

## **PayNext Token Sale Agreement**

Last Updated: December 4, 2017

These Token Sale Agreement of PayNext Token Sale (hereinafter - the “Terms”) summarizes the principal terms proposed by PayNext (hereinafter – the “Seller”, the “Company”) regarding the purchase of PayNext Tokens (“PET”) which will be issued and transferred by the Seller to the Buyer (hereinafter the “Buyer” or “You”). Please read carefully these Terms and agree with it before purchasing PayNext Tokens (PET), as it affects your obligations and legal rights, including, but not limited to, waivers of rights and limitation of liability. If you do not agree with these Terms, you shall not purchase PayNext Tokens (PET). By purchasing PayNext Tokens (PET) during any sale period set forth herein from the Company, you will be bound by these Terms, and thus your purchase of PayNext Tokens (PET) is subject to these Terms.

The Buyer and the Seller shall each be referred to as a “Party” and collectively as the “Parties”.

### **RECITALS**

WHEREAS, the Seller is going to issue its ERC20 digital tokens called PayNext Tokens being the currency for making purchases and payments on the Platform (hereinafter – “PET Tokens” or “PET”) which the Seller is willing to sell to the Buyer during established sale period as described hereunder; and

WHEREAS, the Buyer wants to purchase PET Tokens pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants and agreements or terms contained herein, the Parties agree as follows:

#### **1. Use of PET Tokens.**

The Buyer understands and accepts that PET Tokens will be used as virtual currency on the Platform. A person who has PET Tokens in possession may use all functions of the Platform.

There is a possibility, that PET will be used as in-service crypto-currency for other websites, platforms, services etc. as their in-service crypto-currency. All PET operations

on the Platform, including but not limited to those between user accounts, are written into blockchain register with compulsory and automated hash entry into the chain of blocks. The register is visible to everyone, but information is unchangeable and anonymous. This provides additional transparency and security. The Buyer expressly agrees that PET Tokens are not securities, are not registered with any government entity as the securities, shall not be considered as such, are not intended to be a commodity or any other kind of financial instrument, do not represent any share, stake or security or equivalent rights, including, but not limited to, any right to receive future revenue shares and intellectual property rights, and do not represent any ownership right. The Seller has prepared Whitepaper to describe matters related to PayNext project, included, but not limited to any technological aspects and software matters. **HOWEVER, PAYNEXT WHITEPAPER IN NO WAY CONSTITUTES A LEGALLY BINDING AGREEMENT, CONTRACT, DECISION, ETC. BETWEEN THE SELLER AND THE BUYER.**

## **2. Scope of Terms.**

The Buyer hereunder commits to purchase PET Tokens for BTC and/or Ethereum cryptocurrency(ies) and the Seller hereby expressly agrees to issue and sell to the Buyer PET Tokens. In order to do so the Buyer will transfer payment as set forth herein and the Seller will allocate an amount of PET Tokens which is equivalent to the payment to the ETH-address of the Buyer once the payment is made by the Buyer/after crowdsale ends. Unless otherwise stated herein, these Terms govern purchase of PET Tokens by the Buyer from the Seller during the Public Sale Period from 15th of December 2017 (9:00 AM Tokyo Time, UTC - 5), to 15th of January 2018 (10:00 AM Tokyo Time, UTC - 5) (hereinafter jointly – “Sale Period”), when Buyers will buy PET by paying for them in advance. The use of PET Tokens and relations between the Parties may be governed by any other applicable terms and policies. The Buyer agrees to be solely responsible for any applicable taxes imposed on PET Tokens purchased hereunder. The second Sale Period will take place in January- February, 2018, and may be divided into pre-sale and public sale periods, provided strict dates eligible to the Buyer will be updated as the PayNext Token Sale campaign takes place; all of those Sale Periods shall in total constitute PayNext Token Sale.

## **3. Acceptance, Purchase Price and Payment.**

By buying PET Tokens hereunder, the Buyer expressly accepts all terms and conditions, described herein, and agree to be bound thereby and comply therewith. In order to purchase PET Tokens, the Buyer shall send ETH/BTC in the amount which is equivalent to the amount of PET Tokens the Buyer is willing to receive for such payment to the ETH - or BTC - address of the Seller.

#### **4. Other Conditions of PET Tokens Purchase.**

The Seller then will distribute PET Tokens for the corresponding payment set forth herein made by the Buyer, immediately after the end of the date the whole PayNext Token Sale is over, meaning, the date the second Sale Period ends, provided, however, there may be some delay due to the technical issues. Thus, the PET Tokens can be used immediately after distribution complete for making purchases and payments on the Platform. The Buyer hereby understands and agrees there are two Token Sale Periods available and they are different. In order to receive PET Tokens the Buyer shall have ETH-wallet since the token distribution will be carried out using specially deployed token sale smart contract. To purchase PET Tokens the Buyer shall only send cryptocurrency funds from his/her personal wallet (hardware wallet) in the amount which is equivalent to the amount of the PET Tokens the Buyer is willing to receive for such payment. The Buyer may be required to manually set his/her ETH-wallet to watch the token sale smart contract to receive PET Tokens after their distribution by the Seller within the blockchain, which shall be made after the Seller's Token Sale ends. The Buyer may purchase PET Tokens via specific Ethereum client. BUT IT IS PROHIBITED TO SEND CRYPTOCURRENCY FUNDS TO PURCHASE PET TOKENS FROM ANY CRYPTOCURRENCY EXCHANGES USE OF ANY ONLINE EXCHANGE SERVICES (E.G., KRAKEN, COINBASE, POLONIEX, ETC.), AS WELL AS USE OF JAXX AND MULTI\_SIGNATURE WALLETS WILL LEAD TO THE LOST OF ALL ETH PAID HEREUNDER. Seller does not store or get any of Buyer personal wallet codes nor can access or use such wallet's on Buyer's behalf. The Buyer is also required to register on the website of the Seller as set forth in PayNext Privacy Policy and comply with the provisions of such documents. TO THE EXTENT ALLOWABLE PURSUANT TO APPLICABLE LAW OF REGULATION, PET TOKENS WILL BE USED AS IN-SERVICE CURRENCY ON THE PLATFORM, AND THUS ANY OTHER USE OF PET TOKENS IS BY A DECISION AND AT THE SOLE RISK AND DISCRETION OF THE BUYER.

All purchased PETs will be indicated onto your account as soon as fixed in the blockchain and distributed within the blockchain as soon as PayNext Token Sale is over, provided, however, that (i) some screening and verification procedures may cause some delay AND (ii) until the moment of such distribution, the Platform is launched and operational to the volume necessary to use PET on it. Nothing herein may be construed as selling or delivering PET before Platform launch or preventing you from your PET use on the Platform immediately after distribution Any delay in PET delivery to the Buyer is operational delay only and may not be construed as the breach hereof or Seller's misconduct.

## **5. Exchanges.**

Purchased PET Tokens may be sold and transferred by the Buyer at any time after Token Sale ends via cryptocurrency exchanges on its own risk and without any interference of the Company, if PET Tokens are listed on any of the cryptocurrency exchanges at its sole discretion (WHETHER TO LIST PET TOKENS ON CRYPTOCURRENCY EXCHANGES OR NOT IS SOLELY AT THE DISCRETION OF CRYPTOCURRENCY EXCHANGES).

## **6. AML/KYC.**

PayNext is committed to implementing and maintaining the highest standards of Know Your Customer (KYC) and Anti Money Laundering (AML) compliance and requires management and employees to adhere to these standards to prevent abuse of PayNext Services for money laundering and terrorist financing purposes. PayNext retains the right to reject your payment for PET in case you fail to meet the AML/KYC requirements or successfully pass other verification and screening procedures, implemented on the Platform.

In pursuing its commitment to assist in the detection, prevention, and reporting of money laundering activities, PayNext shall:

- (i) implement a risk-based approach to assessing and implementing AML and KYC procedures.
- (ii) know its customers by obtaining satisfactory evidence of their identity and having effective procedures to verify the authenticity of the information furnished by new customers.
- (iii) ensure that its business is conducted in conformity with high ethical standards, that laws and regulations are adhered to, and that service is not provided where there is a good reason to believe that transactions are associated with money laundering activities.
- (iv) cooperate fully with law enforcement agencies by, among others, taking appropriate measures allowed by law if there are reasonable grounds for suspecting money laundering.
- (v) adopt policies consistent with the principles set out in this policy, and ensure that its staff, wherever located, are informed of these policies and adequately trained in matters covered herein.

## **7. Refund and Cancellations.**

TO THE EXTENT ALLOWABLE PURSUANT TO APPLICABLE LAW OF REGULATION, THE PURCHASE OF PET TOKENS BY THE BUYER FROM THE

SELLER IS FINAL, AND THUS THERE ARE NO REFUNDS AND/OR CANCELLATIONS. PET TOKENS ARE NOT SUBJECT TO THE REDEMPTION PROCEDURE EITHER.

#### **8. Purchase Limitations.**

UNITED STATES CITIZENS AND/OR RESIDENTS OF THE FOLLOWING STATES AND TERRITORIES: UNITED STATES, SOUTH KOREA, JAPAN, IRAN, SYRIA, PEOPLE'S REPUBLIC OF CHINA, CUBA, DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA, ABU DHABI, THE CRIMEA REGION OF UKRAINE, – ARE NOT

ELIGIBLE TO PARTICIPATE IN THE FIRST SALE PERIOD OF THE PAYNEXT TOKEN SALE. THE BUYER IS ONLY ALLOWED TO PURCHASE PET TOKENS IF AND BY BUYING PET TOKENS AND/OR SIGNING THESE TERMS HE/SHE COVENANTS, REPRESENTS AND WARRANTS THAT HE/SHE IS NEITHER A CITIZEN OR PERMANENT RESIDENT OF THE ABOVEMENTIONED STATES NOR DOES HE/SHE HAS A PRIMARY RESIDENCE OR DOMICILE IN OR MAKES HIS/HER TRANSACTIONS FROM THE ABOVEMENTIONED STATES (INCLUDING FOR UNITED STATES, PUERTO RICO, THE U.S. VIRGIN ISLANDS), AND ANY POSSESSIONS OF THE ABOVEMENTIONED STATES. IN ORDER TO BUY PET TOKENS AND BY BUYING PET TOKENS AND/OR SIGNING THESE TERMS, THE BUYER COVENANTS, REPRESENTS, AND WARRANTS THAT NONE OF THE OWNERS OF THE COMPANY, OF WHICH HE/SHE IS AN AUTHORIZED OFFICER, IS CITIZEN OR PERMANENT RESIDENT OF THE ABOVEMENTIONED STATES, NOR DOES HE/SHE HAVE A PRIMARY RESIDENCE OR DOMICILE IN OR MAKES TRANSACTIONS FROM THE ABOVEMENTIONED STATES, INCLUDING ANY POSSESSIONS OF THE ABOVEMENTIONED STATES. SHOULD THIS CHANGE AT ANY TIME, HE/SHE SHALL IMMEDIATELY NOTIFY THE SELLER. THE SELLER SHALL RESERVE THE RIGHT TO REFUSE SELLING PET TOKENS TO ANYONE WHO DOES NOT MEET CRITERIA NECESSARY FOR PET TOKENS BUYING, AS SET OUT HEREUNDER AND BY THE APPLICABLE LAW. IN PARTICULAR, THE SELLER MAY REFUSE SELLING PET TOKENS TO CITIZENS, PERMANENT RESIDENTS OF THE ABOVEMENTIONED STATES AND TERRITORIES AND THOSE USERS WHO DO NOT MEET ANY OTHER CRITERIA SPECIFIED HEREIN.

ANY PERSON, MENTIONED IN APPROPRIATE DENIED PERSONS OR ANY OTHER SANCTION LIST, IS FORBIDDEN TO PURCHASE OR USE PET TOKENS ON HIS / HER OWN BEHALF OR REPRESENTING ANY THIRD PARTY.

IT IS ALSO FORBIDDEN TO PURCHASE PET TOKENS USING FUNDS CAME

FROM ILLEGAL OR UNETHICAL SOURCES OR RECEIVED IN RESULT OF MONEY LAUNDRY. AND BY BUYING PET TOKENS HEREUNDER, THE BUYER REPRESENTS AND WARRANTS THAT HIS/HER FUNDS IN NO WAY CAME FROM ILLEGAL OR UNETHICAL SOURCES, THAT THE BUYER IS NOT USING ANY PROCEEDS OF CRIMINAL OR ILLEGAL ACTIVITY OR MONEY LAUNDRY, AND THAT NO TRANSACTION INVOLVING PET TOKENS ARE BEING USED TO FACILITATE ANY CRIMINAL OR ILLEGAL ACTIVITY OR PERFORM MONEY LAUNDRY.

### **9. Representations and Warranties.**

By buying PET Tokens and, the Buyer represents and warrants that:

- (a) he/she has read and understood these Terms, PayNext Privacy Policy, well as PayNext Whitepaper.
- (b) he/she is of an age of majority to enter into these Terms, meet all other eligibility and residency requirements, and are fully able and legally competent to enter the terms, conditions, obligations, affirmations, representations and warranties set forth herein and to abide by and comply herewith;
- (c) he/she will be solely responsible for any applicable taxes imposed on PET Tokens purchased hereunder;
- (d) he/she is aware that PET Tokens are intended to be used on the Platform only as an in-service cryptocurrency;
- (e) he/she has in-depth knowledge and deep understanding of the crypto market, blockchain-based systems and cryptocurrencies;
- (f) he/she is aware of and knows how to manage all the merits, risks and any restrictions associated with crypto market, blockchain-based systems and cryptocurrencies;
- (g) he/she understands that these Terms are in no way an investment advice or an offer to invest;
- (h) he/she understands, that the value in the price of a PET may be defined by a degree of transactions with a specific marketplace or others.
- (i) Seller retains the right to change the Ethereum ERC-20 token standard at its own decision.

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

By buying PET Tokens and using the Platform, the Buyer represents/warrants and

accepts that:

(a) there are certain risks, including, but not limited to, risk of losing access to PET, risks associated with the PayNext protocol, risk of mining attacks, risk of hacking and security weaknesses, risks associated with markets for PET, etc.;

(b) that there is no warranty that the Platform or any URLs or links following on it will be uninterrupted or error-free and why there is an inherent risk that the Platform could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of PET;

(c) that the blockchain technology allows or may allow in future new forms of interaction, and that it is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, blockchain technology-based applications, which may be contrary to the current setup of both Platform and/or smart-contract system and which may, inter alia, result in substantial modifications of both Platform and/or smart-contract system and/or the PET Tokens protocol, including its termination and the loss of PET Tokens for the User;

(d) you have been, are, and will be solely responsible for making your own independent appraisal and investigations into the risks of the purchase of PET. You represent that you have sufficient knowledge, market sophistication, professional advice and experience to make your own evaluation of the merits and risks of any purchase, as well as you may be vulnerable to any loss as the consequences of your actions on the Platform;

(e) PayNext does not give any advice, does not express any official expert opinion and does not give any statistician indicators that are mandatory for use with respect to PET, and other cryptocurrencies. You make all decisions at your own risk and discretion. Our Platform does not contain the advice, opinion or mandatory data, which are binding or warrant the consequences, but, the Platform may contain background information that you may use at your own risk and discretion.

#### **11. Disclaimer of Warranties and Limitation of Liability.**

PET TOKENS ARE TO BE PROVIDED ON AN “AS IS” BASIS AND WITHOUT ANY WARRANTIES OF ANY KIND, EITHER EXPRESSED OR IMPLIED. YOU ASSUME ALL RESPONSIBILITY AND RISK WITH RESPECT TO BUYING OF ANY AMOUNT OF PET TOKENS AND THEIR USE. THE BUYER HEREBY EXPRESSLY AGREES THAT, TO THE MAXIMUM EXTENT PERMITTED BY THE APPLICABLE LAW, THE SELLER DOES NOT ACCEPT ANY LIABILITY FOR ANY DAMAGE OR LOSS, INCLUDING LOSS OF BUSINESS, REVENUE, OR PROFITS, OR LOSS OF OR DAMAGE TO DATA, EQUIPMENT, OR SOFTWARE (DIRECT, INDIRECT, PUNITIVE, ACTUAL, CONSEQUENTIAL, INCIDENTAL,

SPECIAL, EXEMPLARY OR OTHERWISE), RESULTING FROM ANY USE OF, OR INABILITY TO USE, THIS WEBSITE OR THE MATERIAL, INFORMATION, SOFTWARE, FACILITIES, SERVICES OR CONTENT ON THIS WEBSITE, AS WELL AS FROM PURCHASING OF PET TOKENS, REGARDLESS OF THE BASIS, UPON WHICH THE LIABILITY IS CLAIMED AND EVEN IF THE SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. THE BUYER UNDERSTANDS AND AGREES THAT THE SELLER SHALL NOT BE HELD LIABLE TO AND SHALL NOT ACCEPT ANY LIABILITY, OBLIGATION OR RESPONSIBILITY WHATSOEVER FOR ANY CHANGE OF THE VALUE OF PET TOKENS. THE BUYER UNDERSTANDS AND EXPRESSLY AGREES THAT THE SELLER SHALL NOT GUARANTY IN ANY WAY THAT PET TOKENS MIGHT BE SOLD OR TRANSFERRED DURING OR AFTER THE TOKE SALE. IF APPLICABLE LAW DOES NOT ALLOW ALL OR ANY PART OF THE ABOVE LIMITATION OF LIABILITY TO APPLY TO THE BUYER, THE LIMITATIONS WILL APPLY TO THE BUYER ONLY TO THE EXTENT PERMITTED BY APPLICABLE LAW. THE BUYER UNDERSTANDS AND AGREES THAT IT IS HIS/HER OBLIGATION TO ENSURE COMPLIANCE WITH ANY LEGISLATION RELEVANT TO HIS/HER COUNTRY OF DOMICILE CONCERNING PURCHASING OF PET TOKENS, AND THAT THE SELLER SHOULD NOT ACCEPT ANY LIABILITY FOR ANY ILLEGAL OR UNAUTHORIZED PURCHASING OF PET TOKENS. THE BUYER AGREES TO BE SOLELY RESPONSIBLE FOR ANY APPLICABLE TAXES IMPOSED ON PET TOKENS PURCHASED HEREUNDER.

## **12. Taxes.**

The purchase price that you pay for PET's is exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase, exchange and sell of PET's, 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. You agree that PayNext is not responsible for withholding, collecting, reporting, or remitting any sales, use, value-added, or similar tax arising from your purchase and sell of PET's.

## **13. Jurisdiction and Dispute Resolution.**

PLEASE READ THE FOLLOWING PARAGRAPH CAREFULLY BECAUSE IT REQUIRES YOU TO ARBITRATE DISPUTES WITH US AND IT LIMITS THE MANNER IN WHICH YOU CAN SEEK RELIEF. All questions concerning the construction, validity, enforcement, and interpretation of these Terms shall be governed



by and construed and enforced in accordance with the laws of England and Wales. Any controversy or claim (hereinafter - the “Disputes”) arising out of or relating to this Terms or the breach thereof, shall be settled by binding arbitration administered by The International Arbitration and cryptography Centre Limited (hereinafter – “IACC”). The number of arbitrators shall be one. The seat, or legal place, of arbitration shall be London, England and Arbitration hearings will be held online in accordance with IACC rules. The language to be used in the arbitral proceedings shall be English. In case any dispute arises Buyer should contact Company.

#### **14. Miscellaneous.**

These Terms constitute the entire agreement between the Buyer and the Seller relating to the Buyer’s purchase of PET Tokens from the Buyer during the Sale Period. No provision of these Terms shall be considered waived unless such waiver is in writing and signed by the Party that benefits from the enforcement of such provision. If any term, provision, covenant or restriction of these Terms is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated. The Seller may assign the Seller’s rights and obligations under these Terms. Any notice or other communication is given or made under these Terms shall be and may be delivered in electronic form; in case of Buyer – to the address he/she indicates while registering on the Platform. At any time, the Seller may make changes to these Terms as reasonably required to comply with applicable law or regulation. The amended Terms will be effective immediately. In no way, the Seller shall be liable for any delay or failure to perform any obligations under these Terms as a result of a cause beyond the Seller’s reasonable control. These Terms and purchasing of PET Tokens by the Buyer in no way create any exclusive relationship between the Buyer and the Seller nor any partnership, joint venture, employment or agency.