

## VLB Token ICO General Terms and Conditions

Please read these VLB Token ICO General Terms and Conditions (hereinafter, these “**Terms and Conditions**”) carefully, as they set out our and your legal rights and obligations in relation to sale of our cryptographic tokens – the VLB Tokens (hereinafter, the “**VLB Token ICO**”). You will be asked to agree to these Terms and Conditions before participating in the VLB Token ICO.

Please note that we have added an Annex I to these Terms and Conditions in order to notify you of important risks relating to purchase, sale and use of the VLB Tokens sold during the VLB Token ICO as specified herein. Annex I is an integral part of these Terms and Conditions, and by agreeing to these Terms and Conditions, you confirm that you have read Annex I and that you are aware of and acknowledge the risks specified therein.

These Terms and Conditions are available in the English language only. You should print a copy of these Terms and Conditions for future reference. We will not file a copy specifically in relation to you, and they may not be accessible on our website in the future.

### 1. Definitions

- 1.1. **Account** – an account required to set up by the Participant on the Website in order to participate in the VLB Token ICO.
- 1.2. **Accredited Investor** - Person as defined in Rule 501 of Regulation D of the Securities Act.
- 1.3. **Bounty Programs** – bounty programs initiated by the Initiator which will offer compensation to participants in such programs. Compensation will be paid to the participants of the Bounty Programs in VLB Tokens reserved for that purpose.
- 1.4. **VLB Smart Contract** – an Ethereum smart contract developed for the Initiator, which handles payments for VLB Tokens and distributes the relevant VLB Tokens to the Participants. A copy of the VLB Smart Contract is available at: <https://github.com/VLBtoken/vlbtokensale>.
- 1.5. **Content** - Content and other materials contained on the Website, including, without limitation, the VLB Token logos and all designs, text, graphics, pictures, information, data, software, sound files, other files and the selection and arrangement thereof.
- 1.6. **Encumbrance** - in relation to any VLB Token or to ETH, means any lien, charge, mortgage, pledge, option, rights of pre-emption, hypothecation, claims, restrictions on transfer, encumbrances, priority or security interest, over or in such VLB Token or ETH, or any agreement or arrangement for or to similar effect.
- 1.7. **End Date** – 9th of April 2018 at 12:00 PM (12:00) UTC, or the date when the sum of \$ 12,000,000 (twelve million US dollars) is raised by the Initiator through selling VLB Tokens, whichever occurs first.
- 1.8. **ETH** – Ethereum cryptocurrency.

- 1.9. **Force Majeure Event** – an event, or a series of related events, that is outside the reasonable control of the party affected (including but not limited to failures of or problems with the Internet or a part of the Internet, hacker attacks, virus or other malicious software attacks, Ethereum network failures, power failures, industrial disputes affecting any third party, changes to Laws, disasters, explosions, fires, floods, riots, terrorist attacks and wars).
- 1.10. **Governmental Authority** - any nation or government, any state or other political subdivision thereof, any entity exercising legislative, executive, judicial or administrative functions of or pertaining to government, including, without limitation, any government authority, agency, department, board, commission or instrumentality, and any court, tribunal or arbitrator(s) of competent jurisdiction, and any self-regulatory organization. For the avoidance of doubt, Governmental Authority may include private bodies exercising quasi-governmental, regulatory or judicial-like functions to the extent they relate to either party, the VLB Tokens and/or the VLB Token ICO.
- 1.11. **Initiator** – the company initiating the VLB Token ICO, VLBTOKEN OÜ, established in the Republic of Estonia and having registration no. 14123367.
- 1.12. **Launch Date** – 17th of December 2017 at 12:00 PM (12:00) UTC.
- 1.13. **Laws** - laws, statutes, ordinances, rules, regulations, judgments, injunctions, orders and decrees of any Government Authority, including amendments thereto.
- 1.14. **Loss** – damages, claims, applications, loss, injuries, delays, accidents, costs, business interruptions, expenses (including, without limitation, counsel or legal fees or the costs of any claim or suit), any incidental, direct, indirect, general, special, punitive, exemplary, special or consequential damages, any loss of goodwill, profits or revenue or any other economic loss, any loss of cryptocurrency or digital assets, any work stoppage, data loss, computer failure or malfunction, or any other commercial or other loss.
- 1.15. **Organizational Documents** - the articles of incorporation, certificate of incorporation, charter, by-laws, articles of formation, certificate of formation, regulations, operating agreement, certificate of limited partnership, partnership agreement and all other similar documents, instruments or certificates executed, adopted or filed in connection with the creation, formation or organization of a Person, including any amendments thereto.
- 1.16. **Participant** – anyone who subscribes to the Website and purchases VLB Tokens via the VLB Smart Contract during the VLB Token ICO.
- 1.17. **Person** - an individual or legal entity or person, including without limitation a Governmental Authority.
- 1.18. **Privacy Policy** – set of rules that the Initiator will apply to the processing of Participant's information. The Privacy Policy is accessible on the Website. Please be informed that you agree to the Privacy Policy by using the Website or participating in the VLB Token ICO. If you do not agree with the Privacy Policy, you should refrain

from using the Website and any services or activities provided by the Initiator via or in connection to the Website.

- 1.19. **Securities Act** - the U.S. Securities Act of 1933, as amended.
- 1.20. **Subscribing** – act of providing personal data to the Initiator through a form made available on the Website. Subscribing is a prerequisite for the Participant to get information about participation in VLB Token ICO.
- 1.21. **U.S. Person** - person as defined in Rule 902(k) of Regulation S of the Securities Act.
- 1.22. **UTC** – Coordinated Universal Time.
- 1.23. **Vehicle Lifecycle Blockchain** – transparent database based on blockchain technology to be developed with the funds gathered with VLB Token ICO. For specifications please refer to VLB Tokens Whitepaper.
- 1.24. **VLB Tokens** – utility tokens created based on the ERC-20 standard Ethereum token and stored and distributed to the Participants by means of the VLB Smart Contract.
- 1.25. **VLB Token ICO** – the public sale of VLB Tokens.
- 1.26. **VLB Tokens Whitepaper** – informational document issued by the Initiator highlighting the Initiator’s blockchain development strategy, available at the Initiator’s Website.
- 1.27. **Website** – <https://vlb.io>; the portal through which information about Vehicle Lifecycle Blockchain is distributed, including information about the VLB Token ICO, and all subdomains and all other respective pages of the same.

## 2. General Provisions

- 2.1. By Subscribing to our Website at <https://vlb.io> and/or purchasing VLB Tokens, you confirm that you have read and understand the VLB Tokens Whitepaper and these Terms and Conditions, agree to these Terms and Conditions, and undertake to comply with the provisions of these Terms and Conditions.
- 2.2. These Terms and Conditions shall be effective as of the date on which they are accepted by the Participant as described in Section 2.1 above, and with the purpose of funding programming and implementation of the Vehicle Lifecycle Blockchain via the VLB Token ICO.
- 2.3. The Initiator reserves the right, at its sole discretion, to change, modify, add or remove portions of these Terms and Conditions at any time, and any such amendments shall be effective immediately upon publication on the Website. By continuing to use the Website and participating in the VLB Token ICO, you accept such amendments.

- 2.4. If you do not agree to these Terms and Conditions, you must refrain from Subscribing to the Website and participating in the VLB Token ICO.

### **3. VLB Token ICO for VLB Tokens and provisions of using the Website**

- 3.1. During the VLB Token ICO, 30,000,000 (thirty million) VLB Tokens out of 175,000,000 (one hundred seventy-five million) will be made available to the Participants to purchase in exchange for ETH. VLB Tokens sold during the VLB Token ICO can be used by the Participants as described in the VLB Tokens Whitepaper.
- 3.2. To participate in the VLB Token ICO, the Participant needs to Subscribe to the Website by providing the Participant's e-mail address. If the Participant is a U.S. Person, then such Participant will also be required to be verified as an Accredited Investor, and will be required to submit documentation to prove the Participant's status as an Accredited Investor. Additional information may be provided at the Participant's discretion. The Initiator shall then contact the Participant and provide information about setting up an Account on the Website. Initiator may enable means that would allow setting up an Account on the Website without the need to Subscribe to the Website first. Please be informed that you should refrain from Subscribing and/or setting up an Account if you do not agree with these Terms and Conditions or the Privacy Policy. Each Participant must have an Account on the Website in order to participate in the VLB Token ICO.
- 3.3. The Participant will be able to transfer funds in ETH to the Participant's account. Once the transferred funds are available in the Participant's Account, the Participant may use them to purchase VLB Tokens. However, the mere transfer of funds to the Participant's Account does not represent the purchase of VLB Tokens. VLB Tokens can only be purchased during the official VLB Token ICO as described in Section 5 of these Terms and Conditions.
  - 3.3.1. VLB Tokens purchased by the Participant will be transferred to the Participant's Account once they have been issued by the Initiator Pursuant to Section 4 of these Terms and Conditions. The Participant shall be responsible for implementing reasonable measures for securing the wallet, vault or other storage mechanism the Participant decides to use to receive and hold VLB Tokens outside of the Participant's Account, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If the Participant's private key(s) or other access credentials are lost, the Participant may lose access to any VLB Tokens the Participant has purchased. The Initiator shall not be responsible for any such losses.
  - 3.3.2. The Participant warrants and represents that all information the Participant provided when creating an Account on the Website is current, complete and accurate. The Participant agrees to promptly notify the Initiator of any changes to any information that would cause the information provided to no longer be current, complete or accurate. The Participant also warrants and represents that the Participant understands that no Account will be fully created until the identity and email address

of the Participant (and, if the Participant is a U.S. Person, the Participant's status as an Accredited Investor) has been confirmed in a manner deemed suitable by Initiator.

- 3.3.3. The Participant must ensure that the Participant's Account will be exclusively accessed by that Participant. The Participant is not allowed to transfer the right of use of the Participant's Account or disclose any log-in credentials to a third party without the Initiator's written consent. Full responsibility for any activity that occurs through the use of the Participant's Account belongs to that Participant. In case of an event which is suspected by the Participant to be a security breach or vulnerability related to the Website or Participant's Account, the Participant must notify the Initiator immediately.
- 3.4. In order to participate in the VLB Token ICO and receive VLB tokens, the Participant must have a personal wallet that supports ERC-20 standard Ethereum tokens. The Participant shall not use an exchange account. The Initiator shall have the right to prescribe additional guidance regarding specific wallet requirements.
- 3.5. The VLB Token ICO will be concluded through the VLB Smart Contract. The Initiator shall accept qualifying purchases through the VLB Smart Contract, and the VLB Smart Contract will issue VLB Tokens for the purchases thus accepted.
- 3.6. Failure to follow the VLB Token ICO instructions as provided in these Terms and Conditions or on the Website may limit, delay, or prevent the Participant from purchasing VLB Tokens. Should this happen, the Initiator shall in no event be held liable for any costs or damages arising for the Participant or any other persons.
- 3.7. Initiator shall put its best efforts into developing and/or delivering the VLB Tokens and the VLB Token ICO, but does not guarantee the completion of such development or delivery.
- 3.8. The Participant shall be hereby granted a license to all content and other materials contained on the Website with following restrictions:
  - 3.8.1. Unless otherwise indicated in writing by Initiator, the Website and all Content are the proprietary property of the Initiator or the Initiator's licensors or users, as applicable, and are protected by international copyright laws.
  - 3.8.2. Each Participant is hereby granted a limited, nonexclusive, non-transferable, non-sub-licensable license to access and use the Website and Content. However, such license does not include any right to (a) sell, resell or use commercially the Website or Content, (b) distribute, publicly perform or publicly display any Content, (c) modify or otherwise make any derivative uses of the Website or Content, or any portion thereof, (d) use any data mining, robots or similar data gathering or extraction methods, (e) download (other than the page caching) any portion of the Website or Content, except as expressly permitted by the Initiator, or (f) use the Website or Content other than for their intended purposes. Any use of the Website, or Content other than as specifically authorized herein, without the prior written permission from the Initiator, is strictly prohibited and will automatically terminate the license granted herein. Such unauthorized use may also violate applicable Law, including, without

limitation, copyright and trademark laws and applicable communications regulations and statutes. Unless explicitly stated by Initiator, nothing in Sections 3.8.1 to 3.8.3. shall be construed as conferring any right or license to any patent, trademark, copyright or other proprietary rights of the Initiator or any third party. This license is revocable at any time.

- 3.8.3. Notwithstanding anything to the contrary stated in Sections 3.8.1. to 3.8.3., the Website and Content may include software components provided by the Initiator or a third party that are subject to separate license terms, in which case those license terms will govern such software components.

#### **4. Issuing VLB Tokens**

- 4.1. The Initiator will issue a total of 175,000,000 (one hundred seventy-five million) VLB Tokens. From all of the VLB Tokens issued, 30,000,000 (thirty million) VLB Tokens will be used in the following manner: 20,000,000 (twenty million) VLB Tokens will be maintained by the Initiator for network development; 10,000,000 (ten million) VLB Tokens will be issued in favor of third-party advisors and Bounty Programs. See the VLB Tokens Whitepaper for further details.
- 4.2. From all of the VLB Tokens issued, 30,000,000 (thirty million) VLB Tokens will be made available for purchase by the Participants during the VLB Token ICO between the Launch Date and the End Date.
- 4.3. The remaining 115,000,000 (one hundred fifteen million) VLB Tokens will be distributed in the future private and enterprise level rounds of funding of Vehicle Lifecycle Blockchain development, terms and conditions of which shall be determined by the Initiator separately. See the VLB Tokens Whitepaper for further details.

#### **5. Purchase and Sale of VLB Tokens during the VLB Token ICO**

- 5.1. During the VLB Token ICO, VLB Tokens will be sold for ETH in the following four stages. The Initiator will not accept any cryptocurrencies other than ETH. In each stage, the amount of VLB Tokens received by a Participant for 1 ETH will vary as follows:
  - 5.1.1. First stage: 12:00 PM UTC 17 December - 12:00 PM UTC 5 February – Base price shall be 650 VLB Tokens for 1 ETH plus the minimum amount of 195 VLB Tokens and additional amount of VLB Tokens free of charge, the exact additional amount of such free of charge VLB Tokens to be determined between the Initiator and the Participant in a private or public communication, including but not limited to social media and messenger channel announcement(s) made by the Initiator, e-mail(s) and telephone conversation(s);
  - 5.1.2. Second stage: 12:00 PM UTC 5 February - 12:00 PM UTC 12 March – Base price shall be 650 VLB Tokens for 1 ETH plus 195 VLB Tokens free of charge - a total of 845 VLB Tokens for 1 ETH;

- 5.1.3. Third stage: 12:00 PM UTC 12 March - 12:00 PM UTC 19 March – Base price shall be 650 VLB Tokens for 1 ETH plus 130 VLB Tokens free of charge - a total of 780 VLB Tokens for 1 ETH;
- 5.1.4. Fourth stage: 12:00 PM UTC 19 March - 12:00 PM UTC 26 March – Base price shall be 650 VLB Tokens for 1 ETH plus 65 VLB Tokens free of charge - a total of 715 VLB Tokens for 1 ETH;
- 5.1.5. Fifth stage: 12:00 PM UTC 26 March - 12:00 PM UTC 02 April – Base price shall be 650 VLB Tokens for 1 ETH plus 26 VLB Tokens free of charge - a total of 676 VLB Tokens for 1 ETH;
- 5.1.6. Sixth stage: 12:00 PM UTC 02 April - 12:00 PM UTC 09 April – Base price shall be 650 VLB Tokens for 1 ETH.
- 5.2. The minimum amount of VLB Tokens that can be purchased during the VLB Token ICO by a Participant in one purchase is the amount that equals 0,5 ETH.
- 5.3. The Initiator reserves the right to change the Launch Date or End Date at its absolute discretion. Any such changes shall be published on the Website.
- 5.4. The Initiator may distribute additional free of charge VLB Tokens to a Participant, subject to changes in VLB Token additional distribution (bonus) conditions. Any such changes shall be published on the Website.
- 5.5. The Participant shall pay the purchase price for the desired amount of the VLB Tokens by sending the correct quantity of ETH to the unique address displayed to the Participant on the Website (the VLB Smart Contract address). The purchase shall be conducted through the VLB Smart Contract. The purchase of the VLB Tokens shall not be guaranteed until the Initiator has received the full amount of the purchase price in ETH.
- 5.6. The Participant shall have the right to purchase an unlimited quantity of VLB Tokens until all of the VLB Tokens issued for the VLB Token ICO have been purchased, on a first-come-first-serve basis.
- 5.7. Knowledge of the unique address or unique order identification combination shall not constitute a purchase receipt or indicate in any way that any party with such knowledge shall have a right to the ownership of the VLB Tokens.
- 5.8. VLB Tokens purchased by the Participant will be distributed to the Participant by the VLB Smart Contract within 24 hours after the respective purchase of VLB Tokens. The purchased VLB Tokens shall be transferrable within 24 hours from the End Date, subject to those transfer restrictions set forth in these Terms and Conditions. The Participant shall have the right to transfer VLB Tokens on any exchange platform where it is possible and allowed and subject to those transfer restrictions set forth in these Terms and Conditions.
- 5.9. The Participant will be able to check the status of the Participant's VLB Tokens purchase on the Participant's personal wallet or respective website. VLB shall not

publish or make available a Participant's personal VLB Tokens purchase status on the Website.

- 5.10. The Initiator shall only publish the status of VLB Token ICO in general on the Website, i.e., the amount of purchased VLB Tokens and its proportion of the total amount of VLB Tokens.
- 5.11. VLB Tokens shall not impart on the Participant any express or implied proprietary rights, obligations or contract rights, including but not limited to intellectual property rights. Participating in the VLB Token ICO, purchasing VLB Tokens, or receiving and holding VLB Tokens does not grant the Participant any decision-making power, including, but not limited to, in relation to development, governance, or the role, conduct or performance of the Initiator.
- 5.12. The Initiator shall monitor all potential transactions for attempts to double-spend cryptocurrency or cryptographic VLB Tokens during VLB Token ICO. Any double-spends detected shall result in the cancellation of the VLB Token issued to the relevant Participant at any stage of the VLB Token ICO. The relevant Participant shall not be reimbursed for any costs he/she bears related to the VLB Token ICO.

## **6. Cancellation and Refund Policy**

- 6.1. If the VLB Tokens distributed by the End Date have accumulated funds that amount to less than \$ 4,000,000 (four million US dollars) by the End Date, the VLB Token ICO will be deemed unsuccessful, and each Participant shall have the right to a full refund. In order to obtain a refund, the Participant must call the refund function on the VLB Smart Contract. Thereafter, the respective amount of ETH will be automatically transferred back to the Participant, and the respective amount of VLB Tokens will be destroyed. Using the refund is optional for the Participant. The Initiator shall not be required to provide a refund for any reason other than as set forth in this Section 6.1.
- 6.2. The Participant shall not have the right to withdraw from the VLB Token ICO after the Launch Date.
- 6.3. All purchases of VLB Tokens are final and non-refundable, unless the amount of funds specified in section 6.1. is not reached by the End Date.
- 6.4. All costs connected with any refund transactions shall be borne by respective Participant.

## **7. VLB Token ICO on the VLB Smart Contract and Authorized Exchanges**

- 7.1. The Initiator shall conduct the VLB Token ICO via the VLB Smart Contract only.
- 7.2. Any third-party website or service that is not the VLB Smart Contract and that takes payments for VLB Tokens during the VLB Token ICO, provides VLB Tokens during the VLB Token ICO, or facilitates purchases of VLB Tokens in any way during



the VLB Token ICO, is not in any way supported or endorsed by the Initiator and has no relationship in any way to the Initiator.

- 7.3. The only official and authorized VLB Token ICO website URL operated by the Initiator is <https://vlb.io>. The Participant shall ensure that the URL of the Participant's web browser indicates that it is using a hypertext transport protocol secure connection ("https") and that the domain name is correct.
- 7.4. The Participant shall not hold the Initiator liable for any Loss arising out of, or in any way connected to the Participant's participation in the VLB Token ICO, purchase of VLB Tokens, or receiving and holding VLB Tokens in any manner other than via the VLB Smart Contract during the VLB Token ICO.

## **8. Representations, Warranties, and Acknowledgments of the Participant**

- 8.1. By participating in the VLB Token ICO, the Participant represents, warrants and covenants to the Initiator, as of the day that the Participant first Subscribes to the Website and/or purchases any VLB Tokens, that:
  - 8.1.1. If the Participant is a U.S. Person, then the Participant represents that the Participant is an Accredited Investor and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the purchase of VLB Tokens. The Participant understands that that the Participant will be required to provide documentation to the Initiator and/or the Initiator's authorized agent to verify the Participant's status as an Accredited Investor and failure to provide such documents will disqualify the Participant from purchasing VLB Tokens and the Initiator will not sell VLB Tokens to Participants who fail to verify their status as an Accredited Investor;
  - 8.1.2. If the Participant is not a Person as described in section 8.1.1. above, the Participant represents that the Participant is not a U.S. Person;
  - 8.1.3. To the extent that the Participant is a corporation, that the Participant is a corporation duly organized, validly existing and in good standing under the laws of the Participant's country of incorporation, and has all requisite corporate power and authority to carry on the transactions contemplated of the Participant under these Terms and Conditions;
  - 8.1.4. The Participant has all requisite power, legal right, and authority to enter into and perform the Participant's obligations under these Terms and Conditions and to purchase the VLB Tokens, and these Terms and Conditions will constitute a legal, valid and binding obligation of Participant enforceable against Participant in accordance with its terms, except that such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting creditors' rights generally and by equitable principles (regardless of whether enforcement is sought in a proceeding in equity or at law);

- 8.1.5. The performance of the Participant's obligations under these Terms and Conditions will not result in (i) any violation of, be in conflict with in any material respect, or constitute a material default under, with or without the passage of time or the giving of notice (A) to the extent the Participant is a corporation, any provision of the Participant's Organizational Documents; (B) any provision of any permit, franchise, judgment, decree or order to which the Participant is a party, by which it is bound, or to which any of its material assets are subject; (C) any material contract, obligation, or commitment to which the Participant is a party or by which it is bound; or (D) any Laws applicable to the Participant, or (ii) the creation of any Encumbrance upon any material assets of the Participant;
- 8.1.6. The performance of the Participant's obligations under these Terms and Conditions requires no approval or other action from any Governmental Authority or Person;
- 8.1.7. The Participant is not purchasing VLB Tokens with a view to sale or in connection with any distribution, in whole or in part. The Participant will not, directly or indirectly, transfer VLB Tokens except in accordance with applicable Laws and the provisions of these Terms and Conditions. The Participant understands that the Participant must bear the economic risk of the Participant's purchase of VLB Tokens for an indefinite period of time. The Participant also understands that to the extent VLB Tokens are securities under the laws of any jurisdiction in which VLB Tokens are to be traded or subject of transfers, such trades or transfers of VLB Tokens may be restricted by such laws;
- 8.1.8. The Participant has received a copy of the current VLB Tokens Whitepaper prepared in relation to the VLB Token ICO and has carefully read it. The Participant acknowledges that the VLB Tokens Whitepaper may change during the time leading up to the Launch Date, and the Participant accepts the obligation to promptly read and review new versions of the VLB Tokens Whitepaper, which will be made available to the Participant at the Initiator's Website.
- 8.1.9. The Participant has such knowledge and experience in financial matters, business and technology, including but not limited to blockchain technology and blockchain based software systems, cryptocurrencies, cryptographic tokens and other considerations relating thereto to be able to evaluate the risks and merits of (a) the VLB Token ICO and (b) the VLB Tokens to be purchased by the Participant pursuant to the terms of these Terms and Conditions, including but not limited to the risks outlined in Annex I hereto, and is able to bear such risks;
- 8.1.10. The Participant understands that the VLB Token ICO and the creation and distribution of the VLB Tokens involve significant risks, including, but not limited to, the risk that (i) the technology associated with the VLB Token ICO may not function as intended; (ii) the VLB Token ICO may fail to attract interest or adoption, either from key stakeholders or the broader community; (iii) the Initiator may fail to adequately fund its operations and/or the VLB Token ICO; (iv) the VLB Tokens may decrease in value over time and/or lose all monetary value; and (v) the Initiator and/or the VLB Token ICO may be subject to investigation and enforcement actions from Governmental Authorities, and these Governmental Authorities may make changes to existing laws,

regulations and/or rules that will affect cryptographic tokens, digital assets, blockchain technology and its applications. Further, the Participant has carefully read and considered the risks and other information relating to the Initiator contained herein, including Annex I hereto. The Participant acknowledges and understands that that the risks set forth in Annex I are not all of the risks relating to the purchase of VLB Tokens;

- 8.1.11. The Participant acknowledges, understands and agrees that: (a) the purchase and receipt of VLB Tokens may have tax consequences for the Participant; (b) the Participant is solely responsible for the Participant's compliance with the Participant's tax obligations; and (c) the Initiator bears no liability or responsibility with respect to any tax consequences to Buyer;
- 8.1.12. To the extent required by applicable Laws, the Participant represents and warrants to the Initiator that the Participant complies with all anti-money laundering and anti-terrorism-financing requirements;
- 8.1.13. Neither the Participant, nor any person having a direct or indirect beneficial interest in the Participant or the VLB Tokens being purchased by the Participant, nor any person for whom the Participant is acting, is (i) the subject of sanctions administered or enforced by the United States (including without limitation the U.S. Department of the Treasury's Office of Foreign Asset Control), the United Kingdom, the European Union or any other Governmental Authority (collectively, "**Sanctions**"), (ii) organized or resident in a country or territory that is the subject of country-wide or territory-wide Sanctions, or (iii) otherwise is a party with which the Initiator is prohibited from dealing under applicable Laws;
- 8.1.14. The Participant is not participating in the VLB Token ICO, purchasing VLB Tokens, or receiving and holding VLB Tokens for any illegal purpose;
- 8.1.15. The Participant is not an individual who is a resident of the Republic of Korea, the Republic of Indonesia, the People's Republic of China or Singapore;
- 8.1.16. The Participant is not a corporation, partnership or other legal entity formed under the laws of the Republic of Korea, the Republic of Indonesia, the People's Republic of China or Singapore;
- 8.1.17. The Participant is not an agency, branch or office, located in the United States of America or any other foreign jurisdiction, of a corporation, partnership or other legal entity that is formed under laws of the Republic of Korea, the Republic of Indonesia, the People's Republic of China or Singapore;
- 8.1.18. The Participant is not a trust of which any trustee is described in Sections 8.1.15 to 8.1.17 above;
- 8.1.19. The Participant is not a legal entity (i) the shares of which are publicly traded on a securities exchange, and (ii) more than 45% of the shares of which are owned by or for the benefit of an individual or entity described in Sections 8.1.15 to 8.1.17 above;

- 8.1.20. The Participant is not a member of any branch of the military of the Republic of Korea, the Republic of Indonesia, the People's Republic of China or Singapore;
- 8.1.21. The Participant is not an agent or a fiduciary acting on behalf or for the benefit of an individual or entity described in Sections 8.1.15 to 8.1.17 above;
- 8.1.22. The Participant's decision to purchase or subscribe for VLB Tokens was not (i) based, in whole or in part, on the information the Participant received or communications the Participant exchanged while the Participant or the person providing the information or with whom such communication was exchanged was located inside the Republic of Korea, the Republic of Indonesia, the People's Republic of China or Singapore, (ii) made inside the Republic of Korea, the Republic of Indonesia, the People's Republic of China or Singapore, or (iii) communicated to the Initiator from a source within the Republic of Korea, the Republic of Indonesia, the People's Republic of China or Singapore; and
- 8.1.23. The Participant's purchase of VLB Tokens is made for the Participant's own account as principal, and is not proceeded, and will not be followed by any effort to create or condition a market of VLB Tokens.
- 8.2. The Participant acknowledges and agrees that:
  - 8.2.1. The Participant shall take sole responsibility for any restrictions and/or risks associated with participating in the VLB Token ICO, purchasing VLB Tokens, and/or receiving and holding VLB Tokens, whether referred to in these Terms and Conditions, Annex I hereto, arising under any applicable law, or otherwise;
  - 8.2.2. The Participant is participating in the VLB Token ICO, purchasing VLB Tokens, and receiving and holding VLB Tokens to facilitate the development, testing, deployment and operation of the Vehicle Lifecycle Blockchain and other accompanying activities;
  - 8.2.3. The proposed outcomes of the Vehicle Lifecycle Blockchain may not be achieved;
  - 8.2.4. VLB Tokens may not provide the rewards envisaged;
  - 8.2.5. The Participant shall not attempt to gain unauthorized access or hack into, interfere with, disrupt, disable, overburden or otherwise impair the proper working of the Website and/or VLB Smart Contract;
  - 8.2.6. The Participant shall not violate or attempt to violate the security of the Website and/or VLB Smart Contract;
  - 8.2.7. The Participant shall not access information or data which he/she is not authorized to access;
  - 8.2.8. The Participant shall promptly provide to the Initiator, upon request, any relevant additional information, which the Initiator may consider necessary for the purpose of providing services to the Participant; and

- 8.2.9. The Participant shall ensure that any information or content he/she posts, or makes available in any way, or causes to be posted on the Website and/or VLB Smart Contract shall be non-confidential and non-proprietary unless expressly indicated otherwise, and not offensive or illegal, and that he/she is be responsible for all such information or content.

## **9. Warranties of the Initiator**

- 9.1. The Initiator warrants that it will not purchase VLB Tokens during the VLB Token ICO. Furthermore, the Initiator warrants that it will not purchase VLB Tokens from any third party during the period of the VLB Token ICO.
- 9.2. In the spirit of openness, and to enable Participants to have as much information as possible to guide their decision-making process, the Initiator will disclose on at least a daily basis on the Website the total number of VLB Tokens sold, reserved and available for issuance to enable each Participant to develop an understanding of the size of the existing VLB Tokens pool at the time of the Participant's VLB Token purchase.
- 9.3. The Initiator will use all proceeds from the VLB Token ICO for developing Vehicle Lifecycle Blockchain and the accompanying activities as described in the VLB Tokens Whitepaper. The Initiator's current estimate of the use of the proceeds is as follows: 30% design, development and programming of Vehicle Lifecycle Blockchain algorithms, 23% industry participant onboarding and ecosystem development, 23% PR and marketing to ensure wider network adoption, 14% operations, 10% reserved for other future expenses incurred by the Initiator in relation to Vehicle Lifecycle Blockchain. The Initiator reserves the right to change the breakdown of the use of the proceeds from the VLB Token ICO at any time at its own discretion.

## **10. Exclusion of Liability**

- 10.1. The Initiator shall not be liable (whether in an action in negligence, contract or tort based on a warranty, or otherwise) for any Loss even if the Initiator or its representatives are advised of the possibility of such Loss, howsoever caused as a result, directly or indirectly, of or arising from or in connection with:
- 10.1.1. The Participant's participation in the VLB Token ICO, receiving and holding VLB Tokens;
- 10.1.2. Any access, the use of, or inability to access or use, the Website and/or the VLB Smart Contract;
- 10.1.3. The Participant's reliance on or use of or inability to use the content and information of the Website and/or the VLB Smart Contract or any linked website;
- 10.1.4. Any failure of performance, error, omission, interruption, defect, delay in operation or transmission, computer virus or line or system failure of the Website and/or the VLB Smart Contract or any linked website;

- 10.1.5. The cost of procurement of substitute goods and services resulting from any goods, data, information or services purchased or obtained or messages received or transactions entered into through or from the Website and/or the VLB Smart Contract;
- 10.1.6. Unauthorized access to or alteration of the Participant's transmissions or data;
- 10.1.7. Statements or conduct of any third party on the Website and/or the VLB Smart Contract; or
- 10.1.8. Any other matter relating to the Website and/or the VLB Smart Contract.

## **11. No Waiver**

- 11.1. The failure of the Initiator to require or enforce strict performance of any provision of these Terms and Conditions or to exercise any right under these Terms and Conditions shall not be construed as a waiver or relinquishment of the Initiator's right to assert or rely upon any such provision or right (or any other provision and/or right contained in this document in its entirety, as the case may be) in that or any other instance. The express waiver by the Initiator of any provision, condition, or requirement of these Terms and Conditions shall not constitute a waiver of any other or future obligation to comply with such provision, condition or requirement. Except as expressly and specifically set out in these Terms and Conditions, no representations, statements, consents, waivers, or other acts or omissions by the Initiator shall be deemed a modification of these Terms and Conditions or be legally binding.

## **12. Taxation**

- 12.1. The Initiator shall not make any representations concerning the tax implications of participating in the VLB Token ICO, purchasing VLB Tokens, or receiving and holding VLB Tokens.
- 12.2. The Participant shall bear the sole responsibility for determining or assessing the tax implications of the Participant's participation in the VLB Token ICO, purchasing VLB Tokens, or receiving and holding VLB Tokens in all respects and in any relevant jurisdiction, and bear all tax costs.
- 12.3. By participating in the VLB Token ICO, purchasing VLB Tokens, or receiving and holding VLB Tokens, to the extent permitted by applicable law, the Participant shall agree that no other party (including, without limitation, the Initiator) may be held liable for any Loss arising out of, or in any way connected to, any tax liability the Participant may incur in connection with the Participant's participation in the VLB Token ICO, purchasing VLB Tokens, or receiving and holding VLB Tokens.

## **13. "Know Your Customer" and Anti-Money Laundering Provisions**

- 13.1. The Initiator shall reserve the right to conduct "Know Your Customer" and/or anti-

money laundering checks and procedures on each Participant as required by applicable Law.

- 13.2. The Participant undertakes to submit to such checks and procedures, and provide all the information and confirmations requested by the Initiator to that end. Should the Participant fail or refuse to provide the necessary information and confirmations requested by the Initiator within the specified timeframe, the Initiator may terminate the Participant's right to use the Website and provide services to that Participant without any obligation to refund.

#### **14. Transfer Restrictions**

- 14.1. The issuance and sale of the VLB Tokens have not been registered under the Securities Act or any other applicable securities laws and, unless so registered, to the extent the VLB Tokens are deemed to be securities, the VLB Tokens may not be offered, sold, pledged or otherwise transferred within the United States or to or for the account of any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. The VLB Tokens are being offered and issued only to persons (i) outside the United States in reliance upon Regulation S under the Securities Act or (ii) to U.S. Persons who are Accredited Investors in reliance upon Regulation D under the Securities Act.
- 14.2. Each Participant will be deemed to represent, warrant, and agree as follows:
  - 14.2.1. If the Participant is an acquirer in a transaction that occurs outside the United States within the meaning of Regulation S, such Participant acknowledges that the Participant may not sell or otherwise transfer the VLB Tokens at any time to a U.S. Person or for the account or benefit of a U.S. Person within the meaning of Rule 902 under the Securities Act; and
  - 14.2.2. If the Participant is a U.S. Person, such Participant acknowledges that, to the extent the VLB Tokens are deemed to be securities, unless transferred pursuant to an effective registration statement under the Securities Act with the U.S. Securities and Exchange Commission or an applicable exemption from registration, until one year following the date of the Participant's Purchase of the VLB Tokens the Participant will not be permitted to offer, sell or transfer the VLB Tokens.

#### **15. Force Majeure**

- 15.1. The Initiator shall not be liable in any way for failure to perform due to any Force Majeure Event. By participating in the VLB Token ICO, purchasing VLB Tokens, or receiving and holding VLB Tokens, to the extent permitted by the applicable law, the Participant agrees that no other party (including, without limitation, the Initiator) shall be held liable for any Loss arising out of, or in any way connected to, any Force Majeure Event.

#### **16. Severability**

- 16.1. If any provision of these Terms and Conditions is found illegal or unenforceable under a relevant jurisdiction, in whole or in part, such a provision shall 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, which shall continue in full force and effect.

## **17. Applicable Law and Jurisdiction**

- 17.1. The law of the Republic of Estonia shall apply to these Terms and Conditions.
- 17.2. All disputes arising from these Terms and Conditions will be settled by the negotiations of the parties. If the disputes resulting from these Terms and Conditions could not be settled by the negotiations of the parties within a reasonable timeframe, the dispute will be solved in the Harju County Court, in Tallinn, Estonia.

## **18. Miscellaneous**

- 18.1. If these Terms and Conditions are in conflict with the information provided on the Website or any other document, including, but not limited to the VLB Tokens Whitepaper, these Terms and Conditions shall prevail.
- 18.2. These Terms and Conditions, the Website, and/or other related documents may be translated into other languages. In case of a conflict between the English and translated versions of the respective document, the English version shall prevail.



**ANNEX I**  
**Certain Risks Relating to Purchase, Sale, and Use of the VLB Tokens**

**Important Note:** *None of the information presented in this Annex I is intended to form a basis for any investment decision, and no specific recommendations are intended. The Initiator expressly disclaims any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from: (i) reliance on any information contained in this Annex I, (ii) any error, omission or inaccuracy in any such information, or (iii) any action resulting from such information.*

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

**1. Risk of Losing Access to the VLB Tokens Due to Loss of Private Key(s), Custodial Error, or Your Error**

A private key, or a combination of private keys, is necessary to control and dispose of the VLB Tokens stored in your digital wallet or vault. Accordingly, loss of the requisite private key(s) associated with your digital wallet or vault storing the VLB Tokens will result in loss of such VLB Tokens. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet service you use, may be able to misappropriate your VLB Tokens. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive and store the VLB Tokens, including your own failure to properly maintain or use such digital wallet or vault, may also result in the loss of your VLB Tokens. Additionally, your failure to precisely follow the procedures set forth for buying and receiving the VLB Tokens, including, for instance, if you provide an incorrect personal wallet address, or provides an address that is not ERC-20 compatible, may result in the loss of your VLB Tokens.

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

Because the VLB Tokens and the VLB Smart Contract are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on the VLB Tokens. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the VLB Tokens, including the utility of the VLB Tokens for Vehicle Lifecycle Blockchain, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol.

**3. Risk of Mining Attacks**

As with other decentralized cryptographic tokens based on the Ethereum protocol, the VLB Tokens are susceptible to attacks by miners in the course of validating VLB Token transactions on the Ethereum blockchain, including, but not limited to, double-spend attacks, majority mining power attacks, and selfish mining attacks. Any successful attacks present a risk to the Vehicle Lifecycle Blockchain and the VLB Tokens, including, but not limited to, accurate execution and recording of transactions involving the VLB Tokens.

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

Hackers or other malicious groups or organizations may attempt to interfere with Vehicle Lifecycle Blockchain, the VLB Smart Contract, the Website or the VLB Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-

based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because the VLB Smart Contract is based on open-source software, there is a risk that a third party or a member of the Initiator team may intentionally or unintentionally introduce weaknesses into the core infrastructure of the VLB Smart Contract, which could negatively affect Vehicle Lifecycle Blockchain, the VLB Smart Contract and the VLB Tokens.

#### **5. Risks Associated with Markets for the VLB Tokens**

The VLB Tokens could be used for any secondary trading or external valuation of the VLB Tokens from the End Date. If secondary trading of the VLB 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 the VLB Tokens (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile and diminish to zero.

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

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

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

The regulatory status of the VLB 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 regulations with respect to such technology and its applications, including the VLB Smart Contract, Vehicle Lifecycle Blockchain and the VLB Tokens. It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to Law or regulations affecting distributed ledger technology and its applications. Regulatory actions could negatively impact the VLB Smart Contract, Vehicle Lifecycle Blockchain and the VLB Tokens in various ways, including, for purposes of illustration only, through a determination that the purchase, sale and delivery of the VLB Tokens constitutes unlawful activity or that the VLB 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 Initiator 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**

Tax treatment and characterization of the VLB Tokens is uncertain. You must seek your own tax advice in connection with purchasing the VLB Tokens, which may result in adverse tax consequences to you, including withholding taxes, income taxes, indirect taxes and tax reporting requirements.

#### **9. Risks Associated with the Development and Maintenance of Vehicle Lifecycle Blockchain**

Vehicle Lifecycle Blockchain is still under development and may undergo significant changes over time. Although the Initiator intends for the VLB Tokens and Vehicle Lifecycle Blockchain

to function as described in the VLB Tokens Whitepaper, and intends to take commercially reasonable steps toward those ends, the Initiator may have to make changes to the specifications of the VLB Tokens or Vehicle Lifecycle Blockchain for any number of legitimate reasons. This could create a risk that the VLB Tokens or Vehicle Lifecycle Blockchain, as further developed and maintained, may not meet your expectations at the time of purchase. Furthermore, despite our good faith efforts to develop Vehicle Lifecycle Blockchain, it is still possible that Vehicle Lifecycle Blockchain will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact Vehicle Lifecycle Blockchain and the VLB Tokens, and the potential utility of the VLB Tokens.

#### **10. Risk of Alternative Networks**

It is possible that alternative networks could be established that utilize the same or similar source code and protocol underlying Vehicle Lifecycle Blockchain and attempt to facilitate services that are materially similar to Vehicle Lifecycle Blockchain's services. Vehicle Lifecycle Blockchain may compete with these alternative networks, which could negatively impact the Vehicle Lifecycle Blockchain and the VLB Tokens.

#### **11. Risk of an Unfavorable Fluctuation of ETH Value**

If the USD value of ETH fluctuates unfavorably during or after the VLB Token ICO, we may not be able to fund development, or may not be able to develop or maintain Vehicle Lifecycle Blockchain in the manner that was intended. In addition to the usual market forces, there are several potential events which could exacerbate the risk of unfavorable fluctuation in the value of ETH, including uncertainties created by the lack of resolution to the cryptocurrency scaling debate, the possibility of a so-called "Hard Fork" of cryptocurrency if one of the competing camps in the scaling debate decides to force the issue; another "DAO-like" attack on the Ethereum network; or significant security incidents or market irregularities at one or more of the major cryptocurrency exchanges.

#### **12. Risks Arising from Lack of Governance Rights**

Because the VLB Tokens confer no governance rights of any kind with respect to the Initiator, all decisions involving Vehicle Lifecycle Blockchain or the Initiator itself will be made by the Initiator at its sole discretion, including but not limited to, decisions to discontinue Vehicle Lifecycle Blockchain, to create and sell more VLB Tokens for use in Vehicle Lifecycle Blockchain, or to sell or liquidate the Initiator. These decisions could adversely affect Vehicle Lifecycle Blockchain and the utility of any VLB Tokens you own.

#### **13. Risks Arising from the Identity Verification Market**

The identity verification industry, and by extension Vehicle Lifecycle Blockchain, is subject to a variety of state and international laws and regulations, including those with respect to Know Your Customer and/or Anti-Money Laundering and customer due diligence procedures, privacy and data protection, consumer protection, data security, and others. These laws and regulations, and the interpretation or application of these laws and regulations, could change at any time. In addition, new laws or regulations affecting Vehicle Lifecycle Blockchain could be enacted, which could impact the utility of the VLB Tokens. Also, Vehicle Lifecycle Blockchain users are subject to industry specific laws and regulations or licensing requirements. If any of these parties fails to comply with any of these licensing requirements or other applicable laws or regulations, or if such laws and regulations or licensing requirements become more stringent or are otherwise expanded, it could adversely impact Vehicle Lifecycle Blockchain and the VLB Tokens.

#### **14. Risks Associated with Lack of Information**

Participants may not be able to obtain all information they would want regarding the Initiator, the VLB Tokens, or the VLB Token ICO on a timely basis or at all. It is possible that Participants may not be aware on a timely basis of material adverse changes that have occurred. While the Initiator has made efforts to use open-source development for the VLB Tokens, this information may be highly technical by nature. As a result of these difficulties, as well as other uncertainties, Participants may not have accurate or accessible information about the Vehicle Lifecycle Blockchain.

#### **15. Risks Associated with Transfer Restrictions**

The VLB Tokens have not been registered under the Securities Act, the securities laws of any state of or the securities laws of any other jurisdiction and therefore cannot be resold, except as described in the section entitled “Transfer Restrictions” in these Terms and Conditions. U.S. To the extent the VLB Tokens are deemed securities, unless transferred pursuant to an effective registration statement under the Securities Act with the U.S. Securities and Exchange Commission or an applicable exemption from registration, (i) U.S. Persons permitted to purchase the VLB Tokens will be required to maintain their VLB Tokens for a period of one year from the issuance of their VLB Tokens, and (ii) non-U.S. Persons holding the VLB Tokens will only be permitted to resell or transfer such tokens to other Non-U.S. Persons. These restrictions may adversely impact your ability to resell the VLB Tokens or the price at which you may be able to resell them, if at all. The VLB Tokens are not redeemable at the option of the holder and holders of the VLB Tokens will not have the right to withdraw their capital. It is not contemplated that the VLB Tokens will ever be registered. No public market for the VLB Tokens may develop. Further, each Participant must represent that it will only sell or transfer its VLB Tokens in accordance with the restrictions set forth under “Transfer Restrictions” in these Terms and Conditions and in a manner permitted by applicable laws and regulations. Consequently, Participants must be prepared to bear the risk of an investment in the VLB Tokens for an extended period of time.

#### **16. Unanticipated Risks**

Cryptographic tokens such as the VLB Tokens are a new and untested technology. In addition to the risks included in this [Annex I](#), there are other risks associated with your purchase, possession, and use of the VLB Tokens, including unanticipated risks. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this [Annex I](#).