

# YDENTITY (YDY) TOKEN SALE TERMS AND CONDITIONS

The following **Terms and Conditions** ("**Terms**") govern your ("**you**" or the "**Purchaser**") purchase of cryptographic tokens ("**YDENTITY Tokens**") from Bright Nation Limited (the "**Company**"), a company incorporated in Hong Kong. Any words, phrases, sentences or paragraphs herein that are in BLOCK CAPITALS are for emphasis and your special attention only and do not have any different legal implications from anything in lower case.

Each of you/the Purchaser and the Company is a "**Party**" and collectively the "**Parties**" to the Terms set out herein. This document is not a solicitation for investment and does not constitute in any way to an offering of securities in any jurisdiction. This document sets out the Terms on which YDENTITY Tokens are offered for sale.

IF YOU DO NOT AGREE TO THESE TERMS, DO NOT PURCHASE YDENTITY TOKENS FROM THE COMPANY. BY PURCHASING YDENTITY TOKENS FROM THE COMPANY, YOU WILL BE BOUND BY THESE TERMS AND ANY TERMS INCORPORATED BY REFERENCE. IF YOU HAVE ANY QUESTIONS REGARDING THESE TERMS, PLEASE CONTACT THE COMPANY AT [yidentity@yidentity.org](mailto:yidentity@yidentity.org)

By purchasing YDENTITY Tokens, and to the maximum extent permitted by law, you hereby agree not to hold the Company and its respective past, present and future employees, officers, directors, contractors, consultants, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns (the "**BNL Team**") liable for any losses or any special, punitive, direct or indirect, incidental, or consequential damages arising from, out of or in connection with the sale of YDENTITY Tokens, including losses associated with the terms set forth below.

## WARNING STATEMENT

**YDENTITY TOKENS ARE NOT OPEN FOR PURCHASE TO ANY RESIDENTS/TAX RESIDENTS/CITIZENS OF THE FOLLOWING COUNTRIES/TERRITORIES:**

**PEOPLE'S REPUBLIC OF CHINA**

**THE HONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA**

**THE MACAU ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA**

**THE UNITED STATES OF AMERICA AND ALL DEPENDENT TERRITORIES**

**REPUBLIC OF TAIWAN**

**REPUBLIC OF SOUTH KOREA**

**THE COMPANY'S KYC AND PURCHASING PROCESSES ARE DESIGNED TO THE MAXIMUM EXTENT POSSIBLE TO PRECLUDE SALES OF YDENTITY TOKENS TO PURCHASERS FALLING INTO ANY OF THE ABOVE CLASS OF PERSONS AND ANY PURPORTED SALES TO SUCH PERSONS WHICH TAKE PLACE DUE TO ANY MISREPRESENTATION AS TO NATIONALITY OR RESIDENCY STATUS OF SUCH PERSON SHALL BE VOID AND IMMEDIATELY RESCINDED.**

DO NOT PURCHASE YDENTITY TOKENS IF YOU ARE NOT AN EXPERT IN DEALING WITH CRYPTOGRAPHIC TOKENS AND BLOCKCHAIN-BASED SOFTWARE SYSTEMS. PRIOR TO PURCHASING YDENTITY TOKENS, YOU SHOULD CAREFULLY CONSIDER THE TERMS LISTED BELOW AND, TO THE EXTENT NECESSARY, CONSULT AN APPROPRIATE LAWYER, ACCOUNTANT, OR TAX PROFESSIONAL. IF ANY OF THE FOLLOWING TERMS ARE UNACCEPTABLE TO YOU, YOU SHOULD NOT PURCHASE YDENTITY TOKENS.

PURCHASES OF YDENTITY TOKENS SHOULD BE UNDERTAKEN ONLY BY INDIVIDUALS, ENTITIES, OR COMPANIES THAT HAVE SIGNIFICANT EXPERIENCE WITH, AND UNDERSTANDING OF, THE USAGE AND INTRICACIES OF CRYPTOGRAPHIC TOKENS, INCLUDING BITCOINS, ETHEREUM TOKENS, AND BLOCKCHAIN BASED SOFTWARE SYSTEMS. PURCHASERS SHOULD HAVE A FUNCTIONAL UNDERSTANDING OF STORAGE AND TRANSMISSION MECHANISMS ASSOCIATED WITH OTHER CRYPTOGRAPHIC TOKENS. WHILE THE COMPANY WILL BE AVAILABLE TO ASSIST PURCHASERS OF YDENTITY TOKENS DURING THE SALE, THE COMPANY WILL NOT BE RESPONSIBLE IN ANY WAY FOR LOSS OF BTC, ETH OR YDENTITY TOKENS RESULTING FROM ACTIONS TAKEN BY, OR OMITTED BY PURCHASERS. IF YOU DO NOT HAVE SUCH EXPERIENCE OR EXPERTISE, THEN YOU SHOULD NOT PURCHASE YDENTITY TOKENS OR PARTICIPATE IN THE SALE OF YDENTITY TOKENS. YOUR PARTICIPATION IN YDENTITY TOKENS SALE IS DEEMED TO BE YOUR UNDERTAKING THAT YOU SATISFY THE REQUIREMENTS MENTIONED IN THIS PARAGRAPH.

ANY PURCHASE OF YDNTITY TOKENS ARE MADE ON THE TERMS SET OUT BELOW:

## **OVERVIEW OF YDENTITY TOKENS SALE**

### **1. General**

THE COMPANY REPEATS THE RESTRICTION ON SALES TO PERSONS WHO ARE RESIDENT/TAX RESIDENT OR NATIONALS OF THE JURISDICTIONS SET OUT ABOVE.

When you purchase or otherwise receive a YDENTITY Token, you may only do so by accepting the following conditions and, by doing so, you warrant and represent that the following statements reflect a true and accurate description of the basis on which you are acquiring YDENTITY Tokens:

- neither the Company nor any of the BNL Team has provided you with any advice regarding whether YDENTITY Tokens is a suitable investment for you;
- you have sufficient understanding of the functionality, usage, storage, transmission mechanisms and intricacies associated with cryptographic tokens,

such as Bitcoin and Ether, as well as blockchain-based software systems generally;

- you are legally permitted to receive and hold and make use of YDENTITY Tokens in your and any other relevant jurisdiction;
- you will supply us with all information, documentation or copy documentation that we require in order to allow us to accept your purchase of YDENTITY Tokens and allocate YDENTITY Tokens to you;
- you have not supplied us with information relating to your acquisition of YDENTITY Tokens or otherwise which is inaccurate or misleading;
- you will provide us with any additional information which may be reasonably required in order that we can fulfil our legal, regulatory and contractual obligations, including but not limited to any anti-money laundering obligation;
- you will notify us promptly of any change to the information supplied by you to us;
- you are of a sufficient age (if an individual) legally to purchase and have legal and beneficial ownership of YDENTITY Tokens and you are not aware of any other legal reason to prevent you from owning YDENTITY Tokens;
- you take sole responsibility for any restrictions and risks associated with receiving and holding YDENTITY Tokens, including but not limited to these set out in Annex A;
- by acquiring YDENTITY Tokens, you are not making a regulated investment, as this term may be interpreted by the regulator in your jurisdiction;
- you are not obtaining or using YDENTITY Tokens for any illegal purpose, and will not use YDENTITY Tokens for any illegal purpose;
- you waive any right you may have / obtain to participate in a class action lawsuit or a class wide arbitration against any entity or individual involved with the sale of YDENTITY Tokens;
- your acquisition of YDENTITY Tokens not involve your purchase or receipt of shares, ownership or any equivalent in any existing or future public or private company, corporation or other entity in any jurisdiction;
- to the extent permitted by law and provided we act in good faith, the Company makes no warranty whatsoever, either expressed or implied, regarding the future success of YDENTITY Tokens and/or the Ethereum Network;
- you accept that YDENTITY Tokens have been created and you have obtained YDENTITY Tokens on an "as is" and "under development" basis. Therefore, provided the Company acts in good faith, you accept that the Company is providing YDENTITY Tokens without being able to provide any warranties in relation to YDENTITY Tokens, including, but not limited to, title, merchantability or fitness for a particular purpose;
- you accept that you bear sole responsibility for determining if (i) the acquisition, the allocation, use or ownership of YDENTITY Tokens (ii) the potential appreciation or depreciation in the value of YDENTITY Tokens over time, if any, (iii) the sale and purchase of YDENTITY Tokens; and/or (iv) any other action or transaction related to YDENTITY Tokens has tax implications.

## 2. Overview of YDENTITY Tokens sale

YDENTITY Tokens are a tradable Application Programming Interface required for proper operation and comprehensive utilisation of the decentralised Ycommunity to be operated by the Company (as defined in the white paper provided at <https://YDENTITY.org> (the "Website") as at the date the Purchaser acquires YDENTITY Tokens). After the YDENTITY Tokens sale, each YDENTITY Token API can become a unique identity or "YDY" when activated (by completing the survey in the app) by a member and be used to onboard, underwrite or authenticate according to the different use cases, as described in the White Paper.

To the extent they do not contradict these Terms, the rights connected to YDENTITY Tokens are subject to the limitations set out in the White Paper, but this should in no case create obligations for the Company in addition to the ones contained in these Terms. The Company reserves the right to circumvent the algorithm used to select and accept the members in the Ycommunity if it believes, in its sole discretion, that such selected members could adversely affect the Company or YDENTITY Tokens or the Ycommunity from a regulatory or legal perspective.

The maximum total amount of YDENTITY Tokens to be issued is 1,000,000,000 (roughly equivalent to US\$250,000,000). YDENTITY Tokens are generated as Purchasers buy them and the total supply of YDENTITY Tokens will be fixed after the end of the YDENTITY Tokens sale. No more YDENTITY Tokens will be issued after the end of the YDENTITY Tokens sale, as described in the preceding paragraph. Ownership of YDENTITY Tokens during the YDENTITY Tokens token sale carries no rights express or implied. Purchases of YDENTITY Tokens are non-refundable.

The anticipated distribution of the YDENTITY Tokens is as follows:

- 45% ICO Participants;
- 26% Ycommunity bonus and incentive program;
- 2% Bounties;
- 8 % Developers and cyber security systems;
- 8 % Marketing and communication;
- 4 % BNL Founder;
- 3 % Investors
- 3 % BNL Team and Advisors;
- 1 % Legal and Compliance;

## 3. YDENTITY Tokens Price

Purchasers in the YDENTITY Tokens token sale will be allocated their YDENTITY Tokens in exchange for BTC or ETH at the following rate:

- during the Airdrop 10,000,000 YDENTITY Tokens token at no cost;
- during Pre-sale 1: 60,000,000 YDENTITY Tokens: US\$ 0.1625 per token;
- during Pre-sale 2: 80,000,000 YDENTITY Tokens: US\$ 0.1875 per token;

- during the ICO Core Sale 200,000,000 YDENTITY Tokens:
  - US\$ 0.2 per token for the first two weeks;
  - US\$ 0.2125 per token for the third week;
  - US\$ 0.225 per token until the sale cap of US\$ 50 million is reached.

The US Dollars to BTC or ETH exchange rate is used to dynamically set the BTC or ETH to YDENTITY Tokens rate. As a result, for the duration of the YDENTITY Tokens sale, the price to purchase the YDENTITY Tokens will be set as an amount in BTC and ETH.

Purchaser must have a BTC or Ethereum wallet that supports the ERC-20 token standard in order to receive any YDENTITY Tokens purchased from the Company.

#### **4. Timing of YDENTITY Tokens Sale**

The YDENTITY Tokens sale is preceded by an Airdrop between 1<sup>st</sup> and 7<sup>th</sup> May 2018 and begins on the 7th May 2018 at 09:00 GMT - The YDENTITY Tokens Pre-sale 1 will run for 14 calendar days and will end on the 21st May 2018. - The YDENTITY Tokens Pre-sale 2 will start on 10<sup>th</sup> September 2018, run for 14 calendar days and end on 24<sup>th</sup> September 2018. – The YDENTITY Tokens ICO Core Sale will start on 3<sup>rd</sup> December 2018 and end on 14<sup>th</sup> January 2019 or when the YDENTITY Tokens sale cap is reached. The Company reserves the right to change the sale dates or extend the sale duration for any reason, including the unavailability of the Website or other unforeseen security or procedural issues.

The general public will be able to see the total number of YDENTITY Tokens currently sold, as well as the distribution of all YDENTITY Tokens between the participating Bitcoin and Ethereum accounts. In the spirit of openness, the Company will constantly update on the Website the number of tokens sold as well as the share of YDENTITY Tokens allocated to the shareholders of Company. Furthermore, the Bitcoin or Ethereum accounts used to store BTC or ETH during the YDENTITY Tokens sale duration will publicly available and their balances will also be made available on the Website.

#### **5. After the YDENTITY Tokens Sale**

Purchasers should have no expectation of influence over governance of the Company or any equity interest in the Company whether by virtue of ownership of a YDENTITY Token or otherwise howsoever. Ownership of a Token gives the owner the sole right to belong to the YDENTITY Ycommunity.

Prior to a Purchaser selling YDENTITY Tokens after the YDENTITY Tokens sale completion, such Purchaser shall ensure that any buyer of any such YDENTITY Tokens undertakes to comply with all the provisions of these Terms as if such person were a Purchaser in the YDENTITY Tokens sale.

**6. The Company Will Not Purchase YDENTITY Tokens during the YDENTITY Tokens Sale**

The Company warrants that neither it nor its shareholders shall purchase YDENTITY Tokens during the YDENTITY Tokens sale. Furthermore, the Company warrants that neither it nor its shareholders will purchase YDENTITY Tokens from any third party during the period of the YDENTITY Tokens sale.

**7 All purchases of YDENTITY Tokens are final**

ALL PURCHASES OF YDENTITY TOKENS ARE FINAL. PURCHASES OF YDENTITY Tokens ARE NON-REFUNDABLE. BY PURCHASING YDENTITY TOKENS, THE PURCHASER ACKNOWLEDGES THAT NEITHER THE COMPANY NOR ANY OF ITS AFFILIATES, DIRECTORS OR SHAREHOLDERS ARE REQUIRED TO PROVIDE A REFUND FOR ANY REASON.

IF THE COMPANY BELIEVES, IN ITS SOLE DISCRETION, THAT ANY INDIVIDUALS OR ENTITIES OWNING YDENTITY TOKENS CREATES MATERIAL REGULATORY OR OTHER LEGAL RISKS OR ADVERSE EFFECTS FOR THE COMPANY AND/OR YDENTITY TOKENS, THE COMPANY RESERVES THE RIGHT TO: (A) BUY ALL YDENTITY TOKENS FROM SUCH YDENTITY TOKENS OWNERS AT THE THEN-EXISTING MARKET PRICE AND/OR (B) SELL ALL CRYPTOCURRENCY ASSETS OF THE COMPANY.

**8. Taxation of YDENTITY Tokens and Taxation Related to the ICO**

The Purchaser bears the sole responsibility to determine if the purchase of YDENTITY Tokens with BTC, ETH or the potential appreciation or depreciation in the value of YDENTITY Tokens over time has tax implications for the Purchaser in the Purchaser's home jurisdiction. By purchasing YDENTITY Tokens, and to the extent permitted by law, the Purchaser agrees not to hold any of the Company, its affiliates, shareholders, director, or advisors liable for any tax liability associated with or arising from the purchase of YDENTITY Tokens.

**9. Privacy**

The Purchasers may be contacted by email by the Company. Such emails will be informational only. The Company will not request any information from Purchasers in an email. See our Privacy Policy available on the Website for additional information.

**10. Force Majeure**

The BNL Team is not liable for failure to perform solely caused by:

- unavoidable casualty,
- delays in delivery of materials,
- embargos,
- government orders,

- acts of civil or military authorities,
- acts by common carriers,
- emergency conditions (including weather conditions),
- security issues arising from the technology used

or any similar unforeseen event that renders performance commercially implausible. If an event of force majeure occurs, the party injured by the other's inability to perform may elect to suspend the Terms, in whole or part, for the duration of the force majeure circumstances. The party experiencing the force majeure circumstances shall cooperate with and assist the injured party in all reasonable ways to minimise the impact of force majeure on the injured party.

## **11. Disclaimer of Warranties**

THE PURCHASER EXPRESSLY AGREES THAT THE PURCHASER IS PURCHASING YDENTITY TOKENS AT THE PURCHASER'S SOLE RISK AND THAT YDENTITY TOKENS ARE PROVIDED ON AN "AS IS" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF TITLE OR IMPLIED WARRANTIES, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE (EXCEPT ONLY TO THE EXTENT PROHIBITED UNDER APPLICABLE LAW WITH ANY LEGALLY REQUIRED WARRANTY PERIOD TO THE SHORTER OF THIRTY DAYS FROM FIRST USE OR THE MINIMUM PERIOD REQUIRED). WITHOUT LIMITING THE FOREGOING, NONE OF THE BNL TEAM WARRANTS THAT THE PROCESS FOR PURCHASING YDENTITY TOKENS WILL BE UNINTERRUPTED OR ERROR-FREE.

## **12. Limitations Waiver of Liability**

THE PURCHASER ACKNOWLEDGES AND AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY ANY APPLICABLE LAW, THE DISCLAIMERS OF LIABILITY CONTAINED HEREIN APPLY TO ANY AND ALL DAMAGES OR INJURY WHATSOEVER CAUSED BY OR RELATED TO (i) USE OF, OR INABILITY TO USE, YDENTITY TOKENS OR (ii) THE BNL TEAM UNDER ANY CAUSE OR ACTION WHATSOEVER OF ANY KIND IN ANY JURISDICTION, INCLUDING, WITHOUT LIMITATION, ACTIONS FOR BREACH OF WARRANTY, BREACH OF CONTRACT OR TORT (INCLUDING NEGLIGENCE) AND THAT NONE OF THE BNL TEAM SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING FOR LOSS OF PROFITS, GOODWILL OR DATA, IN ANY WAY WHATSOEVER ARISING OUT OF THE USE OF, OR INABILITY TO USE, OR PURCHASE OF, OR INABILITY TO PURCHASE, YDENTITY TOKENS, OR ARISING OUT OF ANY INTERACTION WITH THE SMART CONTRACT IMPLEMENTED IN RELATION TO YDENTITY TOKENS. THE PURCHASER FURTHER SPECIFICALLY ACKNOWLEDGES THAT THE BNL TEAM IS NOT LIABLE FOR THE CONDUCT OF THIRD PARTIES, INCLUDING OTHER PURCHASERS OF YDENTITY TOKENS, AND THAT THE RISK OF PURCHASING AND USING YDENTITY TOKENS RESTS ENTIRELY WITH THE PURCHASER. TO THE EXTENT PERMISSIBLE UNDER APPLICABLE LAWS, UNDER NO CIRCUMSTANCES WILL ANY OF THE BNL TEAM BE LIABLE TO ANY PURCHASER FOR MORE THAN THE AMOUNT THE PURCHASER HAVE PAID TO THE COMPANY FOR THE PURCHASE OF YDENTITY TOKENS. SOME JURISDICTIONS DO NOT

ALLOW THE EXCLUSION OF CERTAIN WARRANTIES OR THE LIMITATION OR EXCLUSION OF LIABILITY FOR CERTAIN TYPES OF DAMAGES. THEREFORE, SOME OF THE ABOVE LIMITATIONS IN THIS SECTION AND ELSEWHERE IN THE TERMS MAY NOT APPLY TO A PURCHASER. IN PARTICULAR, NOTHING IN THESE TERMS SHALL AFFECT THE STATUTORY RIGHTS OF ANY PURCHASER OR EXCLUDE INJURY ARISING FROM ANY WILFUL MISCONDUCT OR FRAUD OF THE BNL TEAM.

**13. Complete Agreement**

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

**14. Severability**

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

**15. No Waiver**

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

**16. Updates to the Terms**

The Company reserves the right, at its sole discretion, to change, modify, add, or remove portions of the Terms at any time during the sale by posting the amended Terms on the Website. Any Purchaser will be deemed to have accepted such changes by purchasing YDENTITY Tokens. The Terms may not be otherwise amended except by express consent of both the Purchaser and the Company.



## **17. Cooperation with Legal Authorities**

The Company will cooperate with all law enforcement enquiries, subpoenas, or requests provided they are fully supported and documented by the law in the relevant jurisdictions.

## **18. Indemnification**

To the fullest extent permitted by applicable law, you will indemnify, defend and hold harmless the BNL Team from and against all claims, demands, actions, damages, losses, costs and expenses (including attorneys' fees) that arise from or relate to: (i) your purchase or use of YDENTITY Tokens; (ii) your responsibilities or obligations under these Terms; (iii) your violation of these Terms; or (iv) your violation of any rights of any other person or entity.

The Company reserves the right to exercise sole control over the defence, at your expense, of any claim subject to indemnification under this Section 18. This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between you and the Company.

## **19. Security**

You are responsible for implementing reasonable measures for securing the wallet, vault or other storage mechanism you use to receive and hold YDENTITY Tokens purchased from the Company, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If your private key(s) or other access credentials are lost, you may lose access to your YDENTITY Tokens. The Company is not responsible for any losses, costs or expenses relating to lost access credentials.

## **20. Language**

The English language is the official language used by the Company. In all situations where a difference arises due to the use of other languages, the English language shall prevail – in particular in relation to these Terms, the White Paper and any official/legal documentation relating to YDENTITY Tokens.

## **21. Governing Law**

The Terms, the arbitration clause contained in them, and all non-contractual obligations arising in any way whatsoever out of or in connection with these Terms are governed by, construed, and take effect in accordance with **Swiss** law and any disputes arising from the sale of YDENTITY Tokens shall be submitted to the exclusive jurisdiction of the **Canton of Zug**.

## YDENTITY TOKENS RISK STATEMENT

By purchasing, owning, and using YDENTITY Tokens, you expressly acknowledge and assume the following risks:

### **1. Risk of Losing Access to YDENTITY Tokens Due to Loss of Private Key, Custodial Error or Purchaser Error**

A private key is necessary to control and dispose of YDENTITY Tokens stored in your digital wallet. Accordingly, loss of requisite private key associated with your digital wallet storing YDENTITY Tokens will result in loss of such YDENTITY Tokens. Moreover, any third party that gains access to such private key, including by gaining access to login credentials of a hosted wallet service you use, may be able to misappropriate your YDENTITY Tokens.

Any errors or malfunctions caused by or otherwise related to the digital wallet you choose to receive and store YDENTITY Tokens in, including your own failure to properly maintain or use such digital wallet, may also result in the loss of your YDENTITY Tokens.

Additionally, your failure to follow precisely the procedures set forth in for buying and receiving Tokens, including, for instance, if you provide the wrong address for the receiving YDENTITY Tokens, or provides an address that is not ERC-20 compatible, may result in the loss of your YDENTITY Tokens.

### **2. Risks Associated with the Ethereum Protocol**

YDENTITY Tokens is based on Hyperledger FB, not Ethereum, thus breakdown or abandonment of the Ethereum protocol will have limited effect on YDENTITY Tokens. In addition, YDENTITY Tokens utilises GuardTime KSI whose hash functions cannot be broken using quantum algorithms.

### **3. Risk of Mining Attacks**

Because YDENTITY Tokens is based on Hyperledger FB, thus the attacks against Ethereum have limited impact on YDENTITY Tokens. YDENTITY Tokens does integrate with Ethereum via ERC20 connector but YDENTITY Tokens is not an Ethereum token.

### **4. Risk of Hacking and Security Weaknesses**

YDENTITY Tokens utilises industry leading cyber security platform GuardTime Keyless Signature Infrastructure (KSI) to enhance security defence, protect data integrity and minimise hacking risks.

Although this platform is not based on open-source software, there is always a risk of weaknesses into the core infrastructure of the platform, which could negatively affect the platform and YDENTITY Tokens, including the utility of YDENTITY Tokens for obtaining services.

#### **5. Risks Associated with Markets for YDENTITY Tokens**

If secondary trading of Tokens is facilitated by third party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to fraud or manipulation. Furthermore, to the extent that third-parties do ascribe an external exchange value to YDENTITY Tokens (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile.

#### **6. Risk of Uninsured Losses**

Unlike bank accounts or accounts at some other financial institutions, YDENTITY Tokens are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer or private insurance arranged by Company, to offer recourse to you.

#### **7. Risks Associated with Uncertain Regulations and Enforcement Actions**

The regulatory status of YDENTITY Tokens and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to such technology and its applications, including the Company and the YDENTITY.ORG platform.

It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to law and regulation affecting distributed ledger technology and its applications, including the platform and YDENTITY Tokens.

Regulatory actions could negatively impact the platform and YDENTITY Tokens in various ways, including, for purposes of illustration only, through a determination that the purchase, sale and delivery of YDENTITY Tokens constitutes unlawful activity or that YDENTITY Tokens are a regulated instrument that require registration or licensing of those instruments or some or all of the parties involved in the purchase, sale and delivery thereof.

The Company may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

#### **8. Risks Arising from Taxation**

The tax characterisation of YDENTITY Tokens is uncertain. You must seek your own tax advice in connection with purchasing YDENTITY Tokens, which may result in

adverse tax consequences to you, including withholding taxes, income taxes and tax reporting requirements.

**9. Risk of Competing platforms**

It is possible that alternative platforms could be established that utilise the same open source code and protocol underlying the platform and attempt to facilitate services that are materially similar to the Company's services.

**10. Risks Arising from Lack of Governance Rights**

Because YDENTITY Tokens confer no governance rights of any kind with respect to the YDENTITY.org platform or the Company, all decisions involving the Company's products or services within the platform or the Company itself will be made by the Company at its sole discretion. These decisions could adversely affect the platform and the utility of any YDENTITY Tokens you own, including their utility for obtaining services.

**11. Unanticipated Risks**

Cryptographic tokens such as YDENTITY Tokens are a new and untested technology. In addition to the risks included in this Annex A of these Terms, there are other risks associated with your purchase, possession and use of YDENTITY Tokens, including unanticipated risks. Such risks may further materialise as unanticipated variations or combinations of the risks discussed in this Annex A of these Terms.

Further Information

For further information regarding the YDENTITY Tokens sale, please contact [f.jumelle@YDENTITY.org](mailto:f.jumelle@YDENTITY.org) or [e.dooley@YDENTITY.org](mailto:e.dooley@YDENTITY.org)

**PRIVACY POLICY**

The Company is registered under the laws of the Hong Kong SAR and is committed to protecting and respecting your privacy and that attaching to your personal data.

This policy (together with our terms of use is available at <https://YDENTITY.org> and any other document referring to it) sets out the basis on which any personal data we collect from you, or that you provide to us, will be processed by us. Please read the following carefully to understand our views and practices regarding your personal data and how we will treat it. By visiting the Website, you are accepting and consenting to the practices described in this policy.

Information We Shall Collect from You

We shall collect and process the following data about you:

- **Information you give us.** This is information about you that you give us by filling in forms on the Website or app or by corresponding with us by e-mail or otherwise. The information you give us may include name, address, age, gender, e-mail address, phone number, credit cards, country, preferences and answers to a psychometric test including result in the case of token activation.
- **Information we collect about you.** With regard to each of your visits to our site we will automatically collect the following information:
  - technical information, including the Internet protocol (IP) address used to connect your computer to the Internet, your login information, browser type and version, time zone setting, browser plug-in types and versions, operating system and platform;
  - information about your visit, including the full Uniform Resource Locators (URL), clickstream to, through and from our site (including date and time), products you viewed or searched for, page response times, download errors, length of visits to certain pages, page interaction information (such as scrolling, clicks, and mouse-overs), methods used to browse away from the page, and any phone number used to call our customer service number.
  - **Information we receive from other sources.** We are working closely with third parties (including, for example, business partners, sub-contractors in technical, payment and delivery services, advertising networks, analytics providers, search information providers, credit reference agencies) who may provide us information about you.

## Cookies

Our website uses cookies to distinguish you from other users of our website. This helps us to provide you with a good experience when you browse our website and also allows us to improve our site.

## Uses Made of the Information

We use information held about you in the following ways:

- **Information you give to us.** We will use this information:
  - to carry out our obligations arising from any contracts entered into between you and us and to provide you with the information, products and services that you request from us;
  - to comply with applicable laws and legislation;
  - to provide you with information about other goods and services we offer that are similar to those that you have already purchased or enquired about;
  - to notify you about changes to our service;
  - to ensure that content from our site is presented in the most effective manner for you and for your computer.
- **Information we collect about you.** We will use this information:
  - to administer our site and for internal operations, including troubleshooting, data analysis, testing, research, statistical and survey purposes;
  - to comply with applicable laws and legislation;

- to improve our site to ensure that content is presented in the most effective manner for you and for your computer;
- to allow you to participate in interactive features of our service, when you choose to do so;
- as part of our efforts to keep our site safe and secure;
- to measure or understand the effectiveness of advertising we serve to you and others, and to deliver relevant advertising to you;
- to make suggestions and recommendations to you and other users of our site about goods or services that may interest you or them.
- **Information we receive from other sources.** We will combine this information with information you give to us and information we collect about you. We will use this information and the combined information for the purposes set out above (depending on the types of information we receive).

### Disclosure of Your Information

You agree that we have the right to share your personal information with:

- **The BNL Team.**
- Selected third parties including business partners, suppliers, and sub-contractors for the performance of any contract we enter into with them or you;

We will disclose your personal information to third parties:

- If we are under a duty to disclose or share your personal data in order to comply with any legal obligation, or in order to enforce or apply our terms of use of the Website and other agreements; or to protect the rights, property, or safety of the Company or BNL Team, our customers, or others. This includes exchanging information with other companies and organisations for the purposes of fraud protection and credit risk reduction.

Unfortunately, the transmission of information via the internet is not completely secure. Although we will do our best to protect your personal data, we cannot guarantee the security of your data transmitted to our site; any transmission is at your own risk. Once we have received your information, we will use strict procedures and security features to try to prevent unauthorised access.

### Your Rights

You have the right to ask us not to process your personal data for marketing purposes. You can also exercise the right at any time by contacting us at [YIDENTITY@YIDENTITY.org](mailto:YIDENTITY@YIDENTITY.org)

Our site may, from time to time, contain links to and from the websites of our partner networks, advertisers and affiliates. If you follow a link to any of these websites, please note that these websites have their own privacy policies and that we do not accept any responsibility or liability for these policies.

Please check these policies before you submit any personal data to these websites.

## Changes to our Privacy Policy

Any changes we make to our privacy policy in the future will be posted on this page. Please check back frequently to see any updates or changes to our privacy policy.

## Contact

Questions, comments and requests regarding this privacy policy are welcomed and should be addressed to [YDENTITY@YDENTITY.org](mailto:YDENTITY@YDENTITY.org).

## YDENTITY TOKENS SALE APPLICATION

### REPRESENTATIONS AND AUTHORISATIONS

#### 1. Confidentiality

I will keep confidential and will not disclose to third parties (other than my tax or other financial advisors under like conditions of confidentiality) any and all information regarding the Company, a company registered under the laws of Hong Kong SAR, provided, however, that this confidential treatment shall not apply to the tax treatment and tax structure of an acquisition of YDENTITY Tokens and all materials of any kind (including opinions or other tax analyses) that are provided to me relating to such tax treatment and tax structure.

#### 2. Authorisation and Indemnification

2.1 I hereby authorise and instruct each of the Company and Smart Contract Supporter to accept and execute any instructions given in relation to any YDENTITY Tokens acquired by me. I agree to keep each of them indemnified against any loss of any nature whatsoever arising to any of them as a result of any of them acting upon such instructions and they may each rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other instrument believed in good faith to be genuine or to be signed by properly authorised persons.

2.2 I indemnify and hold harmless each of the Company and the Smart Contract Supporter against any loss of any nature whatsoever arising to any of them as a result of any of them acting upon instructions given in relation to any YDENTITY Tokens purchased by me.

2.3 I indemnify and hold harmless the Company and the Smart Contract Supporter and their respective directors, members, partners, shareholders, officers, employees, agents, and affiliates (collectively, the “**Indemnified Parties**”) from and against any and all losses, liabilities, damages, penalties, costs, fees and expenses (including legal fees and disbursements) that may result, directly or indirectly, from any inaccuracy in or breach of any representation, warranty, covenant or Application set forth in this

Application or in any other document I deliver to the Company and the Smart Contract Supporter, or from my assertion of my proper authorisation to act.

- 2.4 I indemnify and hold harmless the Company and the Smart Contract Supporter and each of its agents and delegates and each of their respective principals, members, managers, officers, directors, stockholders, employees, and agents (each a FATCA Indemnified Party) and hold them harmless from and against any withholding and any FATCA (or other withholding or information reporting) related liability, action, proceeding, claim, demand, costs, damages, expenses (including legal expenses) penalties or taxes whatsoever which a FATCA Indemnified Party may suffer or incur as a result of any action or inaction on my part (or on the part of any person related to me). This indemnification shall survive my death or the disposition of my YDENTITY Tokens token(s).
- 2.5 I indemnify and hold harmless the Company and the Smart Contract Supporter against any loss arising as a result of a delay or failure to process this application or a redemption request if I have failed to provide such evidence as is required by such parties to satisfy applicable anti-money laundering rules.
- 2.6 I understand, acknowledge and agree that:
- a. any Indemnified Party, FATCA Indemnified Party or other identifiable person who is not a party to this Application may enforce any rights granted to it pursuant to this Application in its own right as if it was a party to this Application. Except as expressly provided in the foregoing sentence, a person who is not a party to this Application shall not have any rights under the Contracts (Rights of Third Parties) Law, 2014 (as amended) to enforce any term of this Application. Notwithstanding any term of this Application, the consent of or notice to any person who is not a party to this Application shall not be required for any termination, rescission or Application to any variation, waiver, assignment, novation, release or settlement under this Application at any time;
  - b. the Company and the Smart Contract Supporter may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other instrument believed in good faith to be genuine, howsoever given; and
  - c. the Company and the Smart Contract Supporter will protect and indemnify its agents, delegates, service providers, officers, directors and other representatives against liability.

### **3. Acknowledgments**

I understand, acknowledge and agree as follows:

#### **3.1 Interpretation**

- a. Terms not defined herein will be as defined in the White Paper and Terms and Conditions (collectively, the Token Sale Terms) located at the Website.



- b. References to Token Sale Terms and the Articles are to those documents as they may be amended from time to time.

### 3.2 *White Paper and/or Terms and Conditions*

- a. I have received and reviewed: (i) the YDENTITY Token Sale Terms and have taken appropriate legal and tax advice with respect to the same.
- b. I understand that YDENTITY Tokens do not represent nor do they entitle the holder, in any way whatever, to a:
  - i. Depository Account;
  - ii. Custodial Account;
  - ii. Cash Value Insurance Contract;
  - iv. Annuity Contract; or
  - v. Equity and/or Debt Interest in the Company;

as such terms are defined in the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations, 2015, BTLG1-8265751-5.

### 3.3 *Terms of Tokens*

- a. YDENTITY Tokens are held subject to the terms and conditions of the Token Sale Terms and this Application (this **Application**).
- b. No certificate will be issued to in relation to my YDENTITY Tokens and my personal YDENTITY Tokens holding will not be reflected, recognised or recorded in any account or ledger maintained by the Company.

### 3.4 *Acquisition and Reversion*

- a. I understand that Acquisitions and Reversions will be processed by the Company as per its Token Sale Terms. For the purposes of this Application, a "**Reversion**" means a transaction directly between the Company and you whereby YDENTITY Tokens registered on your public key revert back to a public key owned or controlled by the Company or its affiliates in accordance with the Terms and Conditions.
- b. I understand that, prior to any purchase of YDENTITY Tokens, I must pay cash or Digital Currency (Contributed Amount) to the Company in accordance with the Token Sale Terms to the cryptocurrency address indicated by the Company.

- c. Upon acceptance of my request to buy YDENTITY Tokens, the Contributed Amount will be converted for YDENTITY Tokens in accordance with the YDENTITY Token Sale Terms.
- d. Any Reversion proceeds realised and due to me following a Reversion of YDENTITY Tokens held by me at the point of Reversion (“**Reversion Proceeds**”) in accordance with YDENTITY Token Sale Terms shall be paid to me as soon as practicable in the manner set forth in the Token Sale Terms. Contributed Amount or Reversion Proceeds shall be transferred and/or reflected on the same Digital Currency address from which the Contributed Amount was originally remitted unless such account or Digital Currency address has been changed and notified to the Company and all relevant anti-money laundering and other verification procedures have been complied with prior to withdrawal. No Contributed Amount or Reversion Proceeds shall be paid to any Third Party account in respect of YDENTITY Tokens held by me and reverted.
- e. I acknowledge and understand that, for so long as any Reversion Proceeds are held as assets of the Company, I shall accept the risk that a creditor of the Company may seek to and may be successful in securing discharge of a liability of the Company out of Company assets, thereby materially adversely affecting the value of my Contributed Amount and/or Reversion Proceeds and potentially reducing one or both to zero. Furthermore, I acknowledge that any interest accruing with respect to such Contributed Amount and/or Reversion Proceeds held in this manner shall be for the benefit of the Company only.

### 3.5 *Anti-Money Laundering*

- a. The Company (and/or its delegate/nominee/agent) may request such evidence as is necessary to verify the identity and source of funds of a prospective token purchaser and to confirm the AML status of any redeeming YDENTITY Tokens token holder. The Company shall not accept or repay any Contributed Amount and/or application for YDENTITY Tokens and shall not pay any Reversion Proceeds until all information required for verification purposes has been provided.
- b. If, as a result of any information or other matter which comes to his attention, any person resident in the Hong Kong SAR knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to: (i) the Financial Reporting Authority of the Hong Kong SAR, pursuant to the Proceeds of Crime Law of the Hong Kong SAR if the disclosure relates to criminal conduct or money laundering; or (ii) a police

constable not below the rank of inspector, or the Financial Reporting Authority, pursuant to the Terrorism Law of the Hong Kong SAR, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

- c. The Company prohibits acceptance of funds by any persons or entities that are acting, directly or indirectly: (i) in contravention of any U.S. or international laws and regulations, including anti-money laundering regulations or conventions; (ii) on behalf of terrorists or terrorist organisations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Treasury Department's Office of Foreign Assets Control<sup>1</sup> ("**OFAC**"), as such list may be amended from time to time; (iii) for a senior foreign political<sup>2</sup> figure, any member of a senior foreign political figure's immediate family or any close associate of a senior foreign political, unless the Company, after being specifically notified in writing that the Purchaser is such a person, conducts further due diligence, and determines that such acquisition shall be permitted; or (iv) for a foreign shell bank<sup>3</sup> (such persons or entities in (i) – (iv) are collectively referred to as "**Prohibited Persons**").

### 3.6 *Tax Information Exchange Obligations*

- a. I acknowledge that the Company may be subject to certain obligations (the **Tax Information Exchange Obligations**) to gather and disclose to the competent authorities information relating to purchasers of YDENTITY Tokens under: (i) the United States Foreign Account Tax Compliance Act provisions enacted under the United States Hiring Incentives to Restore Employment Act and any guidance, or regulations relating thereto (**FATCA**); (ii) any other legislation, regulations or guidance enacted in any jurisdiction which seeks to implement similar tax reporting, tax information exchange, reporting and/or withholding tax regimes (including the OECD Common Reporting Standard on the automatic exchange of financial account information); (iii) any intergovernmental Application between the Hong Kong SAR (or any Hong Kong government body) and the USA, the P. R. China or any other jurisdiction (including any government bodies in any other such jurisdiction), entered into, in order to comply with, facilitate, supplement or implement the legislation, regulations or guidance described in (i) and (ii), including the OECD Multilateral Competent Authority Application; and (iv) any legislation, regulations or guidance in the Hong Kong SAR that give effect to the foregoing.
- b. I shall execute properly and provide to the Company in a timely manner any documentation or other information that the Company or its agents may request in writing from time to time in connection with the Tax Information Obligations. I waive any provision under the laws and regulations of any

jurisdiction that would, absent a waiver, prevent or inhibit the Company's compliance with applicable law as described in this paragraph, including but not limited to by preventing either (i) the Purchaser from providing any requested information or documentation, or (ii) the disclosure by the Company and its agents of the provided information or documentation to applicable regulatory authorities.

- c. Without limitation, I shall provide any documentation or other information regarding myself and my beneficial owners requested by the Company or its agents in connection with the Tax Information Exchange Obligations.
- d. If I provide information and/or documentation that is in anyway misleading, or I fail to provide the Company or its agents or delegates with the information and documentation that has been requested, (whether or not such action or inaction leads to compliance failures by the Company, or a risk of the Company or its token holders being subject to withholding tax or other penalties), the Company reserves the right:
  - i. to take any action and/or pursue all remedies at the Company's disposal including, without limitation, compulsory Reversion of my YDENTITY Tokens in full or in part; and
  - ii. to hold back from any Reversion proceeds in respect of the tokens so reverted, any liabilities, costs, expenses or taxes arising (directly or indirectly) from such action or inaction.
- e. Further, I shall have no claim against the Company or Smart Contract Supporter, or either of their agents or delegates, for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company or Smart Contract Supporter in order to comply with the Tax Information Exchange Obligations.

### *3.7 Electronic Delivery of Reports and Other Communications*

I accept that such electronic communications are not secure and may contain computer viruses or other defects, may not be accurately replicated on other systems, or may be intercepted, deleted or interfered with or without the knowledge of the sender or the intended recipient. The Company and Smart Contract Supporter make no warranties in relation to these matters. Each of the Company and Smart Contract Supporter reserve the right to intercept, monitor, and retain e-mail messages to and from their systems as permitted by applicable law. If I have any doubts about the authenticity of an electronic communication purportedly sent by the Company or Smart Contract Supporter I am required to contact the purported sender immediately. The Company's acceptance of my YDENTITY Tokens purchase is not conditioned on my giving consent to electronic delivery of Company related information. If I do not have reliable access to the internet or e-mail, I shall not

acquire Tokens. I shall not be entitled to receive any information from the Company in paper format.

#### 4. Representations and Warranties

4.1 In consideration of the Company's acceptance of my offer to purchase YDENTITY Tokens and recognising its reliance thereon, I agree, represent, and warrant to the Company that:

- a. I am fully in compliance with the Terms as stated herein.
- b. I am acquiring the YDENTITY Tokens solely for my own account and not as nominee or custodian for another person or entity.
- c. I am not:
  - i. a "U.S. Person"<sup>4</sup>
  - ii. a member of the public in the Hong Kong SAR or a resident or citizen of the People's Republic of China or Hong Kong SAR or Macau SAR or the Republic of Taiwan or the Republic of Korea;
  - iii. acquiring YDENTITY Tokens as nominee or custodian for another person or entity<sup>5</sup>;
  - iv. executing this Application within the United States; or
  - v. acting on behalf of a trust which has any beneficiaries or trustees that are U.S. Persons
- d. I did not acquire and will not transfer any YDENTITY Tokens within the United States of America, its territories or possessions (hereinafter collectively referred to as the "**United States**").
- e. I did not engage (except as specifically authorised by the Company) and will not engage in any activity relating to the sale of YDENTITY Tokens in the United States.
- f. I will not transfer directly or indirectly any of my YDENTITY Tokens or any interest therein (including without limitation any right to receive dividends or other distributions) without the consent of the directors of the Company and further, I shall not transfer directly or indirectly any of my YDENTITY Tokens or any interest therein (including without limitation any right to receive dividends or other distributions) to a U.S. Person or to any other person or entity unless the proposed transferee has made the same representations and warranties as set out herein.

- g. I did not acquire and will not transfer any YDENTITY Tokens within any of the jurisdictions set out in this clause (the "**Restricted Territories**").
- h. I did not engage (except as specifically authorised by the Company) and will not engage in any activity relating to the sale of the YDENTITY Tokens in the Restricted Territories.

**5. No solicitation**

I am not aware of and am in no way relying on, and did not become aware of the sale of YDENTITY Tokens through or as a result of, from or in any of the United States or People's Republic of China: any form of general solicitation or general advertising including, without limitation, any article, notice, advertisement or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or electronic mail over the internet, in connection with the offering and sale of YDENTITY Tokens and I am not purchasing YDENTITY Tokens and did not become aware of the offering of YDENTITY Tokens through or as a result of, in any of the United States or People's Republic of China or other Restricted Territory, any seminar or meeting to which I was invited by, or any solicitation of a subscription by, a person not previously known to me in connection with investments in securities generally.

**6. Capacity and experience**

- 6.1 I am responsible for the decision to acquire YDENTITY Tokens and I have legal competence and capacity to execute this Application.
- 6.2 I have the knowledge, expertise, and experience in financial matters to evaluate the risks of acquiring YDENTITY token, I am aware of the risks inherent in acquiring and the method by which the assets of the Company are held and/or traded and I can bear the risk of loss of my entire token acquisition.
- 6.3 I am qualified and authorised to make such acquisition decision and, to the extent deemed necessary, I have consulted my own advisors and legal counsel regarding acquisition of YDENTITY Tokens. In making the decision to acquire YDENTITY Tokens, I have not relied on any advice or recommendation from the Company, Smart Contract Supporter nor any placement agent associated with the Company, or any of their affiliates.
- 6.4 To the extent that I am acting on behalf of an entity, I have the full power and authority under such entity's governing instruments to do so and that entity has the full power and authority under its governing instruments to acquire YDENTITY Tokens.

**7. Binding Application and extent of representations and warranties**

- 7.1 This Application constitutes a valid and binding Application and is enforceable against me in accordance with its terms.

- 7.2 I have read and understand the Company's privacy policy.
- 7.3 I am not, nor is any person or entity controlling, controlled by or under common control with me, from a Restricted Territory, the funds paid for YDENTITY Tokens on my own behalf of any of my beneficial owner(s)<sup>6</sup>a, were not and are not derived from activities that may contravene any U.S. or international laws and regulations, including anti-money laundering laws and regulations and to the extent I have any beneficial owners, (A) I have carried out thorough due diligence to establish the identities of such beneficial owners, (B) based on such due diligence, the I reasonably believe that no such beneficial owners are Prohibited Persons, (C) I hold the evidence of such identities and status and will maintain all such evidence for at least five years from the date of my complete redemption from the Company, and (D) I will make available such information and any additional information that the Company may require upon request in accordance with applicable regulations. If any of the representations, warranties or covenants in this section cease to be true or if the Company no longer reasonably believes that it has satisfactory evidence as to their truth, notwithstanding any other agreement to the contrary, the Company may, in accordance with applicable regulations, be obligated to freeze my token rights, either by prohibiting additional acquisition, declining or suspending any redemption requests, or my YDENTITY Tokens may immediately be involuntarily redeemed by the Company and the Company may also be required to report such action and to disclose my identity to OFAC or other authority. In the event that the Company is required to take any of the foregoing actions, I understand and agree that it shall have no claim against the Company and its respective affiliates, directors, members, partners, shareholders, officers, employees and agents for any form of damages as a result of any of the aforementioned actions.
- 7.4 Having reviewed the Token Sale Terms, I hereby agree with the Company, subject to the Company's provisional acceptance, to acquire for as many of the YDENTITY Tokens as the Contributed Amount shall purchase.

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<sup>1</sup> The OFAC list may be accessed on the web at <http://www.treas.gov/ofac>.

<sup>2</sup> Senior foreign political figure means a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a senior foreign political figure includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure. The immediate family of a senior foreign political figure typically includes the political figure's parents, siblings, spouse, children and in-laws. A close associate of a senior foreign political figure is a person who is widely and publicly known internationally to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

<sup>3</sup> Foreign shell bank means a foreign bank without a physical presence in any country, but does not include a regulated affiliate. A post office box or electronic address would not be considered a physical presence. A regulated affiliate means a foreign shell bank that: (1) is an affiliate of a depository institution, credit union, or foreign bank that maintains a physical presence in the United States or a foreign country, as applicable; and (2) is subject to supervision by a banking authority in the country regulating such affiliated depository institution, credit union, or foreign bank.

<sup>4</sup> See Annex A attached hereto for the definition of a "U.S. Person".

<sup>5</sup> See Annex A attached hereto for the definition of a "U.S. Person".

<sup>6</sup> Beneficial owners will include, but not be limited to: (i) shareholders of a corporation; (ii) partners of a partnership; (iii) members of a limited liability company; (iv) investors in a fund-of-funds; (v) the grantor of a revocable or grantor trust; (vi) the beneficiaries of an irrevocable trust; (vii) the individual who established an IRA; (viii) the participant in a self-directed

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pension plan; (ix) the sponsor of any other pension plan; and (x) any person being represented by the Purchaser in an agent, representative, intermediary, nominee or similar capacity. If the beneficial owner is itself an entity, the information and representations set forth herein must also be given with respect to its individual beneficial owners. If the Purchaser is a publicly-traded company, it need not conduct due diligence as to its beneficial owners.

## ANNEX A

### DEFINITION OF U.S. PERSON

#### Rule 902 of the U.S. Securities Act of 1933

- (1) "U.S. Person" means:
- i. any natural person resident in the United States;
  - ii. any partnership or corporation organised or incorporated under the laws of the United States;
  - iii. any estate of which any executor or administrator is a U.S. Person;
  - iv. any trust of which any trustee is a U.S. Person;
  - v. any agency or branch of a non-U.S. entity located in the United States;
  - vi. any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
  - vii. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or
  - viii. any partnership or corporation if:
    - a. organised or incorporated under the laws of any non-U.S. jurisdiction; and
    - b. formed by a U.S. Person principally for the purpose of investing in securities not registered under the Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Act) who are not natural persons, estates or trusts.
- (2) Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or



other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "U.S. Person".

- (3) Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person shall not be deemed a U.S. Person if:
  - i. an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and
  - ii. the estate is governed by non-U.S. law.
- (4) Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a U.S. Person shall not be deemed a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person.
- (5) Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a U.S. Person.
- (6) Notwithstanding (1) above, any agency or branch of a U.S. Person located outside the United States shall not be deemed a "U.S. Person" if:
  - i. the agency or branch operates for valid business reasons; and
  - ii. the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
- (7) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "U.S. Persons".