 2018 which can be accessed via the following link: [https://www.cima.ky/upimages/noticedoc/1524507769PublicAdvisory-VirtualCurrencies\\_1524507769.pdf](https://www.cima.ky/upimages/noticedoc/1524507769PublicAdvisory-VirtualCurrencies_1524507769.pdf);
- THE PURCHASER TAKES SOLE RESPONSIBILITY FOR ANY RESTRICTIONS AND RISKS ASSOCIATED WITH RECEIVING AND HOLDING TOKENS, INCLUDING, WITHOUT LIMITATION, THOSE SET OUT IN THE CONFIDENTIAL OFFERING MEMORANDUM'S RISK FACTORS. WHEN PURCHASING DIGITAL TOKENS THERE IS AN INHERENT RISK THAT YOU MAY LOSE ALL



## AMOUNTS PAID;

- To the extent permitted by law, Purchaser understands that the Company makes no warranty whatsoever, either expressed or implied, regarding the future success of Token, the Kinesis Platform, Kinesis Foundation or the Ethereum network or any other network on which the Company may ultimately build the Company's network and the Tokens;
- The Purchaser accepts that Purchaser is obtaining Tokens on an "as is" and "under development" basis and accepts that the Company is providing Tokens without being able to provide any warranties in relation to Tokens, including, but not limited to, title, merchantability or fitness for a particular purpose; and
- The Purchaser has not and will not supply the Company with inaccurate or misleading information relating to Purchaser's purchase of Tokens including, without limitation, as to the Purchaser's identity and source of funds. The Purchaser will supply the Company with all accurate information, documentation or copy documentation that the Company may require in order to allow the Company to accept the Purchaser's purchase of Tokens and allocate Tokens to the Purchaser, and the Purchaser will provide the Company with any additional information which may be reasonably required in order that the Company can fulfill its legal, regulatory, and contractual obligations, including but not limited to any anti-money laundering and "know your customer" obligations and/or any change to the information that the Purchaser has supplied to the Company.

## 12. Future migration of Tokens

The Tokens are being created as ERC-20 standard compliant tokens on the Ethereum blockchain protocol. We reserve the right to migrate the Ethereum-based Tokens (the "**Pre-existing Tokens**") to another protocol and to generate replacement Tokens on the new protocol (the "**Replacement Tokens**") in the future, should we determine, in our sole discretion, that doing so is necessary or useful to the operation of the Kinesis Platform. Should we decide to migrate the Tokens, we may no longer provide support for the Pre-existing Tokens relating to the Kinesis Platform or any other operational matters, except with respect to the migration process. If the Tokens are migrated to another protocol, the practical utility of Pre-existing Tokens will likely diminish rapidly once Replacement Tokens are created and in use by a significant portion of Kinesis Platform participants. You acknowledge and agree that for you to continue to participate in the Kinesis Platform or obtain utility from the Tokens you may need to convert the Tokens you receive to Replacement Tokens in the future.

## 13. Anti-Money Laundering

The Purchaser represents and warrants to the Company that:-

- it is not a Prohibited Person (as defined at the end of Exhibit A);
- no person or entity that controls, is controlled by or under common control with, the Purchaser is a Prohibited Person;
- neither the Purchaser, nor any person having a direct or indirect beneficial interest in the Purchaser or the Tokens being acquired, is the subject of sanctions administered or enforced by any country or government (collectively, "**Sanctions**") or is organized or resident in a country or territory that is the subject of country-wide or territory-wide Sanctions; and
- to the extent that the Purchaser has any Beneficial Owners<sup>1</sup>:

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<sup>1</sup> For these purposes, "**Beneficial Owners**" include, but are not be limited to the following: (i) shareholders of a corporation; (ii) partners of a partnership; (iii) members of a limited liability company; (iv) investors in a fund of funds; (v) the grantor of a revocable or grantor trust; (vi) the beneficiaries of an irrevocable trust; (vii) the individual who established an IRA; (viii) the participant in a self-directed pension plan; (ix) the sponsor of any other pension plan; and (x) any person represented by the Purchaser in an agency, representative, intermediary, nominee or similar capacity. If the Beneficial Owner is itself an entity,



<https://kinesis.money/en/privacy-policy/>).

Upon the Company's request, you will immediately provide to the Company information and documents that the Company, in its sole discretion, deems necessary or appropriate to comply with any laws, regulations, rules or agreements, including without limitation judicial processes and anti-money laundering laws applicable in the Cayman Islands. Such documents may include, but are not limited to, passport, driver's license, utility bills, photographs of associated individuals, government identification cards, or sworn statements. You consent to the Company disclosing such information and documents in order to comply with applicable laws, regulations, rules or agreements. Your failure to provide accurate and complete information required for your receipt of Tokens may result in delays, losses, costs, non-delivery of refunds or Tokens or other issues. You acknowledge that the Company may refuse to distribute Tokens to you and or provide access to your account until such requested information and/or documents is provided. The Company reserves its right to request further information and documentation at any time in its sole discretion. The Company may refuse you access should it have doubts as to validity, authenticity and genuineness of the documents, provided by you. You agree that the Company shall not be liable for any loss arising as a result of the delay or non-delivery of Tokens to you or any other actions taken by the Company described in this section, and you hereby waive all claims against the Company arising from such losses. You agree to indemnify and hold harmless the Company, against any loss incurred by the Company due to any such information or documentation not being provided by you.

You agree that the Company will process all personal data you provide or make available during the Sale Period, including your:

- name and surname;
- country of residence/nationality;
- scanned government issued ID (which must be valid for at least 6 months as of uploading date);
- date of birth (if not available on the ID document);
- primary occupation;
- proof of residency, which will be provided with any of the following documents:
  - Bank statement of your current account;
  - Credit card statement;
  - Loan-related documents from a bank;
  - Utility bill;
  - Broadband home internet bill, landline phone bill;
  - Tax return, council tax bill;
  - Government-issued certificate of residency;
- mobile phone number;
- photographs of you (which you must provide holding your ID document next to your face, with your head and shoulders visible, or by holding a hand-written piece of paper containing the words "Kinesis" and the date of your application); and
- any other personal identification information reasonably required by the Company to discharge its identification and/or anti-money laundering and terrorism financing obligations.

In addition to the information set out above, the Company collects information from running its Website, provided thereto, and processes such information. When you visit the Website, the Company collects information sent by your computer, mobile phone, or other access device. This information may include your IP address, device information including, but not limited to, identifier, name, and type, operating system, mobile network information and standard web log information, such as your browser type, and the pages you accessed on our website. When you use a location-enabled device with the Company's website, we may collect geographical location data or use various means to determine the location, such as sensor data from your device that may, for instance, provide data on nearby cell towers and wi-fi access spots. When you access the Website, the Company or its applicable third-party service providers on behalf of the Company may place small data files called cookies on your computer or other device. The Company uses these technologies to recognize you as a user; customize the Website and advertising; measure promotional effectiveness and collect information about your computer or other access device to mitigate risk, help prevent fraud, and promote trust and safety.

Processing of personal data is any operation or set of operations which is performed upon personal data, whether or not by automatic means, such as collection, recording, organization, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction. The Company may share your personal data with third parties in order to complete the Token Sale reveal or suppress fraud or fix technical bugs or eliminate security problems. The Company will disclose your personal data to its affiliates, subsidiaries and third-party service providers in so far as is necessary to complete the Token Sale and fulfil the purposes set out below. The processing of your personal information shall otherwise be in accordance with the terms of the Company's privacy policies in effect from time to time.

You agree that the Company will process your personal data to market, conduct and perform technical analysis on the completion of the Token Sale. Processing of your personal data will also be carried out in order to: (a) fulfil the Company's obligations under these Terms and under applicable law (including to comply with applicable anti-money laundering requirements); (b) complete your registration; (c) provide technical support and (d) to assist the Company in the development of the System and the performance of the activities set out in the Whitepaper.

You acknowledge and agree that you may receive commercial electronic messages and advertising materials from the Company or third parties by order of the Company on the e-mail address and the mobile phone number that you provided to the Company throughout the use of the Website. At any time you will be entitled to withdraw your consent to receive such materials by following the instructions provided in materials.

## **15. Capacity and Experience**

The Purchaser is responsible for the decision to acquire Tokens and has legal competence and capacity to accept these terms through the Purchaser's purchase of Tokens. The Purchaser has the knowledge, expertise, and experience in financial matters to evaluate the risks of acquiring Tokens, is aware of the risks inherent in acquiring and the method by which the assets of the Company are held and/or traded and can bear the risk of loss of its entire Token acquisition. The Purchaser is qualified and authorized to make such an acquisition decision and, to the extent deemed necessary, has consulted its own advisors and legal counsel regarding the acquisition of Tokens. In making the decision to acquire Tokens, the Purchaser has not relied on any advice or recommendation from the Company nor any placement agent associated with the Company, or any of their affiliates. To the extent that the Purchaser is acting on behalf of an entity, the Purchaser has the full power and authority under such entity's governing instruments to do so and that entity has the full power and authority under its governing instruments to acquire Tokens.

## **16. Indemnification**

To the fullest extent permitted by applicable law, the Purchaser hereby agrees to indemnify and hold harmless the Company, the Kinesis Foundation and its or their respective past, present and future employees, officers, directors, contractors, consultants, equity holders, suppliers, vendors, service providers, legal and financial advisers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns (the "**Company Parties**" and each a "**Company Party**") from and against all claims, demands, actions, damages, losses, costs and expenses (including reasonable attorneys' fees) that arise from or relate to: (i) Purchaser's

purchase or use of Tokens, (ii) Purchaser's responsibilities or obligations under these Terms, (iii) Purchaser's violation of these Terms, or (iv) Purchaser's violation of any rights of any other person or entity in connection with Tokens and/or these Terms. The Company reserves the right to exercise sole control over the defense, at the Purchaser's expense, of any claim subject to indemnification under this section, including choice of legal counsel. This indemnity is in addition to, and not in lieu of, any other indemnities set forth in any other written agreement between the Purchaser and the Company.

Any Company Party or other identifiable person who is not a party to these Terms may enforce any rights granted to such party pursuant to these Terms in its own right as if it was a party to these Terms. Except as expressly provided in the foregoing sentence, a person who is not a party these Terms shall not have any rights to enforce any term of these Terms. Notwithstanding anything to the contrary, the consent of or notice to any person who is not a party to these Terms shall not be required for any termination or rescission to any variation, waiver, assignment, novation, release or settlement under these Terms at any time. The Company may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other instrument believed in good faith to be genuine, howsoever given. The Company will protect and indemnify its agents, delegates, service providers, officers, directors and other representatives against liability.

## **17. Disclaimer of Warranties**

THE TOKENS ARE SOLD ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND. THE COMPANY EXPRESSLY DISCLAIMS ALL IMPLIED AND STATUTORY WARRANTIES AS TO THE TOKENS, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NONINFRINGEMENT, QUIET ENJOYMENT, SATISFACTORY QUALITY, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE OR TRADE PRACTICE. THE COMPANY DOES NOT REPRESENT OR WARRANT THAT THE TOKENS ARE RELIABLE, CURRENT OR ERROR-FREE, MEET THE PURCHASER'S REQUIREMENTS, OR THAT DEFECTS IN THE TOKENS WILL BE CORRECTED. THE COMPANY CANNOT AND DOES NOT REPRESENT OR WARRANT THAT THE TOKENS, THE USE OF THE TOKENS, OR THE DELIVERY MECHANISM FOR TOKENS ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS. THE COMPANY DOES NOT WARRANT THAT THE USE OF THE TOKENS WILL BE UNINTERRUPTED.

As specified more fully in the Confidential Offering Memorandum's Risk Factors section, transactions using crypto currency and blockchain technology, such as those involving the sale of Tokens and the use of the Kinesis Platform, are at risk to multiple potential failures, including but not limited to, high network volume, computer failure, blockchain failure of any kind, and user failure. The Company is not responsible for any loss of data, cryptocurrencies, Tokens, hardware or software resulting from (i) any such failures, or (ii) any actions taken by Purchaser in connection with the Token Sale.

The disclaimers and other risk disclosures contained in these Terms will apply to the fullest extent permitted by applicable law. Some jurisdictions do not allow the exclusion of certain warranties or disclaimer of implied terms in contracts with consumers, so some or all of the exclusions of warranties and disclaimers in this section may not apply to the Purchaser.

## **18. Limitation of Liability**

The Purchaser acknowledges and agrees that, to the fullest extent of the law the disclaimer of liability contained herein apply to any and all damages or injury whatsoever caused by or related to (i) use of, or inability to use Token or (ii) the Company under any cause or action whatsoever of any kind in any jurisdiction, including, without limitation, actions for breach of warranty, breach of contract or tort, including negligence, and that the Company shall not be liable for any indirect, incidental, special, punitive, exemplary, or consequential damages, including loss of profits, loss of revenues, loss of goodwill, or loss of data, in any way whatsoever arising out of the use of, or inability to use, or purchase of, or inability to purchase Token, or arising out of any interaction with the Token associated smart contract implemented in relation to Token. Purchaser acknowledges that the Company is not liable for the conduct of third parties, including other purchasers of Token, and that the risk of purchasing and using Token rests entirely with the Purchaser. To the maximum extent permissible under law, under no circumstances will the Company be liable to any Purchaser for more than the amount the Purchaser has paid to the Company for the purchase of Token. The liability limitations and exclusions in this section will apply to the fullest extent permitted

by law. Some jurisdictions do not allow the limitation or exclusion of liability for incidental or consequential damages. Accordingly, some of the limitations of this section may not apply to the Purchaser.

## **19. Release**

To the fullest extent permitted by applicable law, the Purchaser releases the Company and the other Company Parties from responsibility, liability, claims, demands, and 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 users and the acts or omissions of third parties. The Purchaser expressly waives any rights it may have under any other statute or common law principles that would otherwise limit the coverage of this release to include only those claims which the Purchaser may know or suspect to exist in its favor at the time of agreeing to this release.

## **20. Miscellaneous**

### **A. Complete Agreement**

These Terms set forth the entire understanding between the Purchaser and the Company with respect to the purchase and sale of Tokens. For facts relating to the sale and purchase, the Purchaser agrees to rely only on these Terms in determining purchase decisions and understands that the Terms govern the sale of Tokens and supersede any public statements about the Token Sale made by third parties or by the Company or individuals associated with the Company, past and present and current, during the Token Sale.

### **B. Severability**

The Purchaser and the Company agree that if any provision of these Terms is found illegal or unenforceable, in whole or in part, such provision shall, as to such jurisdiction, be ineffective solely to the extent of such determination of invalidity or unenforceability without affecting the validity or enforceability thereof in any other manner or jurisdiction and without affecting the remaining provisions of these Terms, which shall continue to be in full force and effect.

### **C. No Waiver**

The failure of the Company to require or enforce strict performance by the Purchaser of any provision of these Terms or the Company's failure to exercise any right under these Terms shall not be construed as a waiver of the Company's right to assert or rely upon any such provision or right in that or any other instance. The express waiver by the Company of any provision, condition, or requirement of these Terms shall not constitute a waiver of any future obligation to comply with such provision, condition, or requirement. Except as expressly and specifically set forth in these Terms, no representations, statements, consents, waivers, or other acts or omissions by the Company shall be deemed a modification of these Terms nor be legally binding.

### **D. Multiple Purchaser**

If there is more than one person comprising a Purchaser, then all representations, warranties, acknowledgements, undertakings and agreements by the Purchaser binds those persons jointly and each of them individually, and all benefits in favour of the Purchaser benefits those persons jointly and each of them individually.

### **E. Amendments; Updates to the Terms**

The Company reserves the right, in the Company's sole and absolute discretion, to change, modify, add, or remove portions of these Terms at any time, including, without limitation, as is reasonably required to comply with applicable law or regulation, by posting the amended terms on its website. Any Purchaser will be deemed to have accepted such changes by purchasing Tokens following such amendment, and such amended terms will be effective immediately. These Terms may not be otherwise amended except by

express consent of both the Purchaser and the Company.

F. Assignment

You shall not assign these Terms without the prior written consent of the Company. Any assignment or transfer in violation of this paragraph will be void. The Company may assign these Terms to an affiliated entity at any time without your prior consent. Subject to the foregoing, these Terms, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives.

G. Electronic Delivery of Reports and Other Communications

The Purchaser agrees and consents to receive electronically all communications, agreements, documents, notices, and disclosures that the Company may provide in connection with the Purchaser's purchase and use of Tokens. The Company will provide such communications to the Purchaser by posting them on its website and/or by emailing them to the Purchaser at the primary email address associated with the Purchaser's account registered with the Company. The Purchaser acknowledges and agrees that it shall not be entitled to receive any information from the Company in paper format. If the Purchaser does not have reliable access to the internet or e-mail, the Purchaser should not acquire Tokens. The Purchaser accepts that such electronic communications may not be secure and may contain computer viruses or other defects, may not be accurately replicated on other systems, or may be intercepted, deleted, or interfered with or without the knowledge of the sender or the intended recipient. The Company makes no warranties in relation to these matters. The Company reserves the right to intercept, monitor, and retain e-mail messages to and from their systems as permitted by applicable law. If the Purchaser has any doubts about the authenticity of an electronic communication purportedly sent by the Company, the Purchaser is required to contact the purported sender immediately.

H. Cooperation with Legal Authorities

The Purchaser acknowledges and agrees that the Company intends to cooperate with all law enforcement inquiries, subpoenas, or requests provided that such inquiries, subpoenas, or request are fully supported and documented by the law in the relevant jurisdictions in the Company's judgment. The Purchaser hereby acknowledges and agrees that the Purchaser has read, understands, and is bound by the additional terms set forth on Exhibit A related to such cooperation efforts made by the Company.

I. Language

Currently, only English versions of any Company's communications are considered official. The English version shall prevail in case of differences in translation.

J. Governing Law and Jurisdiction

These Terms shall be governed in all respects, including as to validity, interpretation and effect, by the laws of the Cayman Islands, without giving effect to its principles or rules of conflict of laws, to the extent such principles or rules are not mandatorily applicable by statute and would permit or require the application of the laws of another jurisdiction. All disputes or claims arising out of or in connection with these Terms, including disputes relating to its validity, breach, termination or nullity shall be finally settled under by a court in the Cayman Islands.

K. No Class Actions

Any dispute arising out of or related to these Terms is personal to Purchaser and the Company and will not be brought as a class arbitration, class action or any other type of representative proceeding. There will be no class arbitration or arbitration in which an individual attempts to resolve a dispute as a representative of another individual or group of individuals. Further, a dispute cannot be brought as a class or other type of representative action, whether within or outside of arbitration, or on behalf of any other individual or group of individuals.

L. Relationship of the Parties

Neither these Terms, nor purchasing Tokens, create any form of partnership, joint venture, or any other similar relationship between the Purchaser and the Company. Except as otherwise provided herein, these Terms are intended solely for the benefit of the Purchaser and the Company and are not intended to confer third-party beneficiary rights upon any other person or entity.

M. Survival

Any sections or terms which by their nature should survive or are otherwise necessary to enforce the purpose of these Terms, will survive the termination of these Terms.

N. Remedies

These Terms do not limit any rights that the Company may have pursuant to any intellectual property laws or any other laws. All rights and remedies available to the Company, pursuant to these Terms or otherwise, at law or in equity, are cumulative and not exclusive of any other rights or remedies that may be available to the Company.

O. Headings

All headings included in these Terms are included for convenience only, and shall not be considered in interpreting these Terms.

P. Third Parties

Any Company Party or other identifiable person who is not a party to these Terms may enforce any rights granted to it pursuant to these Terms in its own right as if it was a party to these Terms. Except as expressly provided in the foregoing sentence, a person who is not a party to these Terms shall not have any rights under the Contracts (Rights of Third Parties) Law, 2014 (as amended) to enforce any term of these Terms. Notwithstanding any term of these Terms, the consent of or notice to any person who is not a party these Terms shall not be required for any termination, rescission or agreement to any variation, waiver, assignment, novation, release or settlement under these Terms at any time.

Q. Intellectual Property

The Company retains all right, title and interest in all of the Company's intellectual property, including, without limitation, inventions, ideas, concepts, code, discoveries, processes, marks, methods, software, compositions, formulae, techniques, information and data, whether or not patentable, copyrightable or protectable in trademark, and any trademarks, copyright or patents based thereon. You may not use any of the Company's intellectual property for any reason without the Company's prior written consent.



## Exhibit A

### **ADDITIONAL COMPLIANCE TERMS**

#### **Anti-Money Laundering**

The Company (and/or its delegate) may request such evidence as is necessary to verify the identity and source of funds of a prospective Purchaser and to confirm the anti-money laundering status of any transferring Token holder. If, as a result of any information or other matter which comes to their attention, resident in the Cayman Islands knows or suspects, or has reasonable grounds for knowing or suspecting, that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business, or employment, the person will be required to report such knowledge or suspicion to: (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law (Revised) of the Cayman Islands if the disclosure relates to criminal conduct or money laundering; or (ii) a police constable not below the rank of inspector, or the Financial Reporting Authority, pursuant to the Terrorism Law (Revised) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

The Company prohibits acceptance of funds by any persons or entities that are acting, directly or indirectly: (i) in contravention of any U.S. or international laws and regulations, including anti-money laundering regulations or conventions; (ii) on behalf of terrorists or terrorist organizations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"), as such list may be amended from time to time; (iii) for a senior foreign political figure, any member of a senior foreign political figure's immediate family or any close associate of a senior foreign political, unless the Company, after being specifically notified in writing that the Purchaser is such a person, conducts further due diligence, and determines that such acquisition shall be permitted; or (iv) for a foreign shell bank (such persons or entities in (i) – (iv) are collectively referred to as "**Prohibited Persons**").

#### **Tax Information Exchange Obligations**

Purchaser acknowledges that the Company may be subject to certain obligations (the "**Tax Information Exchange Obligations**") to gather and disclose to the competent authorities information relating to purchasers of Token under: (i) the United States Foreign Account Tax Compliance Act provisions enacted under the United States Hiring Incentives to Restore Employment Act and any guidance, or regulations relating thereto (FATCA); (ii) any other legislation, regulations, or guidance enacted in any jurisdiction which seeks to implement similar tax reporting, tax information exchange, reporting, and/or withholding tax regimes (including the OECD Common Reporting Standard on the automatic exchange of financial account information); (iii) any intergovernmental Application between the Cayman Islands (or any Cayman Islands government body) and the U.S. or any other jurisdiction (including any government bodies in any other such jurisdiction), entered into, in order to comply with, facilitate, supplement, or implement the legislation, regulations or guidance described in (i) and (ii), including the OECD Multilateral Competent Authority Application; and (iv) any legislation, regulations or guidance in the Cayman Islands that give effect to the foregoing.

Purchaser hereby agrees to execute properly and provide to the Company in a timely manner any documentation or other information that the Company or its agents may request in writing from time to time in connection with the Tax Information Obligations. Purchaser waives any provision under the laws and regulations of any jurisdiction that would, absent a waiver, prevent or inhibit the Company's compliance with applicable law as described in this paragraph, including but not limited to by preventing either (i) the Purchaser from providing any requested information or documentation, or (ii) the disclosure by the Company and its agents of the provided information or documentation to applicable regulatory authorities.

Without limitation, Purchaser hereby agrees to provide any documentation or other information regarding Purchaser and Purchaser's beneficial owners requested by the Company or its agents in connection with the Tax Information Exchange Obligations. If Purchaser provides information and/or documentation that is in anyway misleading, or Purchaser fail to provide the Company or its agents or delegates with the information and documentation that has been requested, (whether or not such action or inaction leads to compliance failures by the Company, or a risk of the Company or its token holders being subject to withholding tax or other penalties), the Company reserves the right:

- to take any action and/or pursue all remedies at the Company's disposal including, without limitation, compulsory reversion of Purchaser's acquisition of Token in full or in part; and
- to hold back from any reversion proceeds in respect of the Token so reverted, any liabilities, costs, expenses, or taxes arising (directly or indirectly) from such action or inaction.

Further, Purchaser shall have no claim against the Company, or any of the Company's agents or delegates, for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with the Tax Information Exchange Obligations.

## Eligible Purchasers

From time to time, the Company's directors may amend the criteria for determining who is an Eligible Purchaser for the purpose of purchasing or receiving Tokens.

Initially, all Purchasers are “**Eligible Purchasers**” except the following:

- a Purchaser whose acquisition of Tokens would cause a breach of the law or requirements of any country or governmental authority, including anti-money laundering regulations or conventions;
- a Purchaser on behalf of terrorists or terrorist organisations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the US Treasury Department's Office of Foreign Asset Control (“**OFAC**”);<sup>2</sup>
- a Purchaser who acts, directly or indirectly, for a senior foreign political figure, any member of a senior foreign political figure's immediate family or any close associate of a senior foreign political figure<sup>3</sup> unless the Company, after being specifically notified by the Purchaser in writing that it is such a person, conducts further due diligence, and determines that the purchase is permitted;
- a Purchaser or an entity acting as trustee, agent, representative or nominee for a Purchaser that is a foreign shell bank<sup>4</sup>;
- a Purchaser who makes representations or warranties in the Terms that are not true when given or have ceased to be true;
- a Purchaser whose circumstances are such that, in the opinion of the Company's directors, its continued ownership of Tokens would cause an undue risk of adverse tax or other consequences to the Company. Those circumstances include those that affect that Purchaser directly or indirectly, whether taken alone or in conjunction with another person or persons, connected or not, or any other circumstance that appears to the directors to be relevant; and
- a Purchaser, or a Purchaser that is an entity acting as trustee, agent, representative or nominee for a person, who is a United States person (within the meaning of Regulation S of the United States Securities Act). The Purchaser must notify the Company immediately if the Purchaser becomes a United States person or becomes aware that any person for whom the Purchaser holds shares as trustee, agent, representative or nominee has become a United States person.

All persons who do come within any of these categories are known, collectively, as “**Prohibited Persons**”.

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<sup>2</sup> The OFAC list may be accessed on the web at <http://www.treas.gov/ofac>.

<sup>3</sup> Senior foreign political figure means a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party or a senior executive of a foreign government-owned corporation. In addition a senior foreign political figure includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure. The immediate family of a senior foreign political figure typically includes the political figure's parents, siblings, spouse, children and in-laws. A close associate of a senior foreign political figure is a person who is widely and publicly known internationally to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

<sup>4</sup> Foreign shell bank means a foreign bank without a physical presence in any country, but does not include a regulated affiliate.