

WHITE PAPER

ROYAL
CAPITAL

BLOCKCHAIN INVESTMENT FUND

www.royalcapitalfund.com

Introduction

The development of financial markets goes within expanding its instruments and creating new kinds of financial assets. Transformation of barter into cash-trade system happened due the same development process, and even the cash payment is nowadays displacing by cashless payments. During the last decades financial markets had a lot of innovations and opened up securities such as debt securities, equity securities and derivatives. Rapidly growing financial markets need varied instruments, new technologies and ways to communicate its holders.

The economy today works with the help of innovative decisions focused on developing modes of cooperation for the market members. Blockchain technology creates new opportunities on stock markets, including effective way to attract investment with usage of token as a financial instrument.

We see a great potential in usage of tokens based on blockchain as an innovative financial instrument for the markets, and we target to make token a standard financial instrument, actively used on standardized platform. Despite the fact that regulatory framework hasn't been formed yet, governments of many countries are working on making the regulatory basis and principles for the relationships between market members. ICO opens up a whole new range of opportunities for investments in infrastructure projects, development projects, and venture projects. Blockchain makes the system global, available, clear; it simplifies cooperation between its users, and therefore it makes possible for private investors to work on large projects, which have been inaccessible before.

Company

ROYAL CAPITAL FUND – is a tokenized investment fund based on blockchain. We struggle to create global high-technology financial corporation, and standardize tokens as a new type of financial instrument on financial market.

Our aim is making capital market available for private investors worldwide; that would allow them dealing with investment projects, which they couldn't access before as they are neither large investment groups, nor institutional investors.

In case of successful ICO procedure, ROYAL CAPITAL will become an international investment corporation based on blockchain, using full variety of functions of investment bank.

Why blockchain?

Blockchain gives new opportunities for financial relations on capital market. Major service of the fund is financial management by controlled assets of direct investments. Investment involves financial structuring of transactions, and tokens can be used in terms of standard financial instrument as they have certain specifics, which are common for basic financial instruments (shares, bonds, options, futures, swaps, etc.). Tokenized financial instruments can boost effectiveness of financial management and increase investment attractiveness. Current storage-and-accounting system of financial instruments includes maintenance of registers for confirmation of ownership, and clearing sessions for on-exchange settlements. Blockchain system can be used to confirm token ownership and provide immediate mutual settlements, for the reason that all its members have common data, and moreover, updated information quickly spread over the market. Blockchain can help to reduce service costs on depositary and clearing sessions during the accounting cycle. Besides that, blockchain technology is able to carry out operations on the market full-time. Blockchain is innovative system which can provide perfect conditions for the deals on financial market, and it can certainly be called next step of capital market development.

Fund Model

The model and Why it is profitable

The existing model of investment for private investors is mainly limited to investing in the securities market, real estate or private business. In any case, there is an issue of correctly assessing risks, profitability, liquidity, as well as completeness and reliability of analyzed information, and its correct interpretation.

In investment companies that perform services in the securities market, managers analyze only available information in the form of quarterly and annual reports, market conditions, and published information in the media. This situation does not allow for a comprehensive analysis, the opportunity to influence the management of the company, and does not provide a complete picture of the actual situation in the company.

Investment companies, whose activities are based on direct investment, have access to management reports, determine the development strategy; they can influence the management of the company. As owners of companies, investment companies are interested in creating efficient production and increasing its value. The ability to structure transactions wisely can create an additional effect in the form of profit from the leverage. Evaluation of investment projects, investment decisions, structuring transactions, determining the development strategy of the company, optimizing production,- all these require special knowledge in the field of corporate finance, financial management, investment management and operational management. The investment company employs a staff of highly qualified specialists who apply their knowledge and experience to daily work, which gives confidence in the right assessment and reduces risks when investing.

Model of funds

The existing model of investment funds of this type works through a limited number of members with large capitals. Traditionally this model assumes long-term investments. If the investments are related to the implementation of the project, then the profit can be obtained only after the completion of the project. Also, the system of participation in funds is associated with the complexity of legal registration. These funds cannot be invested in by people with small capitals, therefore there is no possibility to participate in investment projects of this type.

Model ROYAL CAPITAL FUND

ROYAL CAPITAL FUND uses a new investment fund model based on blockchain system. The blockchain system makes from the closed-end investment market an open-end one. The new investment form makes the investment market decentralized; the capital is no longer concentrated with a limited number of people. Flexible management system, with the use of blockchain, gives an opportunity to invest in the fund to an unlimited range of people without minimal capital requirement, moreover, you don't need to wait the end of the project implementation period, you can sell tokens to another investor any time.

CRITERIA FOR EVALUATING	ROYAL CAPITAL	OTHER FUNDS
Limited number of investors	no	yes
Documentation necessity	no	yes
Minimum capital requirements	no	yes
Necessity to wait for the project completion date	no	yes
The possibility of quick exit from investment	yes	no

ROYAL CAPITAL FUND structure

Main activities

Main activities of ROYAL CAPITAL FUND have realization via controlled specialized funds of direct investment. Each fund has its own tokens, what leads to effective management, risk diversification, and attracts additional investment for certain activities.

ROYAL M&A FUND. The fund's investment model in the field of mergers & acquisitions is based on synergy research; research of underestimated companies, as well as companies, which face lack of funding and have perspective chances for developing and optimizing; increasing its values and selling to strategic investor. An additional effect can be achieved with the use of debt financing when structuring the transaction. Tokens of M&A fund ensure management effectiveness and gain investment attractiveness for financing projects in the field of M&A.

Tokens of the mergers and acquisitions fund ensure effective management and attraction of additional investments for financing M & A projects.

ROYAL DEVELOPMENT FUND. The fund specializes on investment in perspective construction projects and real estate objects. Investment model of the fund is based on issued REIT-tokens which lead to effective management, additional financing, liquidity, and give opportunity to invest with no restriction on amount and term. REIT's owners have profit due to increasing price of fund's shares, which shapes out of total profit by realization of developments projects and real estate rental price. Tokens' price depends on assets value in fund portfolio. The fund doesn't have minimum amount of investments or minimum required participation period, so an investor can sell tokens any time to the other member of market. The increased profitability is formed due to the fact that the fund organizes construction and realizes the real estate at market value, which positively affects the profit; besides, the fund can attract financing in the form of lending, which creates leverage and increased profit on equity.

ROYAL VENTURES FUND. Venture investment is one of the most prospective types of financial activity. The fund's investment model is focused on financing venture projects, mainly oriented on developing of blockchain system and new technological solutions in financial sphere. Technological development has a specific position in the modern world; technologies provide an advantage, helping to take leading positions in the market. By investing in venture capital projects, we gain access to advanced technological solutions in this field, which gives a competitive advantage. The advantage of this model is also the ability to use new technological solutions in related areas of the company's activities, which gives product promotion and eliminates the need to create its research and development department.

Exchange Traded Funds. ETF is index investment fund, its shares can be traded on stock market; in other words, ETF is a portfolio of securities traded on the stock market. The tokens of the index investment fund make it easy to invest in all kinds of securities included in portfolio of ETF. The profitability of the fund would depend on the rate of its assets. This allows to diversify assets and reduce risks.

Related Activities

Organization and support of ICO

Organization and support of mergers & acquisitions transactions

Financial and investment consulting

Development of infrastructure for purchase and sale of tokens

The organization of issue of tokenized financial instruments

Monetization

The profit from the implementation of investment projects

Funds management commission

Commission for the organization of transactions in the field of mergers & acquisitions

Commission for the organization of ICO

Advisory fees

Commission for purchase and sale of tokenized financial instruments on the market

Commissions for success for funds management

Location

We aim to provide the most comfortable legal and economic conditions for the development of an international investment corporation and standardization of tokens as financial instruments. We consider few locations to be registered in: Singapore, USA (Delaware) and Switzerland. These options are suitable due to its financial infrastructure, the concentration of capital, the prospects for markets development and its legal environment. We intend to have representative offices in the most developed financial centers, and still have major concentration of work via Internet network, which would give perfect conditions for creating an international high-tech efficient financial corporation.

Registration

The funds will be registered as LLC (or another suitable legal form, chosen for a particular case), as it is a form combining the advantages of both partnerships (single-level taxation) and joint-stock company (depositors receive protection from liabilities LLC as well as shareholders of joint-stock companies). Among all the advantages LCC has flexible management system, it is possible to delegate some functions of an LLC to a management company. The flexible structure of capital allows issuing various kinds of securities, it has an unlimited number of owners and no restrictions on the type of owners who may have a share in the company.

ICO Structure

ICO is carried out for the investment fund ROYAL CAPITAL FUND. ROYAL CAPITAL issues the fund's tokens that are eligible to receive profit from all activities of the fund in proportion to the share of ownership. Tokens are based on assets of the fund. The capital raised during the ICO will be used for creating private equity funds for the company's core investment activities. The general release is 1 billion tokens, 400 million of which will be released to the market, which equals 40% of the total issue; another 60% will belong to ROYAL CAPITAL LLC.

ICO will be proceed in two stages. The first stage is conduction of pre-ICO, the second stage is the main ICO session. We target to realize 5 million tokens during the pre-ICO, which is 0.5% of the total token issue. The fund-raised income will be used for preparation for the ICO, marketing, organizational work, legal support and tech support.

Platform	WAVES
Token	ROYAL CAPITAL
Type of token	The right for profit-share in the company
Token value	1 token = \$1 USD
Token value on the Pre-ICO	\$0.8 USD
Token value at first 72h. of ICO	\$0.95 USD
Attraction of financing	BTC, ETH, WAVES equal to \$1 at the moment of acquisition
General Issue	1 billion tokens
Placement	400 million tokens
Placement during pre-ICO	5 million tokens
Duration of pre-ICO	2 weeks
Duration of ICO	1 month

BTC account - 1AHzvTPeSFRHPNNocCFVhN12dZN7QULam

ETH account - 0x87d7cbf1809e1b7a28d67a84253818377a28d7b2

Additional issue of tokens is possible in cases of necessity to attract additional funding for strategic development purposes. Decision about additional issue can be made by the Board of Directors.

The allocation of funds:

M&A – \$280 mln;

REIT – \$50 mln;

VENTURES–\$45 mln;

\$20 mln. holding of free management, which will be used to create reserves, commercial and administrative costs, and other service costs.

Why will tokens grow

Tokens will have an increased value due to profit growth from the company's activities, and increasing value of the fund's total assets. The company gains its profit out of investment activities, besides that, the company is engaged in financial management and investment banking services, which make the company's revenue at the end.

Since the number of tokens is limited, the increased profit and growth in value of the company's assets to the number of issued tokens contribute its increased value.

Prospect development

The foundation of an investment company goes along with many different aspects including licensing and technological provision. The implementation of the project and investment activities should correspond to the capital structure and the opportunities for implementation. The minimum amount to start the work of the fund is \$ 100,000, at this stage the work will focus on ETF and consulting.

When raising funds reach \$ 1 million, the company will be able to focus on development and asset management. Raising funds of more than \$ 20 million. allows the company to engage in

venture investments. Attracted funds over \$ 50 million would let company conduct activities in the field of M & A.

\$100 000 – \$1 000 000	ETF & CONSULTING
\$1 000 000 – \$20 000 000	DEVELOPMENT
\$20 000 000 – \$50 000 000	VENTURES INVESTMENT
\$50 000 000 – \$400 000 000	M&A

We are striving to become a regulated investment corporation of a new type based on blockchain. After ICO, when creating sufficient legal regulation, we intend to obtain licensing to the SEC for broker- dealer activities. This will make a company an international high-tech investment corporation using a blockchain system, which provides a full range of investment services, and uses tokens as a new type of financial vehicle on the capital market.

Roadmap

Organizational work for pre-ICO

January 22	pre-ICO
	preparation for ICO
February 19	ICO
	Conformation of fund, organizational work
July, 2018	Application in SEC
March, 2019	Obtaining licenses

The fund starts its full functioning

Reporting

The company will use international financial reporting standards (IFRS), submit quarterly and annual reports in accordance with the legislation of the company's registration place. The results of the company's activities will be published on the company's website. An annual audit report will also be published on the company's website.

Risk management

The risk and capital adequacy management is part of the full corporate management system, it focuses at assessing and preventing risks in the company's operations. The management system is a framework of the risk management strategy established by the company's board. There's an inherent risk for the main company activity that can take place as an adverse consequences that directly or indirectly affect the likelihood of financial losses. The company's activities are highly risky. Investors who acquire company's tokens are aware of risks and accept them as an integral part of the company activities.

Private equity funds

Mergers & Acquisitions

M & A activity is one of the main activities in the company. As an investment company, we provide a full range of services in this field. We can work as direct investors or accompany the transaction data.

Mergers & acquisitions of companies is a special kind of investment activity in business and capital, which gives an effective result due to synergy. The specific of mergers & acquisitions deals is total profit growth due to the merger of companies, that is, what $2 + 2 > 4$. Another feature is divestiture of company units as separate individual units (carve-out, spin-off). As a result, a summarized value of individual companies exceeds the previous value.

Our approach to M & A is finding synergies, underestimated companies and companies that have lack of financing and prospects for further optimization; and increasing its value, and then selling it to a strategic investor.

The formation of synergies is possible due to the following points:

- Economy of scale and liquidation of overcapacity. When two competing enterprises have under-loaded production capacity. Buying a competitor, makes the production fully loaded. Due to increased production, the cost per unit of output decreases. The total cost is less than summarized costs of two enterprises before the merger. The second enterprise can be reoriented or sold.
- Economies of management costs and commercial costs. After a merger or takeover, a duplicate unit can be reduced (accounting, marketing, etc.)
- Purchase cost reduction. Association of companies that purchase the same products. Due to the large volume of procurement, the combined company provides suppliers with greater discounts than each company separately.
- Economy of research and development. Companies are working on the same new product, in fact they duplicate each other's work. One united company can reduce costs, without losing the technological advantage.
- Opportunity for staff costs reduction. There is a lack of productivity and excessive number of employees in some companies, as well as the existence of large benefits for trade unions. When staff is optimized, efficiency is improved.
- Financial synergies. Bigger companies can borrow money on more profitable conditions than smaller ones. By uniting two companies of the same rating we can get a company with better credit rating.
- Tax synergies. Uniting profitable company and loss-making company, we can consolidate tax payment. In this case, due to loss-making part of a company, we possibly can avoid some tax obligations if it has large accumulated tax loss.
- Wrong valuation of shares by the market. The strategy is based on the idea of the acquisition of underestimated companies.

Technological accomplishment.

Tokens are issued for M & A. As an investor acquires a fund token, the issue of tokens is equal to the amount of investments, calculated to the current date.

Token value = assets value / the number of tokens issued.

Emission = investment / token value - commission.

The investment is used to finance venture projects. M & A tokens are based on fund assets. The withdrawal of funds are carried out by sale of tokens on the stock market to another investor, or the by sale of tokens to the fund, in this case the tokens are liquidated and recalculation is made for the current date. If the fund is unable to fulfill obligations to the investor, the fund repays its obligations to the investor as soon as it has cash-flow after investment projects done.

The fund takes an entrance / exit fee of 3% and management fee of 3% of the assets and 20% of the profit.

Real Estate Investment Trust

REIT (Real Estate Investment Trust) - an investment fund aimed at financing development projects in real estate. Holders of REIT receive an income from the growth in value of the fund's shares, the profit from the implementation of development projects, and from the rental of real estate. The value of REIT tokens depends on the value of assets in the fund's portfolio. In this fund there is no minimum amount of investments and a minimum period of participation, an investor can sell tokens on the market to another investor any time.

The distribution of profit from development projects will be implemented as the project is completed. Token owners can sell the token any time, without waiting for the completion of the project, while the cost will increase as the project is fulfilled. The profit from the lease payments will be paid as dividends on a quarterly or annual basis, the decision is made by the board of directors.

Advantages of REIT in comparison with direct investment in real estate and alternative investments.

Liquidity. Compared with the direct purchase of real estate, investments in REIT shares have high liquidity. The owner cannot always sell the asset or part of the asset quickly and profitably. Owners of REIT tokens can always sell them (or part) to other investors on the market.

Purchasing power. REIT opens the opportunity to become an investor of large investment projects in the field of real estate via collective investment. The profit is distributed in proportion to the shares in the fund, but the income / investment ratio is the same for all.

High profitability. Real estate management, rental payments, profit from the construction projects, profit from the growth in value of assets - provide high returns to owners of REIT tokens.

Reliability. The risk of REIT bankruptcy is minimal (there wasn't a single case of REIT bankruptcy). because REIT is secured by the real estate they manage, and real estate management is their main activity.

At least 75% of the fund's profit is distributed among investors as dividends.

Technological accomplishment.

Tokens of the REIT are getting issued. As an investor acquires a fund token, the issue of tokens is equal to the amount of invested funds calculated for the current date.

The value of the token = the value of the assets / the number of tokens issued.

Emission = investment / token cost - commission.

The investor's funds are directed to investments in the real estate market, the acquisition and management of completed objects, and the implementation of development projects. The tokens of REIT are based on the fund assets.

The withdrawal of funds are carried out by sale of tokens on the stock market to another investor, or the by sale of tokens to the fund, in this case the tokens are liquidated and recalculation is made for the current date. To ensure liquidity, there is a reserve of 3% of the fund's resources. If the number of applications for a return exceeds possible payments out of the accumulated reserve, and this reserve is spent out, the fund repays its obligations to the investor as soon as it has cash-flow after investment projects done. The fund takes an entry / exit fee of 3%, for management at a rate of 3% of the assets, and for success at a rate of 20% of the profit.

Ventures Investment

Venture investment fund ROYAL VENTURES FUND is aimed primarily at financing of innovative high-tech projects for developing a system of blockchain technologies and innovative solutions in the field of finance. Venture projects are the driver of the modern technological process. Venture projects often represent new technologies that don't have analogs, products, and market place, that's why it becomes difficult to give fair estimation to project's prospects. In view of many variables, this is associated with a high risk. In most cases an interesting product is launched, but there are no funds for its entering the market. The point of investment attracted is always a problem for start-ups. ICO is a new mechanism for attracting financing for venture

capital projects at early stages of their development, due to which they can attract investment from a large number of previously unreachable investors.

ICO allows any person to participate in venture transactions without restrictions for the minimum capital, which increases efficiency, and ensures the cash-flow into the project. Blockchain simplifies the process of cooperation between investors and the company, while ensuring the share in the company in terms of token issued.

The fund invests in projects that have a minimally viable product, which is preparing to enter the market. The fund invests in start-ups attracting financing at the round no lower than "A" having a minimally viable product and the prospects for globalization and transformation into international business. The amount of investments in the project is from \$ 1 million to \$ 10 million. The investment term for the project is about 5 years on average. Decisions on the exit from investments are made by a team of fund managers. Based on fund managers decision, this might be either sooner or later, depending on an assessment of growth and market conditions.

Technological accomplishment.

Tokens of the ROYAL VENTURES FUND are getting issued. As an investor acquires a fund token, the issue of tokens is equal to the amount of invested funds calculated for the current date.

Token value = assets value / the number of tokens issued.

Emission = investment / token cost - commission.

The investor's funds are directed to investments in venture projects. The tokens of ROYAL VENTURES FUND are based on the fund assets. The withdrawal of funds are carried out by sale of tokens on the stock market to another investor, or the by sale of tokens to the fund, in this case the tokens are liquidated and recalculation is made for the current date. The fund takes an entry / exit fee of 3%, for management at a rate of 3% of the assets, and for success at a rate of 20% of the profit.

Exchange Traded Funds

ETF(Exchange Traded Funds) is a financial investment vehicle, its shares are traded on the stock market, ETF is a portfolio of securities traded on the stock market. It's a relatively new instrument on the securities market. Over the past 20 years, ETFs have become one of the most popular instruments on the securities market, both for institutional and for individual investors, as it has several advantages:

1. Ease of trading and accounting - ETF funds are traded as standard shares;
2. Access to international markets from a standard brokerage account;
3. Transparency of the ETF fund's investment portfolio structure online;
4. The ability to implement both passive (index) investment strategies, and active management strategies, arbitrage pricing and hedging;
5. Low initial investment amount;
6. High liquidity - the ability to purchase and sale assets any time;
7. Wide diversification.

ETF gives opportunity to invest in all securities included in the relevant ETF, the profitability of fund depends on the rate of its assets. This allows to diversify assets and reduce risks. ETF is a universal instrument in the securities market. Now, with the development of the blockchain, new opportunities for investment are opening up. In view of the large trend towards ICO, there's an increasing number of tokens traded on crypto market. As tokens are financial instruments, this opens up new opportunities for creating ETFs and investments in the ETF on the crypto currency market. ETF has already proven its effectiveness on financial market and it's an excellent vehicle for investing. The crypto currency market opens additional opportunities for the development of ETF, this gives confidence that ETF as an investment vehicle on crypto currency market that will staidly grow.

Technological accomplishment.

Tokens of the ETF fund are getting issued. As an investor acquires a fund token, the issue of tokens is equal to the amount of invested funds calculated for the current date.

Token value = assets value / the number of tokens issued.

Emission = investment / token cost - commission.

The investor's funds are directed to purchasing of tokens on the market. The tokens of ETF are based on tokens included in index. The withdrawal of funds are carried out by sale of tokens on the stock market to another investor, or the by sale of tokens to the fund, in this case the tokens are liquidated and recalculation is made for the current date. The fund takes an entry / exit fee of 3%, and for management at a rate of 3% of the assets.

Founder of the fund

The founder and CEO of the fund is Dmitry Karpachev.



Education: Higher School of Economics and Management of UrFU.

Experience in banking and investment:

Raiffeisen bank, lending & development dept.

BCS bank, investment banking.

Sberbank, risk analyst dept.

As general manager of the fund, Dmitry Karpachev is responsible for assessing and making investment decisions.

The team of the fund has professional managers from the banking and investment sectors.

TERMS AND CONDITIONS

Please read this agreement carefully. If you have any doubt, you should consult your legal, financial, tax or other professional advisor(s). If you don't accept to this agreement, do not purchase tokens and do not use the website located at <https://www.royalcapitalfund.com/> ("website") and services offered therein, you acknowledge that you have read this agreement and that you accept to be bound by it. If you don't accept any of treaty provisions, you are not an authorized user of these services and you should not use neither the website nor its services. "You" may be referred to you or the entity you represent. The Company reserves the right to amend this Agreement at any time and will notify you of any such changes by posting the revised Agreement on the Site. You should check this Agreement on the Site periodically for changes. All changes shall be effective upon posting. Your continued use of the Site after any change to this Agreement constitutes your agreement to be bound by any such changes. The Company may terminate, suspend, change, or restrict access to all or any part of this Site without notice or liability. You accept to use the Content and Site only for lawful purposes.

You are prohibited from any use of the Content or Site that would constitute a violation of any applicable law, regulation, rule or ordinance of any nationality, state, or locality or of any international law or treaty, anything that could rise civil or criminal liability. Any unauthorized use of the Site, including but not limited to unauthorized entry into the Company's systems, is strictly prohibited.

This Agreement is written in English and can be provided to the User in any another language for examination. In case of discrepancies between the English and foreign language versions of the Agreement, the English version will prevail. In case that one or more provisions become invalid or unenforceable for any reason, this will not affect the validity or applicability of the remaining provisions. Failure by the Company to enforce any of its rights under this Agreement shall not be construed as a waiver of those rights or any other rights in any way whatsoever.

GENERAL CONDITIONS

This document is not a prospectus issue, not an offer to purchase securities, not a request for investments in the form of securities in any jurisdiction. The information provided is not an acceptance or an offer and is not a call for action, it's presented for informational purposes only.

Owning of tokens doesn't give its holders the right to own company's property and doesn't give the right to participate in investment and management decisions, or determining the development strategy of the company. Tokens are not considered as securities or cryptocurrency under any jurisdiction.

You are not eligible and you are not to purchase any tokens if you are a citizen or resident (tax or otherwise) of the USA (including Puerto Rico, the U.S. Virgin Islands, and any other possessions of the United States), Singapore, Canada, China, Southern Korea, or in any jurisdiction where such distribution or use would be contrary to law or regulation, or other authorization requirement within such

jurisdiction. The company shall reserve the right to refuse selling tokens to anyone who does not meet criteria of applicable law

DISCLAIMER OF LIABILITY

The company shall not be held liable for any legal or monetary consequence arising of buying tokens by citizens or residents USA, Singapore, Canada, China, Southern Korea or other country, and for any direct or indirect, special, incidental, or other losses of any kind, (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this Whitepaper or any part there of by you.

Under no circumstances will the Parties be liable for any damages including general, special, direct, indirect, incidental, consequential, punitive or any other damages (including, without limitation, lost profits or business interruption) of any kind whether in an action in contract or negligence arising or relating in any way to the use or inability to use by any party of the content, the Site or any third-party site to which this Site is linked, or in connection with any failure of performance, error, omission, interruption, defect, delay in operation or transmission, computer virus or line or system failure, even if Parties, or representatives thereof, are advised of the possibility of such damages, losses or expenses.

USE OF PERSONALLY IDENTIFIABLE INFORMATION

The Company's practices and policies with respect to the collection and use of personally identifiable information are governed by the Company's Privacy Policy.

SECURITY

You will implement reasonable and appropriate measures designed to secure access to any device associated with the email address associated with your account, private keys required to access your account, and your username, password and any other login or identifying credentials. In case you suspect a security breach in any of the above mentioned, you shall inform us immediately, and secure your account.

TAXES

The purchase price that you pay for 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. We are not responsible for withholding, collecting, reporting, or remitting any sales, use, value added, or similar tax arising from your purchase of Tokens.

All your factual and potential tax obligations are your concern and the Company is not in any case and under no conditions bound to compensate for your tax obligation or give you any advice related to tax

issues, including but not limited what kind of filing or reporting you need to do with the competent tax authority, which taxes and to which extent you are obliged to pay, which tax exemptions you are eligible to etc.

ANTI MONEY LAUNDERING POLICY

The Company reserves the right, in its sole discretion, to terminate your access to the Website or other services, without notice, in particular due to legal grounds originating in anti-money laundering and know your client regulation and procedures. 8.1.1. The Company use the Anti Money Laundering (AML) Policy. Money laundering is where proceeds of crime are disguised so to give the appearance of a legitimate income. Company will not tolerate any buyer and/or tokens holder abusing their services for such matters. If Company suspects any client is abusing their services for the purposes of money laundering, they reserve the right to freeze any funds regarding to Tokens or Benefits, make a request for documents confirming the source of the origin of such funds - if the legality of incomes is proved, all funds will defrosted. Company reserves the right to report any suspicious activities to the police or relevant authorities, if the official request with suspicion of money laundering from public authorities is received, without the client's knowledge. The Company also reserve the right to require additional information at any time to verify the client's identification and any further information that may be required to satisfy the Money Laundering Regulations. 8.1.2. We also use the Know Your Customer Policy (KYC). The main objective of KYC conduction is a fair exclusion of the possibility of distribution of the sale of the Tokens to the residents of the USA, Singapore, Canada, China and Southern Korea. Customer Identification Program (CIP) is the appropriate level of KYC procedure in this case.

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