

TEX COIN: TOKENISING GLOBAL TRADE

A REVOLUTIONARY FINTECH DESIGNED TO
CHANGE THE WAY THAT COMPANIES ACCESS
AND INTERACT IN THE GLOBAL MARKETPLACE

WHITEPAPER PREPARED BY KPL ASIA LTD

ISSUED: 12TH OF AUGUST 2017.
VERSION: 1.0

Founder's Message

The Trade Exchange (TEX) brings a revolutionary new disruptive concept to the world of international trade with the introduction of an Alibaba style platform that integrates the power of the Blockchain and a decentralized ledger to simplify and revolutionise the complex world of international trade. It is envisaged that the TEX platform will form a critical bridge between American and Chinese trade by providing a central place where products can be sourced, deals can be negotiated, and payments can be transacted all via single payment method (TEXCOIN) with all of the contract details remaining unchangeable on the Blockchain.

Use of the Trade Exchange (TEX) platform is intended to provide the following benefits:

- The elimination or reduction of Foreign Exchange (FX) costs and risks.
- The elimination of the need for letters of credit and banks within the export transaction process.
- A significant increase in the simplicity and convenience of entering into import/export transactions.
- An improvement in trust through the use of an immutable ledger.
- A more accurate way of recording and reporting international trade.

Subsequently, KPL Asia Limited intends to issue 50,000,000 (50 million) TEXCOIN tokens which will represent the fuel that will power the Trade Exchange platform and allow a single token to be utilised for all transactions.

The tokens will be issued in the following tranches, via the WAVES platform:

Pre-ICO Sale: 2,500,000 (2.5 million) tokens will be released during the initial tranche.

Full-ICO Sale: 40,000,000 (40 million) tokens will be released during the full ICO release.

TEXCOIN: Waves Token ID: 68XWWEmaUoLHXGFy6n8nb6M5c2WrSrekiWSPx8VT7e1e

The initial pricing of the TEXCOIN token is expected to be 0.05 Waves or equivalent which will be used to fund the development process and beta release of the full platform.

Ultimately, this is the first major initial coin offering to attempt to change the process of how Chinese-American trade operates by eliminating much of the influence and costs that banks impose upon the process. Subsequently, I hope you will join with me to participate in this project and to help introduce the benefits of cryptocurrency and the Blockchain to the import/export community.

Steven Knight

Founder & Economist

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Company Background

KPL Asia Limited is a limited liability, International Business Company (IBC) formed in the jurisdiction of Belize, under registration number 167435. The corporate vehicle was formed with the view of engaging in a financial technology (Fintech) start-up without the additional burden of high level regulation that is common within many jurisdictions. KPL Asia Limited is active, and in good standing, with the Belizean International Business Companies Registry and complies with all relevant legislation regarding commercial and financial operations in Belize.

The company is managed by a Director-Sole, Mr Steven Knight, who as an experienced economist and concept founder will guide the financial and general operations of the company as the project progresses. It is intended that additional contract staff will be added to the operational and development team as required.

KPL Asia Limited's operations will be based in Hong Kong and Thailand given the need to domicile close to the Chinese import/export market that we are seeking to tap and revolutionise. As such, our management and operations staff will operate from the following flexible co-working space in Kowloon:

West Wing 2/F
822 Lai Chi Kok Road,
Lai Chi Kok
Hong Kong
(+852) 8191 1485

This will allow our operational staff to scale according to needs whilst also keeping costs at an absolute minimum. Additionally, some development staff may be located in Thailand due to the relative low costs of programming and living within the region. However, our main management and base of operations will remain in Hong Kong close to the manufacturing base in China.

It should be noted that this whitepaper has been prepared and is intended as general information for research purposes only and does not constitute investment advice nor an offer, or solicitation of securities, derivatives, or any other form of regulated financial products. The purchase of block chain based tokens is unregulated, speculative, and carries significant risk and should be approached with caution. Please note that this offer is not open to any U.S. Citizen of Resident and that you are ineligible from participating.

Introduction

As the world moves towards greater integration and globalisation, the importance of international trade to GDP growth has continued to rise. No longer are nations economically isolated, given that the tentacles of trade have continued to draw together disparate countries, with the most recent WTO figures showing merchandise trade increasing 5% YoY on a look back basis (10-Year time frame)¹.

Subsequently, access to international markets and participation in international trade has become exceedingly important to countries, not just from a GDP perspective, but also the fact that it brings with it significant technology transfers as well as high levels of Foreign Direct Investment (FDI). Long term economic growth is now less about the specific factors of production, such as a deep labour pool and easy access to capital, and more about the various technological factors of productivity (TFP). Most of the relevant economic research, including historical panel data from ASEAN countries, shows that productivity growth is the major factor in long term economic development.

However, accessing international markets is difficult and brings significant levels of complexity to the transactions. Even trade focused manufacturing zones, such as China's Shenzhen region, suffer from multiple layers of bureaucracy, increased risks with foreign exchange, restrictions on international repatriation payments, difficulties in obtaining letters of credit from some banks, a lack of contract standardisation and enforceability.

In addition, the foreign exchange costs involved in arranging exports and shipments is staggering to say the least when you consider the relatively high cost of remitting funds to manufacturers in China. Typically, funds would need to go through multiple payment processers and incur multiple conversion fees, via relatively wide spreads, before the funds are received by the manufacturer in China. This represents a significant inefficiency within the current payment systems involved around international trade transactions.

There is also a significant role played by central government in adding inefficiency to the current system of trade with countries like China invoking exchange controls around the Yuan. Presently, there are significant restrictions on capital outflows which limits the ability of, even some legitimate outward remittances, from being actioned. Subsequently, it isn't necessarily unusual for Chinese based manufacturers to utilise a myriad of personal bank accounts to avoid the limits that these capital exchange controls currently impose.

In short, Government and Central Banks often have fiscal and monetary agendas which are necessarily at odds with the free flow of capital and trade. Although companies like Alibaba may have solved some of the issues around payment remittance, they have failed to reduce the overall complexities and foreign exchange costs that the average importer faces when dealing internationally.

¹ World Trade Organisation 2017 – Trends in World Trade: looking back over the past ten years.

Ultimately, this paper discusses the implementation of an international trade exchange (TEX), utilising current block chain technology, to reduce the financial barriers and requisite costs faced by traders whilst improving trust and transparency around the transactions.

Problem Statements

Therefore, we have identified some of the problems and limitations which are faced by importers and exporters undertaking international trade between Asia and the world's major market places. Subsequently, the implementation of an international trade exchange (TEX) aims to solve or improve the following problems:

Foreign Exchange Cost and Risks

At every step in the international trade process there is significant costs occurred through foreign exchange. The vast majority of export transactions out of China are priced in USD with manufacturers typically including extra fees to cover, the not unsubstantial, costs involved in converting the incoming payment to Yuan. Additionally, for trade participants located in non-U.S. based countries, this payment will typically be converted from the local currency to USD before then finally being transferred into Yuan. The same issues are also present if using a separate shipping agent within China and/or requiring the manufacturer to quote on a freight and insurance inclusive basis (CIF). These costs are largely frictional in nature and increase the complexity in dealing in international trade transactions.

Simplicity and Convenience

Often the paperwork and administration in creating a binding import contract, whilst also considering all of the payment issues, may not be straight forward. There is added complexity around the pricing issues, given the aforementioned FX costs, as well as codifying this into a single contract. Often smaller U.S. based importers simply operate on the basis of the invoice and assorted emails representing the sole legal descriptor of the trade deal.

Trust

Trust within international trade has become a key issue given the opening of global markets and the rise of the smaller to medium importer/exporter. Those undertaking smaller transactions for import operations, such as Amazon FBA, often are unable to bear the costs of a Letter of Credit or escrow service from a financial institution. Subsequently, the internet is littered with stories of unfulfilled contracts from unscrupulous manufacturers, or indeed buyers, around the world. Other ecommerce portals have attempted to solve this issue by allowing feedback but it is often difficult to gauge a potential trade partner given that there is no permanent record of the transaction.

International Trade Reporting

Financial markets value modern economies by their global integration and importance in world trade, amongst other factors. The International Trade Balance is a metric which is

often used by economists, and the broader market, to assess everything from export competitiveness to potential GDP results for open, trade exposed, countries. However, there is a significant flaw within the current reporting system with the reported statistics solely showing trade balances rather than a value chain. Subsequently, in the case of Chinese trade statistics, the export values necessarily fail to take into account the processing and value addition that has gone into producing these key products. Subsequently, global value chains, as a new form of trade economics, argues that we should measure and report trade on a value added basis rather than raw figures of imports/exports as this distorts both currency valuations and economic projections.

Solution: International Trade Tokenization on the Block Chain

The recent advancement of crypto technology means it's now possible to solve many of the aforementioned issues via the use of a decentralised block chain through the deployment of smart contracts.

Effectively, use of the block chain allows a permanent and visible record of the transaction to be stored in a decentralised manner solving many of the issues around simplicity and trust. In addition, the tokenization of international trade contracts eliminates/and or reduces the impact of fiat currency volatility and the myriad of foreign exchange costs that merchants effectively carry upon entering into a trade contract.

Tokenisation presents many benefits and TEX tokens will effectively be the fuel used to power a platform where importers and exporters can connect, negotiate trade terms, and pay for the transaction in a secure environment with a permanent record of the contract stored onto an immutable distributed ledger. Additionally, it is envisioned that manufacturers will be able to source and purchase primary materials, for the production of their specific good, on the platform using their current balance of tokens. Ultimately, the tokens will then be available for trading on a trustless peer-to-peer market.

Subsequently, these tokens represent crypto assets which will be issued on the Waves platform and utilise their smart contract functionality². The TEX platform will be built to provide a single point of sourcing, contract negotiation, and payments to provide a cost effective and seamless trade experience utilising the block chain.

Ultimately, we are creating an Alibaba like application for international trade but free from fiat currencies and with a level of contract transparency not currently available to small and medium sized traders.

An Estimation of Market Size

Although the TEX platform will be operated globally, it is envisaged that our initial, and primary focus, will be the Chinese-American trade. In plain terms, China is presently the worlds manufacturing powerhouse with the latest WTO country profile ranking the nation 1st in terms of exports³. In addition, the country also imports an impressive array of materials for secondary processing with the largest share being exported to the United States⁴.

² Smart contracts are currently in testing with the Waves platform and are expected to be released in the future.

³ World Trade Organisation Country Profile – China - <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Language=E&Country=CN>

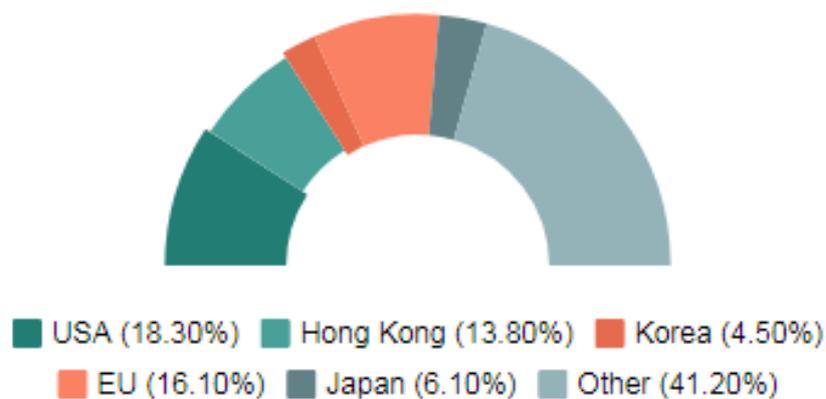
⁴ Approximately 18.3% of all Chinese exports are U.S. bound according to latest WTO figures.

The overall values for Chinese-American trade was approximately 2 trillion \$USD in 2016 and this represents the overall market size for international trade transactions. However, it is relatively unlikely that there will be significant market penetration in the first year of operation of the TEX platform given the incremental uptake in cryptocurrencies and technology.

Having said that, once the TEX platform is complete, and the use case has been clearly demonstrated and marketed, we expect to see annual trade turnover of approximately \$USD50 million in the 2018 calendar year. This would be expected to rise to represent approximately 0.5% of the Chinese-American trade values, \$USD1 Billion by 2024. Thereby, the value of trade, and velocity of tokens would be expected to rise, Year-on-Year, until we reach our market penetration targets.

In addition, the attainment of our market goals could indeed accelerate if the adoption of crypto currencies and block chain technology increases exponentially. In fact, a mass uptake of block chain technology is distinctly possible in the years ahead given the present level of interest from the world’s various financial institutions. Any such move would likely drag the technology, and underlying crypto currencies into the mainstream and speed our progression towards our market goals.

Chinese Merchandise Trade



TEXCOIN: Key Business Processes

The Trade Exchange (TEX) platform allows importers, exporters, logistical services, and raw material suppliers to list their products and services on a centralised trade platform that utilises the power of Block Chain technology to store an immutable record of contracts and transactions. The TEX platform will utilise a common payment unit, or token, for all payments undertaken upon the platform which reduces the significant foreign exchange costs which sharply add friction in the international trade process. Subsequently, TEX is a revolutionary platform that will incorporate both on, and off chain processes to implement this concept.

The tokens will be issued upon the Waves decentralised platform and will utilise smart contract functionality, which is currently pending release by Waves. Through the use of the Blockchain, details of trade transactions and contracts will be storable and immutable. The availability of the TEX Coin token will be finite and ownership is intended to be transferable and negotiable.

Off the chain, the TEX platform will be designed and controlled by KPL Asia Limited, who will seek to ensure a stable centralised system of trade services that will allow market participants to source, contact, negotiate, and finalise international trade contracts utilising a single token (TEX COIN) as a store of value and exchange. Note that although KPL Asia Limited will manage and operate the trade exchange platform that this will be done with the view to maximising the velocity of completed contracts to ensure uptake.

TEXCOIN: Liquidity

In order to ensure that there is an open marketplace for TEXCOIN tokens it is intended that, upon issuance, the tokens will be available for secondary trading upon the Waves Decentralised Exchange (DEX). This is a relatively liquid environment with few barriers to trading and should provide appropriate liquidity for token holders to realise the underlying value into either crypto or fiat currencies.

However, it should be noted that TEX exercises no control over the valuation of tokens on secondary exchanges and no warrant whatsoever is provided that such tokens will gain/lose value based on the normal, and public, price discovery process. Regardless, it is forecast that demand for the finite amount of tokens should be relatively robust and is likely to align itself with the general patterns of global trade. Subsequently, it would be expected that the token value will fluctuate with the general business cycle as trade flows rise and ebb.

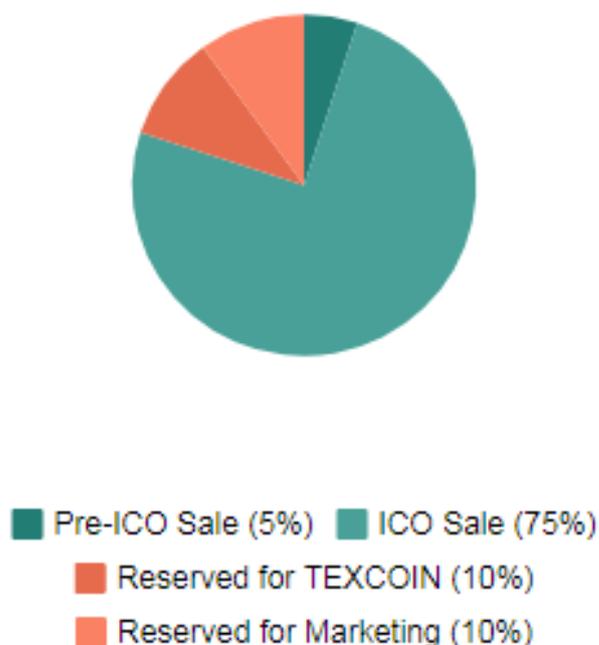
Subsequently, TEX will undertake to provide a quarterly report and statistics on trade volumes, and token velocity, on a quarterly and regional basis which should become a valuable alternative source of economic trade data.

TEXCOIN ISSUANCE

TEXCOINS will be issued and available as a primary market on the Waves DEX at the announced launch data and time. These tokens will form the only available fuel for the TEX platform and will not be re-issuable in any way. Upon the commencement of the pre-ICO phase, tokens will also be available for trade on the Waves DEX in a secondary market form.

Total Number of Tokens Issued: 50,000,000 (Fifty Million) Non-Reissuable.

TEXCOIN Issuance Break Down



The sales of those tokens will be broken down into the following phases:

Phase 1: Pre-ICO Crowd sale of approximately 5% of the tokens.

2,500,000 TEXCOINS (2.5 million) tokens released.

Phase 2: ICO Sale of 75% of remaining TEXCOIN Tokens.

37,500,000 TEXCOINS (37.5 Million) tokens released.

The remaining 20% of TEXCOIN tokens, representing 10,000,000 (10 million), will be retained in the following form:

10% of the available tokens will be reserved for Texcoin.io and KPL Asia Limited.

10% of the remaining tokens will be reserved for promotional activities such as, air drops, bounties, and any of form of marketing deemed suitable for the final ICO offering.

Stages and Processes of Financing

Pre-ICO Sale

The initial tranche of funding is expected to be obtained through the opening of early stage token sales in advance of a full ICO listing. It is envisaged that the Pre-ICO sale period will run during September and will be open to early stage purchasers for a period of 7 days.

Initial Token Sale: 2,500,000 (2.5 Million TEXCOIN Tokens)

Overall Token Issue: 50,000,000 (50 Million TEXCOIN Tokens)

Initial Cost of Pre-ICO Token: 0.05 Waves

The Pre-ICO round of founding is designed to provide a round of funding of between \$200,000 and approximately \$600,000 at the upper limit. Successful completion of this round of funding will provide a significant ramp to advance the development of the TEX platform.

Subsequently, revenues from pre-ICO token sales will go towards development and administration costs of the system as well as a global marketing campaign once the full ICO launch period has been reached.

ICO Sale

It is intended that the Full ICO process will be undertaken in the latter part of 2017 with a view to realising the market value of the remaining TEXCOIN tokens. Significant work will be undertaken in the administration, marketing, and legal aspects to ensure a successful launch and uptake of both our token and platform services.

The allocation of revenues gained from token sales, both Pre-ICO and ICO, is intended as follows:⁵

Platform Development: 50%

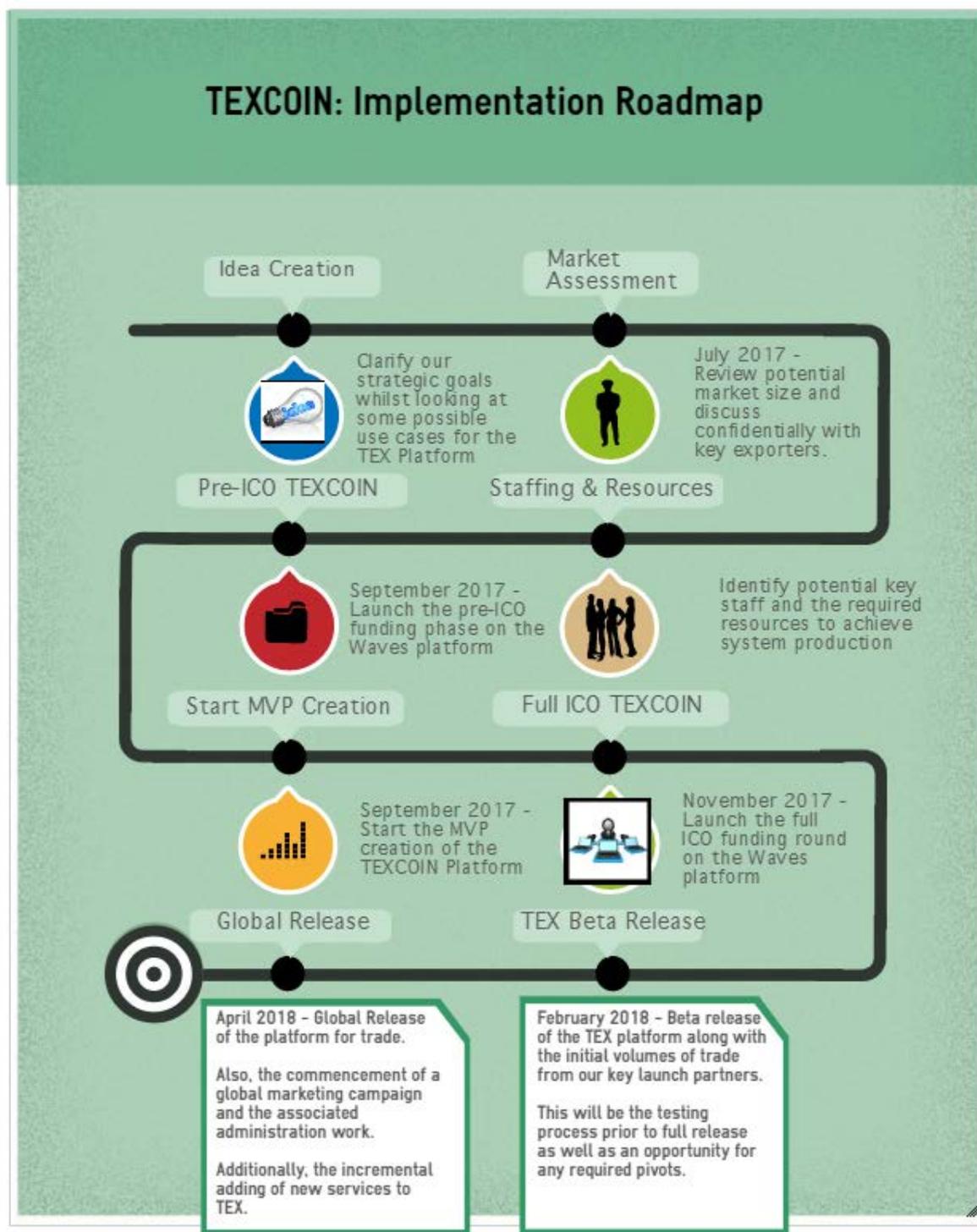
Global Marketing: 20%

Financial and Legal Issues: 15%

Team and Administration: 10%

⁵ Please note that these percentages are indicative only given the general uncertainty around platform development costs.

Roadmap and Future



Our primary goal in undertaking this ICO is to bring our Trade Exchange (TEX) platform to the global market to reduce the friction and costs around international trade transactions. The introduction of the TEX system will significantly improve trade opportunities and provide greater transparency around contracts and costs. This will enable more efficient merchandise exports and provide a platform for sourcing, selling, and negotiating the sale of goods.

This is a large undertaking and to do this successfully, we need support from the community in our Pre-ICO and full ICO funding phases to make this happen. In addition, we hope that the token community will actively participate with us through the development process to ensure a viable and useable product.

Team - Founder and CEO



Steven Knight is an experienced economist and well known FX Market Strategist and for the past few years has been the Head of the Global Research Team for a major Asian Foreign Exchange broker. He follows macroeconomic trends and in particular, focuses on monetary policies and its effects on money demand. He uses his understanding of the wide ranging implications of monetary interventions, along with technical analysis, to develop trading strategies.

Steven also possess significant experience in coding having worked for many years as a Java and C# developer across all range of both desktop and web based applications. This provides him with a strong base of knowledge to make decisions around how technology solutions can be deployed to disrupt and fundamentally change business processes. He also runs a successful Amazon FBA business which sources products directly from China amongst all the complexity that this provides. Subsequently, he is well positioned to comment on costs and friction within trade from both an economic and practical point of view.

Finally, Steven is also an advocate for the use of Blockchain technology and can see the very clear benefits that decentralisation poses for a whole raft of industries with a focus on international trade.

Disclaimer and Legal Terms of Token Sales

1. INTRODUCTION

- 1.1. The following terms and conditions govern the sale of cryptographic tokens which will be used within the Trade Exchange (TEX) platform.
- 1.2. TEX will be connected to the Blockchain network and will utilise the WAVES platform and DEX.
- 1.3. TEX tokens (known as TEXCOIN) may be openly traded on any available secondary market and there are no restrictions on any such trade.
- 1.4. These terms and conditions regulate the ICO of TEXCOIN as contemplated in clause 5.
- 1.5. We may amend these terms and conditions from time to time as set out in clause 9 below.

2. DEFINITIONS AND INTERPRETATION

- 2.1. In these Terms the following words shall have the meanings assigned to them in this clause 2.1, namely:
 - 2.1.1. "**Applicable Law(s)**" in relation to a party shall include all and any statutes and subordinate legislation and common law; regulations; ordinances and by-laws; directives, codes of practice, circulars, guidance notices, judgments and decisions of any competent authority, or any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and other similar provisions, as promulgated in Belize or any other jurisdiction, from time to time, compliance with which is mandatory for that party;
 - 2.1.2. "**TEXCOIN**" means any cryptographic token used in the TEX platform.
 - 2.1.3. "**TEX**" refers to the online trade exchange platform through which tokens will be utilised;
 - 2.1.4. "**Trade Exchange**" means TEX, the international trade platform through which both the tokens and trade contracts may be undertaken;
 - 2.1.5. "**Bitcoin**" or "**BTC**" means the digital currency used to purchase TEXCOIN through any counterparty such as the WAVES platform;
 - 2.1.6. "**Blockchain Wallet**" also referred to as "digital wallets" and means a software program where Bitcoins and other cryptocurrencies are stored on the Blockchain and facilitate sending and receiving of Bitcoins and other cryptocurrencies and gives ownership of the balance to the appropriate user;
 - 2.1.7. "**Blockchain**" means a distributed database that maintains a continuously-growing list of records called blocks in an open ledger, providing a transparent and reliable basis for automated contracting and payments resulting from real-time commercial activity;
 - 2.1.8. "**Business Day**" means any day other than a Saturday, Sunday or official public holiday in Belize;
 - 2.1.9. "**ICO**" is an acronym for "Initial Coin Offering" and refers to the sale of TEXCOIN tokens to Purchasers as contemplated in clause 5;
 - 2.1.10. "**K**", "**we**", "**us**", "**our**" means KPL Asia Limited (Registration No. 167,435) trading as "TEXC" a company registered and incorporated in accordance with the laws of the Belize, with registered address at 3301 Chetumal Street, Belize City, Belize;
 - 2.1.11. "**Sale Agreement**" means the agreement concluded between a Purchaser and K when the Purchaser purchases TEXCOINS either directly or on the WAVES platform;
 - 2.1.12. "**Terms**" means these terms and conditions of sale;
 - 2.1.13. "**Tokens**" means cryptographic tokens distributed by WAVES and/or any other counterparty for use on the TEX platform and which may be traded openly in any secondary market.
 - 2.1.14. "**You**", "**your**" and "**Purchaser**" refers to any person participating in the ICO by purchasing TEXCOIN tokens.

3. IMPORTANT DISCLAIMER

Please be aware of the following specific risks relating to Cryptographic

Expert knowledge required

Any purchases of TEXCOIN made in terms of the ICO or pre-ICO should be undertaken by parties/entities which have significant experience with, and understanding of, the usage and

intricacies of cryptographic tokens and currencies and Blockchain-based systems and services. General guidelines for usage and storage of TEXCOIN will be available to the Purchaser but Purchasers have the sole responsibility to ensure that they have a functional understanding of storage and transmission mechanisms associated with cryptographic currency and Tokens in order to ensure that they understand the risks associated with the ICO. While K will ensure its reasonable availability to assist Purchasers during, and after the ICO, we will not be responsible for any loss of, or inability to access Bitcoins, Blockchain Wallets, Counterparty Compatible Wallets, TEXCOIN or any similar type of online/digital/virtual token or cryptocurrency, which may occur as a result of any type of actions taken by, or omitted or accidentally or incidentally made by the Purchaser. In this regard please take note of clause 10.

Extreme price and value volatility

3.1. Cryptographic tokens and currency which possess value in public markets, such as Bitcoin, have frequently demonstrated extreme fluctuations in price over short periods of time. All Purchasers should expect similar fluctuations in the price of TEXCOIN, which will be denominated in Bitcoin or United States dollars (USD) or any other fiat or digital currencies approved in the Purchaser's jurisdiction. Such fluctuations are due to market forces and represent changes in the balance of supply and demand. K cannot and does not guarantee the market liquidity for TEXCOIN tokens and therefore informs the Purchaser that there may be periods of time in which TEXCOIN tokens will be difficult to buy, sell or trade. Additionally, due to different regulatory requirements in different jurisdictions and the inability of citizens of certain countries to open online cryptocurrency accounts at online cryptocurrency exchanges located anywhere in the world, the liquidity of TEXCOIN, tokens may differ from country to country and this would likely be reflected in significant price discrepancies found between the various online cryptocurrency exchanges. By purchasing TEXCOIN, you, as the Purchaser, expressly acknowledge and represent that you fully understand that TEXCOIN tokens may experience volatility in pricing and that you accept all the risks relating to such a purchase and the nature of the ICO. Further to this, you specifically acknowledge that you will not seek to hold K or any of its affiliated Parties liable for any losses or any special, incidental, or consequential damages arising from, or which are in any way connected or related to the price and value volatility of TEXCOIN tokens.

Disclaimer of general and associated risks

3.2. The purchase of TEXCOIN tokens carries with it a number of risks. Therefore, prior to purchasing TEXCOIN, you should carefully consider the risks listed below and, to the extent necessary, obtain independent advice as to the risks associated with the ICO. If any of the risks as contemplated in these Terms are unacceptable to you or if you do not understand the nature and extent of the risks associated with the ICO, you should not purchase TEXCOIN or participate in this ICO. By purchasing TEXCOIN tokens, and to the extent permitted by Applicable Law, you are agreeing not to hold K or any of its affiliated persons or entities liable for any losses or any special, incidental, or consequential damages arising from, or in any way connected, to the sale of TEXCOIN tokens. By purchasing any TEXCOIN tokens you expressly acknowledge and represent that you have carefully reviewed these Terms and the Sale Agreement and fully understand the risks, costs and benefits of purchasing cryptographic assets in the manner as contemplated in these Terms and the Sale Agreement.

Important notice regarding the nature of TEXCOIN tokens and the TEX Platform

3.3. Neither these Terms nor the Sale Agreement should be regarded as an invitation for further investment and does not construe, relate or pertain in any way or should be regarded to be an offering of securities in any jurisdiction.

3.4. The purchasing of and trading in any TEXCOIN tokens shall not afford any Purchaser with the right to exercise any influence over the governance of K or any aspect of the TEX platform.

3.5. Despite the use of the word "Coin" when referring to the TEXCOIN sold to Purchasers and traded within the TEX platform, no TEXCOIN token should be regarded as fiat money.

3.6. Considering the nature of the TEX platform, and specifically TEXCOIN tokens, as *bona fide* cryptographic tokens (rather than securities, financial instruments, foreign currency denominated investment instruments or any other type of Financial Products.

3.6.1. neither the TEX platform nor any platform associated with it should be regarded as a securities- or currency exchange;

3.6.2. this ICO should not be regarded as an invitation to the public to acquire securities in K or any other entity; and

3.6.3. unless explicitly determined otherwise, neither K nor any of its affiliates should be regarded as a provider of foreign exchange services, Intermediary Services, Financial Services or Financial Products;

3.6.4. accordingly, K is not regarded or registered as a Financial Services Provider in any jurisdiction;

3.7. Cryptocurrencies have been the subject of regulatory scrutiny by various regulatory bodies around the globe. K, its business practices in general and various aspects of the TEX platform could be impacted by one or more regulatory inquiries or regulatory actions, which could impede or limit the ability of K to continue to develop the trade exchange using Blockchain and cryptocurrency technology.

3.8. These Terms, our business model in general and all aspects of the trade exchange platform may be subject to change depending on regulatory and compliance requirements of applicable law from time to time, in which event K shall not be held liable for any loss or damages (whether direct or consequential) caused by such changes. In this regard, and to the fullest extent possible, the Purchaser acknowledges and understands the effect of clause 10, namely that neither K nor any of its affiliates accept any liability for any loss or damages caused by such occurrence.

4. Participation of U.S. Citizens and Residents

4.1 PLEASE NOTE THAT U.S. CITIZENS OR ANY NATURAL PERSON RESIDENT WITHIN THE UNITED STATES OF AMERICA IS EXCLUDED AND INELIGIBLE FROM PARTICIPATING IN ANY TOKEN SALE OR ICO PROCESS.

5. THE ICO

Objective

5.1. The value proceeds of the pre-sale ICO, and the ICO, will be used for the further development and advancement of the TEX platform, including administration and marketing, subject to clause 3.7 and the remaining provisions of these Terms.

Amount of TEXCOIN

5.2. Only 50,000,000 (50 million) TEXCOIN tokens will be created for circulation in the trade exchange platform.

Duration of the ICO

5.3. The pre-ICO will run for 7 (seven) days whilst it is intended that the full-ICO will be accorded a 30 day sale period.

5.4. K reserves the right to change the start date of the ICO as well as the right to extend the sale duration for any reason, including the unavailability of the TexCoin website or other unforeseen security or procedural issues. Although K does not currently anticipate doing so, it also reserves the right to shorten the sale duration for any reason.

6. ACCEPTANCE

6.1. As a first step in the purchase process, you will be presented with these Terms, the Sale Agreement and associated documents, along with a "I Agree" button. By clicking the button, the Purchaser:

6.1.1. agrees to these Terms and the Sale Agreement;

- 6.1.2. represents and warrants that the Purchaser is legally permitted to purchase TEXCOIN in the Purchaser's jurisdiction and is legally permitted to receive products of Belizean origin;
 - 6.1.3. represents and warrants that the Purchaser is of a sufficient age to legally purchase TEXCOIN or has received permission from a legal guardian who has reviewed and agreed to these Terms and the Sale Agreement;
 - 6.1.4. represents and warrants that the Purchaser will take sole responsibility for any restrictions and risks associated with the purchase of TEXCOIN as set forth in these Terms and the Sale Agreement;
 - 6.1.5. represents and warrants that the Purchaser is not exchanging Bitcoin or any alternative currency for TEXCOIN for the purpose of speculative investment;
 - 6.1.6. represents and warrants that the Purchaser is acquiring TEXCOIN for the use of the TEX platform, which is in the process of being developed; and
 - 6.1.7. represents and warrants that the Purchaser has an understanding of the usage and intricacies of Blockchain-based assets, like texcoin tokens, and Blockchain-based software systems.
- 6.2. All purchases and prospective purchases in terms of this ICO made by you through the TEXCOIN website, Counterparty or any other website or service provider, together with any services provided by us to you through the TEXCOIN website, are subject to and regulated by these Terms together with the TEXCOIN website terms of use and privacy policy available on the TEXCOIN website from time to time.
- 6.3. Each purchase submitted by you using our or any affiliated party or service provider's website constitutes an offer to purchase TEXCOIN.
- 6.4. In the event that you do not agree to these Terms, you should not proceed with placing your order for the purchase of TEXCOIN.
- 6.5. Failure to follow the instructions provided on our or any affiliated party or service provider's website may limit, delay, or prevent you from participating in the ICO.
- 6.6. If you are a minor and / or less than 18 (eighteen) years of age, you must obtain the written consent and assistance of an adult who is your legal guardian to accept these Terms and to purchase any TEXCOIN tokens from us.
- 6.7. We reserve the right to refuse to process any order placed by any Purchaser or any potential Purchaser on our Website or any service provider without notice or reason, and particularly where there is suspicious activity or potentially fraudulent, illicit, illegal or related activities suspected.

7. OUR RIGHT TO VARY THESE TERMS

- 7.1. We may revise these Terms from time to time in the following circumstances:
- 7.1.1. changes in how we accept payment from you for TEXCOIN tokens;
 - 7.1.2. changes in how any of the TEXCOIN tokens are valued;
 - 7.1.3. changes in Applicable Law, if any regulatory authority requires us to make changes to these Terms or any aspects of the TEXCOIN Token or Platform or our business practices in terms of Applicable Law or if we are otherwise advised by our attorneys to revise these Terms; or
 - 7.1.4. any other changes that may be required from time to time following changes to our business practices and further or required developments to the trade exchange platform.
- 7.2. Every time you order/ purchase/ trade/sell/distribute any cryptographic TEXCOIN tokens, including but not limited to TEXCOIN tokens, from us or any related third party, the Terms in force at that time will apply to that order/purchase/trade/sale/ which you are undertaking.

8. RISK, LOSS OR DAMAGES

- 8.1. You hereby agree that subject to Applicable Law, we will not be liable for:
- 8.1.1. any interruption, malfunction, downtime, off-line situation or other failure of any cryptocurrency or virtual currency trading platforms or online services provided by any third parties, including any third party's system, databases or any of its components;
 - 8.1.2. regulatory compliances measures, notices or actions imposed in terms of clauses 3.7 or 3.8 or any tax liability as contemplated in clause 26.4 or otherwise incurred by the Purchaser;
 - 8.1.3. any loss or damage with regard to your data or other data directly or indirectly caused by malfunction of any third party systems, power failures, unlawful access to or theft of data, computer viruses or destructive code on any third party systems or programming defects; and/or

8.1.4. any interruption, malfunction, downtime or other failure of goods or services provided by third parties, including, without limitation, third party systems such as the public switched telecommunication service providers; internet service providers, electricity suppliers, relevant local authorities and certification authorities; or any other event over which we have no direct control.

8.2. IN PARTICULAR, PURCHASERS SHOULD TAKE GREAT CARE IN PROTECTING THEIR BLOCKCHAIN WALLET PASSWORDS AND USER ACCOUNT DETAILS, WITHOUT WHICH PURCHASERS WILL NOT BE ABLE TO ACCESS THEIR BLOCKCHAIN WALLET AND USE OR ENJOY THE TEXCOIN TOKENS WHICH THEY HAVE PURCHASED/RECEIVED DURING THE ICO. BY ACCEPTING THESE TERMS, YOU SPECIFICALLY ACKNOWLEDGE THAT YOU UNDERSTAND, ACCEPT AND AGREE THAT K OR ANY OF ITS AFFILIATES OR SERVICE PROVIDERS WILL NOT BE REQUIRED OR ABLE TO GRANT YOU ANY TYPE OF PASSWORD RESET OR BACK ENTRY ACCESS TO YOUR USER ACCOUNT/BLOCKCHAIN WALLET COMPATIBLE WALLET AND THAT WITHOUT THE REQUIRED PASSWORDS AND USER ACCOUNT DETAILS YOUR TEXCOIN TOKENS WILL BE INACCESSIBLE AND BE RENDERED UNUSABLE. FURTHER TO THIS K WILL NOT BE LIABLE TO REFUND/REPLACE YOU DUE TO THIS FAILURE FROM YOUR SIDE.

8.3. Except for the obligation to pay monies due and owing, as mutual protection for unforeseen events, neither you nor K (including its affiliates, directors, employees, agents, contractors and service providers) will be held liable to the other party for any failure to perform any obligation, if such failure is caused by circumstances beyond the reasonable control of the party failing to fulfil its obligations. This includes lightning, flood, exceptionally severe weather, fire, explosion, war, civil disorder, industrial disputes, acts or omissions of persons for whom we are not responsible, acts of government or other competent authorities (including telecommunications and internet service providers).

8.4. To the full extent permissible by Applicable Law, you indemnify and hold K (including its affiliates, directors, employees, agents, contractors and service providers) harmless against all and any loss, liability, actions, suits, proceedings, costs, demands and damages of all and every kind, (including direct, indirect, special or consequential damages), and whether in an action based on contract, negligence or any other action, arising out of or in connection with the failure or delay in the performance of the TEX Platform, or the use of information and/or images available on the TEX Platform, whether due to K's (including its affiliates', directors', agents', contractors' and service providers') negligence or not.

9. NON REFUNDABLE PURCHASES

9.1. ALL PURCHASES OF TEXCOINS ARE FINAL AND THEREFORE NON-REFUNDABLE.

9.2. PURCHASES OF TEXCOINS ARE NON-REFUNDABLE ITEMS. BY PURCHASING OR RECEIVING TEXCOIN TOKENS, YOU ACKNOWLEDGE THAT NEITHER K NOR ANY OF ITS AFFILIATES, ARE REQUIRED TO PROVIDE A REFUND FOR ANY REASON, AND THAT YOU WILL NOT RECEIVE MONEY OR ANY OTHER FORM OF COMPENSATION FOR ANY TEXCOIN TOKEN THAT ARE NOT USED OR NOT SUITABLE FOR ITS INTENDED PURPOSE.

10. NOTIFICATION OF SPECIAL PURPOSE

Unless otherwise provided in law, should you proceed to purchase any TEXCOIN tokens and the product fails to be suitable for the special or particular purpose as intended by you and which do not relate to the terms and conditions of the TEX Platform, we will not be liable to you (including but not limited to accepting the return of, or refunding you the purchase price of the underlying TEXCOIN token.

11. OWNERSHIP AND RISK

Risk in and ownership of the TEXOCIN Tokens will pass to you on submitting an order on the WAVES DEX platform and such an order signifies agreement to these terms and conditions.

12. TRANSMISSION AND ACCURACY OF INFORMATION

12.1. We are not responsible for the proper and/or complete transmission of the information contained in any electronic communication or of the electronic communication itself nor for any delay in its delivery or receipt.

12.2. Security measures have been implemented to ensure the safety and integrity of any of the services related to the ICO. However, despite this, information that is transmitted over the internet or Blockchain may be susceptible to unlawful access and monitoring.

12.3. We give no guarantee of any kind concerning the content of this ICO. We do not give any warranty (express or implied) or make any representation that K or any of its affiliates' services will operate error free or without interruption or that any errors will be corrected or that the content is complete, accurate, up to date, or fit for a particular purpose.

13. THIRD PARTY WEBSITES OR PLATFORMS

We may provide certain hyperlinks to third party websites or apps only as a convenience, and the inclusion of any hyperlinks or any advertisement of any third party on the TEX website or other platforms does not imply endorsement by us of their websites or apps, their products, business or security practices or any association with its operators. If you access and use any third party websites, apps, products, services, platforms and/or business, you do that **solely at your own risk**.

14. INTELLECTUAL PROPERTY RIGHTS

14.1. You acknowledge and agree that all right, title and interest in, and to, any intellectual property related to the trade exchange or other intellectual property (including but not limited to any copyright, trademark, design, logo, process, practice, or methodology which forms part of, or is displayed or used in the TEX platform including, without limitation, any graphics, logos, designs text, button icons, images, audio clips, digital downloads, data compilations, page headers and software) in respect of K, the TEX website or in any manner related to TEX is proprietary to K or the respective owner(s)' property and will remain our or the owner's property at all times.

14.2. You therefore agree that you will not at any time or under any circumstances acquire any rights of any nature in respect of such intellectual property by using the Services.

15. WARRANTIES AND REPRESENTATIONS

15.1. We make no representations or warranties, whether express or implied, and assume no liability or responsibility for the proper performance of the any services, online cryptocurrency services, assets or platforms and/or the information, images or audio contained or related to the TEX platform. You use all of these services including but not limited to services, online cryptocurrency services, assets or platforms at your own risk.

15.2. You warrant to and in favour of us that:

15.2.1. you have the legal capacity to agree to and be bound by these Terms;

15.2.2. you are 18 years or older; and

15.2.3. these Terms constitute a contract valid and binding on you and enforceable against you

15.3. Each of the warranties given by you will:

15.3.1. be a separate warranty and will in no way be limited or restricted by inference from the terms of any other warranty or by any other words in these Terms;

15.3.2. continue and remain in force irrespective of whether your account is active, suspended or cancelled; and

15.3.3. be deemed to be material.

16. GOVERNING LAW

16.1. These Terms and any matter arising from these Terms, shall be governed by and interpreted in accordance with the substantive laws of Belize.

16.2. For the purpose of all or any proceedings arising from these Terms, you consent to the jurisdiction of any other competent court in Belize.

16.3. Notwithstanding the above consent, you agree to first explore all avenues of alternative dispute resolution procedures to which we may agree, such as mediation and/or arbitration.

16.4. We shall however not be obliged to follow any alternative dispute resolution process, should we not wish to do so.

17. WAIVER

Failure or neglect by us to enforce any of these Terms, will not be construed as a waiver of our rights, nor will such failure or neglect in any way affect the validity of the whole or any part of these Terms, nor prejudice our rights to take subsequent action.

18. ENQUIRIES

Any questions or concerns arising from these Terms or use of the Services should be addressed to support@texcoin.io

19. NOTICES

For all purposes of these Terms, any notice required to be in writing shall include email.

20. WHOLE AGREEMENT

These Terms, as may be amended from time to time, constitute the whole agreement between yourself and us relating to the ICO.

21. NO THIRD PARTY STIPULATION

These Terms create a legally binding agreement between yourself and us only. Accordingly, unless expressly stated to be the case, these Terms do not create rights in favour of any third party.

22. LIMITATION OF LIABILITY AND INDEMNITY

22.1. Subject to any Applicable Laws, you agree that we will not be liable for any costs, claims, damages (including, without limitation, indirect, extrinsic, special, penal, punitive, exemplary or consequential loss (such as loss of profits, business, goodwill, revenue or anticipated savings) or damage of any kind), penalties, actions, judgments, suits, expenses, disbursements, fines or other amounts that you or any third party might suffer that relate to or arise from these Terms or your purchase and use of any TEXCOIN token through the TEX platform, or termination of these Terms, for any reason, whether or not anyone anticipated or should have anticipated that the damages would occur.

22.2. Subject to any Applicable Laws, you shall not have any claim of any nature whatsoever against us for any failure by us to carry out any of our obligations under these Terms as a result of causes beyond our control, including but not limited to any strike, lockout, shortage of labour or materials, delays in transport, accidents of any kind, any default or delay by any sub-contractor or supplier of ours, riot, political or civil disturbances, the elements, by an act of state or government including regulatory action imposed as contemplated in clauses 3.7 or 3.8, any delay in securing any permit, consent or approval required by us, for the supply of products under these Terms or any other authority or any other cause whatsoever beyond our absolute and direct control. 26.3. Subject to any Applicable Laws, you agree to indemnify and hold us harmless in respect of any claim that a third party might bring against us that relates to or arises from these Terms or your purchase of TEXCOIN tokens and interaction with the TEX platform.

22.4. The Purchaser also acknowledges and understands that neither K nor any of its affiliates makes any representations concerning the tax implications of the sale of TEXCOIN or the possession or use of TEXCOIN. The Purchaser bears the sole responsibility to determine if the purchase of TEXCOIN with Bitcoin or any other cryptographic token, or the potential appreciation or depreciation in the value of TEXCOIN over time, has tax implications for Purchasers in their home jurisdiction. By purchasing TEXCOIN, and to the extent permitted by law, the Purchaser agrees not to hold K or any of its affiliates liable for any tax liability associated with or arising from the purchase of TEXCOIN tokens.

23. MISCELLANEOUS TERMS

23.1. In the event that any part of these Terms are found to be partially or fully unenforceable because it does not comply with any law, or for any other reason, this will not affect the application or enforceability of the remainder of these Terms.

23.2. The provisions hereof shall prevail over any terms and conditions which you may purport to impose or apply and which are contrary to the terms hereof.