

DISCLAIMER

IN THESE TERMS AND CONDITIONS ("TERMS"), REFERENCES TO "YOU" MEAN YOU OR THE ENTITY YOU REPRESENT, AND "YOUR" SHALL BE CONSTRUED ACCORDINGLY. READ THESE TERMS CAREFULLY BEFORE ENTERING THE LOAN AGREEMENT DESCRIBED HEREIN.

BY UTILIZING THE WEBSITE LOCATED AT [HTTP://CRYPTOPAY.ME](http://cryptopay.me) AND ANY SUB-DOMAINS OF THIS SITE ("WEBSITE") AND PRODUCTS OFFERED THEREIN, YOU REPRESENT AND WARRANT THAT:

1. YOU ARE OF FULL LEGAL AGE IN ACCORDANCE WITH LEGISLATION IN YOUR COUNTRY AND HAVE FULL CAPACITY TO CONTRACT UNDER APPLICABLE LAW;
2. YOU WILL ONLY BE TRANSACTING ON THE WEBSITE WITH LEGALLY-OBTAINED FUNDS THAT BELONG TO YOU;
3. YOU WILL NOT BE FURTHERING, PERFORMING, UNDERTAKING, ENGAGING IN, AIDING, OR ABETTING ANY UNLAWFUL ACTIVITY THROUGH YOUR RELATIONSHIP WITH US OR THROUGH YOUR USE OF THE WEBSITE; AND
4. YOU WILL BE COMPLYING WITH AND OBEYING ALL APPLICABLE LAWS.

BY ACCEPTING THESE TERMS, YOU WILL BE ENTERING INTO A LEGALLY BINDING AGREEMENT WITH CPAY FOUNDATION LIMITED.

IF YOU DO NOT AGREE TO ALL OF THE TERMS AND CONDITIONS OF THIS LOAN AGREEMENT, YOU ARE NOT AN AUTHORIZED USER OF THESE SERVICES AND YOU SHOULD NOT USE THIS WEBSITE NOR ITS PRODUCTS OR ENTER INTO THE LOAN AGREEMENT.

ANY PERSON OR ENTITY, INCLUDING ANYONE ACTING ON ITS BEHALF, BEING BASED, DOMICILED, LOCATED OR INCORPORATED IN THE UNITED STATES OF AMERICA AND ANY OF ITS LANDS, THE UNITED KINGDOM (WITH EXCEPTIONS), CANADA, SINGAPORE OR HONG KONG (WITH EXCEPTIONS) SHALL NOT USE THIS WEBSITE NOR ITS PRODUCTS, NOR ENTER INTO THE LOAN AGREEMENT AND SHALL LEAVE THIS WEBSITE IMMEDIATELY.

CPAY CRYPTOGRAPHIC TOKENS HAVE NO RIGHTS, USES OR ATTRIBUTES OUTSIDE OF THE SCOPE OF THIS LOAN AGREEMENT.

NEITHER THIS DOCUMENT NOR ANY OTHER DOCUMENT PRODUCED AND SIGNED BY CRYPTOPAY CONSTITUTES A PROSPECTUS OF ANY SORT, AN OFFER OR SOLICITATION TO SELL SHARES OR SECURITIES IN CPAY FOUNDATION LIMITED OR THE WEBSITE OR THE PRODUCTS OFFERED THEREUNDER.

NONE OF THE INFORMATION PRESENTED IS INTENDED TO FORM THE BASIS FOR ANY INVESTMENT DECISION, AND NO SPECIFIC RECOMMENDATIONS ARE INTENDED, AND CPAY FOUNDATION LIMITED SERVICES AND THE WEBSITE ARE NOT, DO NOT OFFER AND SHALL NOT BE CONSTRUED AS, INVESTMENT OR FINANCIAL PRODUCTS, BUT AS SOFTWARE.

ACCORDINGLY, THIS AGREEMENT DOES NOT CONSTITUTE INVESTMENT ADVICE OR COUNSEL OR SOLICITATION FOR INVESTMENT IN ANY SECURITY AND SHALL NOT BE CONSTRUED IN THAT WAY. THIS DOCUMENT DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, ANY OFFER FOR SALE OR SUBSCRIPTION OF, OR ANY INVITATION TO OFFER 1TO BUY OR SUBSCRIBE FOR, ANY SECURITIES.

DISCLAIMER (CONTINUED)

ACQUISITION OF CPAY CRYPTOGRAPHIC TOKENS DOES NOT PRESENT AN EXCHANGE OF CRYPTOCURRENCIES FOR ANY FORM OF ORDINARY SHARES IN CPAY FOUNDATION LIMITED OR THE WEBSITE, AND A HOLDER OF CPAY CRYPTOGRAPHIC TOKENS IS NOT ENTITLED TO ANY GUARANTEED FORM OF DIVIDEND OR OTHER REVENUE RIGHT. HOLDERS OF CPAY CRYPTOGRAPHIC TOKENS ARE ONLY ENTITLED TO CERTAIN RIGHTS WITHIN THE TERMS OF THE LOAN AGREEMENT SET OUT HEREIN.

CPAY CRYPTOGRAPHIC TOKENS ARE AVAILABLE TO USERS IN EXCHANGE FOR CERTAIN OTHER CRYPTOCURRENCY AND CPAY FOUNDATION LIMITED DOES IN NO WAY PROVIDE EXCHANGE OF CPAY CRYPTOGRAPHIC TOKENS FOR FIAT CURRENCY. CPAY FOUNDATION LIMITED ALSO DOES NOT PROVIDE CUSTODIAL OR WALLET SERVICES FOR THE TOKENS.

CPAY FOUNDATION LIMITED 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 DOCUMENT, (II) ANY ERROR, OMISSION OR INACCURACY IN ANY SUCH INFORMATION, (III) ANY ACTION RESULTING THEREFROM, OR (IV) USAGE OR ACQUISITION OF PRODUCTS, AVAILABLE THROUGH THE WEBSITE.

UNLESS OTHERWISE STATED HEREIN, YOUR RELATIONSHIP WITH CPAY FOUNDATION LIMITED IS GOVERNED ENTIRELY BY THE TERMS CONTAINED IN THIS LOAN AGREEMENT.

YOUR ENTRY INTO THE LOAN AGREEMENT WITH CPAY FOUNDATION LIMITED CONSTITUTES AN IRREVOCABLE OFFER TO CPAY FOUNDATION LIMITED, AND NO CANCELLATION OR TERMINATION IS PERMITTED BY YOU EXCEPT PURSUANT TO THE TERMS HEREIN. WE RESERVE THE RIGHT NOT TO ACCEPT ANY SUCH OFFER TO ENTER INTO THE LOAN AGREEMENT AT ANY TIME AT OUR SOLE DISCRETION.

CPAY FOUNDATION LIMITED RESERVES THE RIGHT TO CHANGE, MODIFY, ADD OR REMOVE PORTIONS OF THESE TERMS AT ANY TIME FOR ANY REASON. WE SUGGEST THAT YOU REVIEW THESE TERMS PERIODICALLY FOR CHANGES. SUCH CHANGES SHALL BE EFFECTIVE IN TEN (10) DAYS UPON POSTING ON THE WEBSITE WITHOUT ANY NOTICE. YOU ACKNOWLEDGE THAT IT IS YOUR RESPONSIBILITY TO CHECK THE WEBSITE FOR CHANGES OF THESE TERMS AND THAT BY ACCESSING OUR WEBSITE AFTER WE HAVE POSTED CHANGES TO THESE TERMS, YOU ARE AGREEING TO THE MODIFIED TERMS.

YOU ACKNOWLEDGE THAT YOU HAVE READ THESE TERMS AND CONDITIONS AND THAT YOU AGREE TO BE BOUND BY THEM.

TERMS AND CONDITIONS

This Agreement is an agreement between you as Lender and CPAY Foundation Limited, an exempted company incorporated and registered in the Cayman Islands, as Borrower, (collectively referred to as the "Parties", each a "Party") which contains the terms and conditions of the loan and governs your acquisition of CPAY cryptographic tokens.

ATTENTION: Please read these Terms carefully before proceeding with registration and transferring Cryptocurrency. After any Cryptocurrency transfer you will be deemed to have unconditionally accepted these Terms.

NOW, THEREFORE, in consideration of the mutual representations, warranties and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CPAY Foundation Limited and the Lender hereby agree as follows:

1. Terms

1.1. The following terms used in these Terms have the meanings set forth in this paragraph:

- 1.1.1. "Account" – personal account on the Website for keeping and transferring Cryptocurrency and Tokens;
- 1.1.2. "Agreement" or "Terms" – this agreement and the terms and conditions contained herein and any other rules, policies or procedures that may be issued by CPAY Foundation Limited and published from time to time on the Website in relation to this Agreement;
- 1.1.3. "Bonus token" – additional Tokens granted to the Lender by the Borrower;
- 1.1.4. "Borrower" – CPAY Foundation Limited, an exempted company incorporated and existing under the laws of Cayman Islands, having its principal place of business ARKA Corporate Services (Cayman) Limited, 67 Fort Street, 1st Floor, Artemis House, George Town, Grand Cayman KY1-1102, Cayman Islands;
- 1.1.5. "Company" – Cryptopay LTD, legal entity organized and existing under the laws of England, having its principal place of business 145/147 Hatfield Road, St. Albans, England, AL1 4JY;
- 1.1.6. "Cryptocurrency" – digital currency, represented by Bitcoin (BTC), Ethereum (ETH), Litecoin (LTC) and Ripple (XRP);
- 1.1.7. "ETH" or "Ether" – value token of the Ethereum blockchain called "ether";
- 1.1.8. "Ethereum" or "Ethereum platform" – the open-source, public, blockchain-based distributed computing platform featuring smart contract (scripting) functionality;
- 1.1.9. "Exchange Rate" – rate of exchange reflecting the cost of the Cryptocurrency, expressed as a fiat currency or another Cryptocurrency that is, in any case, published on <https://bitstamp.net/> or another reputable exchange;
- 1.1.10. "Final Repayment Date" – the date falling 5 years (or such other period as specified by the Borrower) after the day following the expiry of the Period;
- 1.1.11. "Interest" – the periodic payment to the Lender calculated and payable in accordance with para. 3.8 and para. 3.9;
- 1.1.12. "KYC procedures" or "Know Your Customer" – Anti-money laundering procedure used by the Borrower to determine the true identity of the Lenders in accordance with all applicable laws and regulations;
- 1.1.13. "Lender" or "User" – A legally capable person who accepts the Agreement and is not resident of the Restricted areas;

- 1.1.14. "Litecoin" or "LTC" – value token of the Litecoin blockchain;
- 1.1.15. "Maximum Threshold" – maximum amount of Cryptocurrency that can be lent to the Borrower which, at the date hereof, is 210,000 worth of ETH;
- 1.1.16. "Monthly Turnover" – the aggregate monthly revenue from existing and newly developed products of the Company;
- 1.1.17. "Period" – the period within which the Principal Loan Amount can be transferred to the Receiving Blockchain Address under the Terms;
- 1.1.18. "Principal Loan Amount" - the sum of money transferred by the Lender under the Terms, expressed in Euro;
- 1.1.19. "Restricted Areas" – has the meaning set out in para. 10.1;
- 1.1.20. "Receiving Blockchain Address" - any address used by the Borrower to accept Cryptocurrency under the Terms;
- 1.1.21. "Ripple" or "XRP" – value token of the Ripple blockchain;
- 1.1.22. "Tokens" or "CPAY Tokens" or "Cryptopay cryptographic tokens"- cryptographic tokens, which are software digital products (not being cryptocurrency), created by the Borrower as proof of a portion of rights of the Lender under the Agreement. A Token carries no rights, expressed or implied, other than those, set out in this Agreement; The mentioned CPAY Tokens are not securities, are not registered with any government entity as a security, and shall not in any case be considered as such. CPAY Tokens are not intended to be a commodity or any other kind of financial instrument, do not represent any share, stake or security in the Borrower or equivalent rights, including, but not limited to, any intellectual property rights, and do not represent any ownership right;
- 1.1.23. "Total Number of Tokens Held" – amount of tokens that is allocated to the Lender after the Period;
- 1.1.24. "Total Principal Loan Amount" – sum of all Principal Loan Amounts transferred during the Period by all Lenders, expressed in Euro;
- 1.1.25. "Total Token Amount" – the total amount of Tokens that will be distributed to the Lenders that accept the Terms, in any case being not more than 400.000.000 CPAY Tokens (or such other limited specified by the Borrower);
- 1.1.26. "Wallet" – a solution, enabling users to store, send and receive Cryptocurrency and CPAY Tokens;
- 1.1.27. "Website" – the website and any sub-domains of this site maintained and owned by the Company at <http://cryptopay.me>.

2. Acceptance of the Terms

- 2.1. The text of the Agreement is available at all times on the Website under URL: https://cryptopay.me/legal/ico_terms.
- 2.2. The offer to conclude the Agreement is considered as duly accepted after the Lender completes the following within the Period:
 - 2.2.1. registration as a user on the Website; and
 - 2.2.2. transferring Cryptocurrency to the Receiving Blockchain Address specified in the Account of the Lender and that transfer being confirmed on the appropriate blockchain.
- 2.3. The Period shall commence on September 25, 2017 10:00 BST (UTC+1), 18:00 JST (UTC+9), 18:00 KST (UTC+9) and shall end on the earlier to occur of:
 - 2.3.1. the time and date at which the Maximum Threshold is reached; and
 - 2.3.2. 30 October 2017, 10:00 BST (UTC+1), 18:00 JST (UTC+9), 18:00 KST (UTC+9).

3. Subject of the Agreement

- 3.1. The Lender agrees to loan Principal Loan Amount to the Borrower and the Borrower agrees to repay the Total Principal Loan Amount to the Lenders, together with interest calculated pursuant to para. 3.8 or 3.9 of this Agreement.
- 3.2. The Borrower shall use the loan for its general corporate purposes and the Lender shall not be bound to monitor such usage.
- 3.3. The Lender under the Terms should transfer Principal Loan Amount in Cryptocurrency equivalent. The Principal Loan Amount is stated in Euro and shall be calculated on the basis of the Exchange Rate on the date of transfer.
- 3.4. The Lender is loaning the Principal Loan Amount to the Borrower by transferring its Cryptocurrency equivalent to the Receiving Blockchain Address specified in the Account of the Lender.
- 3.5. The Terms are applicable if the Lender transfers Cryptocurrency to the Receiving Blockchain Address within the Period. If any Cryptocurrency is transferred to the Receiving Blockchain Address beyond the Period it shall be refunded by the Borrower to the Wallet from which such Cryptocurrency was transferred, not later than within 5 working days without right to any interest.
- 3.6. If, for any reason, the Borrower is unable to satisfactorily complete its KYC procedures in respect of a Lender, the Borrower shall return the Principal Loan Amount to the Wallet from which such Principal Loan Amount was transferred as soon as reasonably practicable without any payment of interest or any penalties. After the returning of such Principal Loan Amount the Agreement is automatically terminated with respect to that Lender.
- 3.7. The loan shall commence at 01.01.2018 and shall end on the Final Repayment Date.
- 3.8. If, for any reason, the Borrower is unable to repay in full the outstanding Total Principal Loan Amount due to the Lenders on the Final Repayment Date, the parties agree to extend and continue the said Agreement for an additional period of five (5) years commencing upon the expiration of the Final Repayment Date. Extension may be exercised not more than 5 times upon sole decision of the Borrower. The terms and conditions of the Agreement will remain the same. Extension will take effect after sending a notice to the Lender.
- 3.9. Subject to this paragraph, the Borrower shall repay in full the outstanding Total Principal Loan Amount due to the Lenders on the Final Repayment Date. On the Final Repayment Date or if, for any reason, the Agreement is extended for an additional period(s) of five (5) years, the Total Principal Loan Amount due shall be reduced by an amount equal to the total interest payments paid in respect of the Total Principal Loan Amount during every complete 5 years' periods from the date of the Agreement (but not below zero). This reduction shall apply regardless of the date when the Total Principal Loan Amount is repaid during the extended term of the loan, including cases of full repayment in according with para 3.16. If, during the term of the loan, total interest payments paid in respect of the Total Principal Loan Amount are equal to or exceed the Total Principal Loan Amount, the Total Principal Loan Amount shall be considered repaid and the outstanding balance reduced to nil and the Lenders shall have no further claims in respect of the Total Principal Loan Amount.
- 3.10. The interest shall be payable after every month during the term of the loan. The amount of interest shall be calculated as follows:
- $$\frac{(MonthlyTurnoverinEthereum*0,1*Totalnumberoftokensheld)}{Totaltokenamount}$$
- 3.11. Should the Monthly Turnover be denominated in Euro (EUR) or another fiat currency, the interest shall be calculated as follows:
- $$\frac{(MonthlyTurnoverinfiatcurrency*0,1 * TotalnumberofTokensheld*ExchangeRate(onthepaymentdate))}{TotalTokenAmount}$$
- 3.12. The Borrower retains the right to make all interest and principal payments under the Agreement in any available Cryptocurrency or fiat currency at its discretion.
- 3.13. Subject to compliance with all applicable KYC procedures to the satisfaction of the Borrower or the Borrower's agent in their sole discretion, the Borrower shall make all payments under the Terms to the blockchain address specified in the Account of the Lender not later than within 30 days from the end of each month when such payment is due and payable.

- 3.14. Any payments under the Terms may be made by a third party without prior consent of the Lender.
- 3.15. In any month where there is insufficient Monthly Turnover (as determined by the Borrower in accordance with suitable accounting practices) an interest payment, calculated in accordance with the relevant paragraph, may be nil and in such case, the Borrower will have no obligation to pay any interest to the Lender in relation to that month.
- 3.16. The Borrower has the right to prepay Lenders all or any part of the Total Principal Loan Amount of this Agreement at any time by giving not less than ten (10) working days notice on the Website without prepayment penalty or premium of any kind.

4. Tokens and distribution

- 4.1. In consideration for the Lender transferring the Principal Loan Amount to the Borrower pursuant to the Terms, the Borrower agrees to issue Tokens to the Account of the Lender. The Borrower shall issue the Tokens not later than within 30 days from the expiry of the Period in accordance with para. 2.2 of the Terms.
- 4.2. If, for any reason, the Borrower fails to issue the Tokens in accordance with para. 4.1 of the Terms, the Lender is entitled to give notice to the Borrower requesting either the prompt issue of the Tokens or for the refund in the sum of the Principal Loan Amount without any interest or any penalties.
- 4.3. A Token shall represent a portion of rights of the Lender under the Terms. One Token shall be equal to the Lender's claim of $(\text{Total Principal Loan Amount} / \text{Total Token Amount})$ Euro according to the Exchange Rate on the date of transfer in accordance with para. 3.3 of the Terms.
- 4.4. The Tokens are allocated to the Lender by the Borrower as follows:
- 4.4.1. if Principal Loan Amount was paid in ETH:
- $$4.4.1.1. \frac{(\text{Principal loan amount})}{0.001\text{ETH}},$$
- 4.4.2. if Principal Loan Amount was paid in Cryptocurrency other than ETH:
- $$4.4.2.1. \frac{(\text{Principal loan amount} * \text{ETH Exchange rate})}{0.001\text{ETH}},$$
- 4.5. Depending on the date when the transfer of the Principal Loan Amount is confirmed by the appropriate blockchain platform, Bonus tokens may be additionally allocated on top of the Tokens that Lender has acquired. The number of such Bonus tokens shall be calculated as a percentage of the number of Tokens allocated to the Lender and according to the applicable percentage detailed in para. 4.6 below.
- 4.6. The schedule for the Bonus tokens allocation is the following:
- 4.6.1. 25th September 2017, 10:00 (UTC+1) to the 2nd October 2017, 10:00 (UTC+1) – Lender's bonus eligibility should not be less than 25% of the non-bonus Tokens acquired by the Lender in period;
- 4.6.2. 2nd October 2017, 11:00 (UTC+1) to the 3rd of October 2017, 10:00 (UTC+1) - Lender's bonus eligibility equals 10% of the non-bonus Tokens acquired by the Lender in period;
- 4.6.3. 3rd October 2017, 11:00 (UTC+1) to the 10th October 2017, 10:00 (UTC+1) - Lender's bonus eligibility equals 5% of the non-bonus Tokens acquired by the Lender in period;
- 4.6.4. 10th October 2017, 11:00 (UTC+1) to the 17th October 2017, 10:00 (UTC+1) - Lender's bonus eligibility equals 2.5% of the non-bonus Tokens acquired by the Lender in period.
- 4.7. Existing verified users of the Website, i.e. those who have registered on the Website and successfully verified their Accounts before 25th September 2017, 10:00 (UTC+1), will be entitled to an additional bonus of 5% of the non-bonus Tokens acquired by the Lender in such period.
- 4.8. Token distribution will be offered only through the Website. No third-party website or different provider is allowed or has been in any way supported, engaged, authorized or endorsed by the Borrower and has no relationship in any way with the Borrower. The only official and authorized website and CPAY Token distribution provider is the Website. It is the Lender's responsibility to ensure that the URL of your web browser indicates that it is using a hypertext transport protocol secure connection ("https") and that the domain name is correct.

- 4.9. The Borrower reserves the right to include emergency stop functionality to stop the distribution of Tokens process. Use of this functionality shall remain at the discretion of the Borrower and shall only be used in limited situations, such as, but not limited to: i) serious security issue detected, ii) serious network performance issue, depriving all users of equal treatment, iii) any type of material cyber attack on the Website or Ethereum network.
- 4.10. When it is satisfied that the Total Principal Loan Amount has been repaid in full, the Tokens held by the Lenders and at that time the Lenders' rights under the Terms shall be extinguished.

5. The transfer of the Tokens

- 5.1. Possession of a Token equates to ownership of the Lender's rights under the Terms. No person shall be deemed to be a creditor of the Borrower unless the said person possesses a Token.
- 5.2. The Parties agree that the Lender may assign its rights under the Terms fully or in part by transferring Tokens to a third party.
- 5.3. The transfer of a Token equates to assignment of Lender's rights under the Terms. The transfer of a Token retains this effect notwithstanding the lack of contractual relationship between the transmitter and the receiver. Any circumstances that might cause any kind of defect relating to a Token transfer contract, such as being void, defeasibility, rescission and others, shall not affect the Borrower, the Borrower may continue to make payments under the Terms to the holder of the Tokens. The consequences of any defect relating to a Token transfer contract shall be limited to relationships between the transmitter and the receiver.
- 5.4. Any rights attached to a Token may be exercised only by the holder of a Token; no other person shall receive anything that is due to a Lender under the Terms. The payments or any delivery under the Terms that are meant for a Lender are to be made in favor of the holder of a Token. The Borrower cannot be obligated to treat any person other than the holder of Tokens as a Lender. No payment or delivery shall be made to a person not holding Tokens, even in the event of involuntary loss of a Token.
- 5.5. A person holding a Token shall be bound by these Terms whether or not they are the recipient of such Token as a result of a transfer pursuant to this para. 5.

6. Indemnities and warranties

- 6.1. Indemnities and warranties on the part of the Borrower:
- 6.1.1. The Lenders bear all risks they are exposed to due to the acquisition of Tokens including, but not limited to, the loss of any profits, savings, price volatility, hacker attacks, unauthorized access to the Account and Wallet or adverse regulatory activity.
- 6.1.2. The risks associated with the acquisition of Tokens are considerable. The costs relating to the acquisition of Tokens will not be indemnified under any circumstances by the Borrower; to the maximum extent permitted by law, the Lenders waive all related rights hereto granted by any applicable law.
- 6.1.3. The demand for Tokens on the secondary market is not guaranteed.
- 6.1.4. In the event of a Force Majeure event (as defined in para. 7.5) the parties may suspend the performance of their respective obligations under the Terms.
- 6.1.5. No information issued by the Borrower under any circumstances or at any time shall be perceived or treated as a representation or warranty. No statement of the Borrower, or any affiliate of the Borrower, shall have that effect.
- 6.2. Indemnities and warranties on the part of the Lender:
- 6.2.1. The Lender warrants and represents that he or she is capable, has all power and authority (in each case under all applicable laws) to enter into the Agreement and be bound by the Terms and acknowledges the risk of using the Website.
- 6.2.2. The Lender warrants and represents that he or she is aware of the Terms, has thoroughly read them and consented to them.

- 6.2.3. The Lender warrants and represents that at the time of acquiring the Tokens he or she is aware of how to use the Account, make transactions and manage software functions.
- 6.2.4. The Lender warrants and represents that their habitual residence or their jurisdiction of incorporation is not situated in the Restricted Area (set out in para 10.1) unless they warrant that they have permission to acquire Tokens on either the following bases:
 - 6.2.4.1. if their habitual residence or their jurisdiction of incorporation is Hong Kong, they have received the legal status of professional investors and can provide sufficient proof;
 - 6.2.4.2. if their habitual residence or their jurisdiction of incorporation is the United Kingdom, they have received the legal status of an experienced investor and can provide sufficient proof;
- 6.2.5. The Lender warrants and represents that he or she does not and will not use the Website or the Tokens for illegal purposes, including money laundering of criminal proceeds, transfer or receipt of payment for planning, preparation or commitment of crime, for financing the terrorism and illegal trade.
- 6.2.6. The Lender warrants and represents that he or she will provide only truthful, actual information regarding himself or herself while undergoing the registration and verification procedure on the Website (including when complying with the Borrower's KYC procedures).
- 6.2.7. The Lender warrants and represents that he or she will not disclose or transfer to third parties or store without adequate security measures his or her Account details.
- 6.2.8. The Lender warrants to the Borrower that the Lender will not use the Website or the Tokens for any purpose that is unlawful or prohibited by these Terms. The Lender may not use Tokens in any manner that could damage, disable, overburden, or impair the Tokens or the Website.

7. Liability

- 7.1. To the maximum extent permitted by applicable law and except in relation to the Borrower's payment obligations set out in para. 3, the Borrower and its affiliates and their respective officers, employees or agents will, in relation to the Website and Tokens, not be liable to the Lender or anyone else for any damages of any kind, including, but not limited to, direct, consequential, incidental, special or indirect damages (including but not limited to lost profits, loss of revenue or third party loss whether foreseeable or otherwise, trading losses or damages that result from use or loss of use of the Website and Tokens), even where the Borrower has been advised of the possibility of such damages or losses, including, without limitation, from the use or attempted use of the Tokens or the Website.
- 7.2. Further, to the maximum extent permitted by applicable law, neither the Borrower nor any of its affiliates or licensors will be responsible for any compensation, reimbursement, or damages arising in connection with: (a) the Lender's inability to use the Website or Tokens, including without limitation as a result of any termination or suspension of the Ethereum network or this Agreement, including as a result of power outages, maintenance, defects, system failures or other interruptions; (b) the cost of procurement of substitute goods or services; (c) any investments, expenditures, or commitments by the Lender in connection with this agreement or the Lender's use of or access to the Website and Tokens; or (d) any unauthorized access to, alteration of, or the deletion, destruction, damage, loss or failure to store any data, including records, private key or other credentials, associated with the Website and Tokens.
- 7.3. The Lender will defend, indemnify, and hold harmless the Borrower, its affiliates and licensors, and each of their respective employees, officers, directors, and representatives from and against any and all claims, damages, losses, liabilities, costs, and expenses (including reasonable attorney fees) arising out of or relating to any third-party claim concerning this Agreement or the Lender's use of the Website and Tokens contrary to these Terms. If the Borrower or its affiliates are obligated to respond to a third-party subpoena or other compulsory legal order or process described above, the Lender will also reimburse us for reasonable attorney fees, as well as our employees' and contractors' time and materials spent responding to the third-party subpoena or other compulsory legal order or process at reasonable hourly rates.

- 7.4. The information, software, products, and services included in or available through the Website may include inaccuracies or typographical errors. Changes are periodically added to the information herein. The Borrower and/or its suppliers may make improvements and/or changes to the Website at any time. The Borrower makes no representations about the suitability, reliability, availability, timeliness, and accuracy of the to the Website, CPAY Tokens, information, software, products, services and related graphics contained on the Website for any purpose. To the maximum extent permitted by applicable law, the Website and Tokens, all such information, software, products, services and related graphics are provided "as is" without warranty or condition of any kind. The Borrower hereby disclaims all warranties and conditions with regard to the Website and Tokens, information, software, products, services and related graphics, including all implied warranties or conditions of merchantability, fitness for a particular purpose, title and non-infringement.
- 7.5. The Lender understands and agrees that Borrower shall not be liable and disclaims all liability to the Lender in connection with any "Force Majeure event", including acts of God, labour disputes or other industrial disturbances, electrical, telecommunications, hardware, software or other utility failures, software or smart contract bugs or weaknesses, earthquakes, storms, or other nature-related events, blockages, embargoes, riots, acts or orders of government, acts of terrorism or war, technological change, changes in interest rates or other monetary conditions, and, for the avoidance of doubt, changes to any blockchain-related protocol.

8. Risks

- 8.1. You agree that the currency of the loan under this Agreement is in Euro, but all interests should be paid in Cryptocurrency equivalent. You understand that Cryptocurrency, Tokens, blockchain technology, Ethereum, and other associated and related technologies are new and untested and outside of the Borrower's exclusive control and adverse changes in market forces or the technology, broadly construed, will excuse the Borrower's performance under this Agreement.
- 8.2. In addition to the above, you also acknowledge that you have been warned of the following risks, associated with the regulatory environment, the Company's financial performance, the Website, the Cryptocurrencies, the Tokens and other relevant technologies mentioned herein:

8.2.1. Legal risks regarding securities regulations.

There is a risk that in some jurisdictions the Tokens and Cryptocurrencies might be considered to be a security, or that they might be considered to be a security in the future. The Borrower does not give warranties or guarantees that Tokens are not a security in all jurisdictions. Each user of Tokens shall bear its own legal or financial consequences of Tokens being considered a security in their respective jurisdiction. Every user is bound to check if the acquisition and disposal of Tokens is legal in its relevant jurisdiction, and by accepting these Terms each user undertakes not to use Tokens should their use not be legal in the relevant jurisdiction. If a user establishes that the use of Tokens under these Terms is not legal in its jurisdiction, it should not use the Tokens, not acquire them and should immediately stop using or possessing them if such case arises. Acquiring Tokens in exchange for Cryptocurrency will most likely continue to be scrutinized by various regulatory bodies around the world, which has so far given mixed reactions and regulatory impact. The legal ability of the Borrower to provide Tokens in some jurisdictions may be eliminated by future regulation or legal actions. In the event that Tokens are not legal in certain jurisdictions, the Borrower will either a) cease operations in that jurisdiction, or b) adjust Tokens in a way to comply with the regulation should that be possible and viable.

8.2.2. Risk of unfavorable regulatory action in one or more jurisdictions.

Blockchain technologies have been the subject of scrutiny by various regulatory bodies around the world. The functioning of the Ethereum network and associated blockchain networks and Cryptocurrencies and Tokens could be impacted by one or more regulatory inquiries or actions, including but not limited to restrictions on the use or possession of digital tokens like Tokens, which could impede or limit their existence, permissibility of their use and possession, and their value.

8.2.3. Risk of unearned income.

Interest repaid for the given loan is based on the financial performance of the Company, i.e. monthly aggregated revenue from existing and newly developed products of the Company, which is not consistent, subject to fluctuations and even loss. In this regard no income on the given loan shall be regarded as guaranteed.

8.2.4. Risks associated with Ethereum.

Tokens are based on Ethereum blockchain. As such, any malfunction, unintended function or unexpected functioning of the Ethereum protocol may cause the Tokens to malfunction or function in an unexpected or unintended manner. Ether, the native unit of account of the Ethereum may itself lose value in ways similar to Tokens, and also other ways.

8.2.5. Risk of theft and hacking.

Hackers or other groups or organizations may attempt to interfere with the Lender's Account, Lender's Wallet, the Website or the availability of Tokens and Cryptocurrencies in any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks.

8.2.6. Risk of security weaknesses in the Website and Tokens source code or any associated software and/or infrastructure.

There is a risk that the Website and Tokens may unintentionally include weaknesses or bugs in the source code interfering with the use of or causing the loss of Tokens.

8.2.7. Risk of weaknesses or exploitable breakthroughs in the field of cryptography.

Advances in cryptography, or technical advances such as the development of quantum computers, could present risks to Cryptocurrencies, Ethereum and Tokens, which could result in the theft or loss of Tokens.

8.2.8. Risk of mining attacks.

As with other decentralized cryptocurrencies, Ethereum blockchain, which is used for the Tokens, is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, “selfish-mining” attacks, and race condition attacks. Any successful attacks present a risk to the Tokens, expected proper execution and sequencing of Tokens, and expected proper execution and sequencing of Ethereum contract computations in general. Despite the efforts of the Borrower and Ethereum Foundation, the risk of known or novel mining attacks exists. Mining attacks, as described above, may also target other blockchain networks, with which the Tokens interact with and consequently the Tokens may be impacted also in that way to the extent described above.

8.2.9. Risk of low or no liquidity.

Even though there are currently online service available, which enable possibility of exchange of cryptographic tokens between themselves, and also, some of them enable exchange of cryptographic tokens for fiat money, there are no warranties and/ or guarantees given that Tokens will be listed or made available for exchange for other cryptocurrency and/or fiat money, and no guarantees are given whatsoever with the capacity (volume) of such potential exchange. It shall be explicitly cautioned, that such exchange, if any, might be subject to poorly understood regulatory oversight, and the Borrower does not give any warranties in relation to any exchange services providers. Lender might be exposed to fraud and failure. In any case, the Borrower will not enable exchange of Tokens for other cryptographic tokens or for fiat currency. Lender may not at any given time be able to acquire or dispose of its Tokens due to lack of liquidity.

8.2.10. Risk of loss of value.

Value of Tokens may fluctuate and their holders might suffer loss in value of such acquired tokens. There might be different reasons that would cause unfavorable fluctuations of the value of the Tokens.

8.2.11. Risk of malfunction in the Ethereum network or any other blockchain.

It is possible that the Ethereum network or any other network, to which the Tokens are interacting with, malfunctions in an unfavorable way, including but not limited to one that results in the loss of Tokens

8.2.12. Internet transmission risks.

You acknowledge that there are risks associated with using the Tokens including, but not limited to, the failure of hardware, software, and internet connections. You acknowledge that the Borrower shall not be responsible for any communication failures, disruptions, errors, distortions or delays you may experience when using the Website and Tokens, howsoever caused. You acknowledge that transactions in Cryptocurrency may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable. You acknowledge that Cryptocurrency transactions shall be deemed to be made when recorded on a public ledger, which is not necessarily the date or time when the transaction is initiated.

8.2.13. Unanticipated risks.

Cryptocurrencies and blockchains are new and untested technology. In addition to the risks set forth here, there are risks that the Borrower cannot foresee and it is unreasonable to believe that such risks could have been foreseeable. Risks may further materialize as unanticipated.

8.2.14. Insufficient interest in the Borrower and Tokens.

It is possible that the Borrower or Tokens will not be used by a large number of individuals, businesses and other organizations and that there will be limited public interest in the creation and development of its functionalities. Such a lack of interest could impact the development of the Company's platform.

- 8.3. The Tokens are provided "as is". The Borrower and its affiliates and licensors make no representations or warranties of any kind, whether express, implied, statutory or otherwise regarding the Tokens, including any warranty that the Tokens will be uninterrupted, error free or free of harmful components, secure or not otherwise lost or damaged. Except to the extent prohibited by law, the Borrower and its affiliates and licensors disclaim all warranties, including any implied warranties of merchantability, satisfactory quality, fitness for a particular purpose, non-infringement, or quiet enjoyment, and any warranties arising out of any course of dealings, usage or trade.

9. Jurisdiction, applicable law

- 9.1. The Terms and any legal relationship between the Parties arising out of or in connection with them shall be governed by and construed in accordance with the laws of the Cayman Islands without regard to its conflict of laws rules. The Parties settle all their disputes arising out of or in connection with the Terms in accordance with the laws of the Cayman Islands.
- 9.2. The Parties agree to try in good faith to settle through negotiations any dispute, disagreement or claim arising out of or in connection with execution, termination or rescission of this Agreement. The claiming party shall send a message with its claim to the other party (in accordance with the notice provisions in para. 13). The message in question shall contain the essentials of the claim and evidence supporting such claim.
- 9.3. In the absence of a reply to the claim within 30 working days since the sending date, or if the Parties have failed to reach an amicable settlement, the dispute shall be brought and heard exclusively in appropriate court at the location of the Borrower's determination.

10. Restricted Areas

- 10.1. The Agreement and CPAY Tokens are not offered for use to natural and legal persons, having their habitual residence or their jurisdiction of incorporation in the following countries (“Restricted Areas”):
- 10.1.1. Canada,
 - 10.1.2. Singapore,
 - 10.1.3. Hong Kong (subject to para. 6.2.4.1),
 - 10.1.4. the United Kingdom (subject to para. 6.2.4.2),
 - 10.1.5. the United States of America and any of its lands.
- 10.2. Natural and legal persons with their habitual residence or jurisdiction of incorporation from the Restricted Areas must not enter into the Terms.
- 10.3. The Borrower reserves its right to decide in its own discretion to adopt reasonable organizational and technical measures to ensure that the Tokens are not available to persons from Restricted Areas.
- 10.4. Due to the Tokens being offered on the internet (meaning both the world-wide web and the Ethereum blockchain) the Borrower understands that there is a possibility that there might be a certain “flowback” of Tokens to natural and legal persons with their habitual residence or jurisdiction of incorporation located in the Restricted Areas.
- 10.5. The Borrower consequently explicitly prohibits persons from Restricted Areas from using the Tokens. The Borrower shall not be held liable for any legal or monetary consequence arising from such use. Such persons using Tokens despite the prohibition shall on first request indemnify and hold harmless the Borrower from any legal or monetary consequence arising from their breach of the provisions as described in this para 10.5. Any person from a Restricted Area shall immediately stop using Tokens and leave the Website.

11. Personal data

- 11.1. The Lender agrees to the Borrower processing the personal data provided during the registration and the KYC procedure, including all or any of the following as the Borrower shall require:
- 11.1.1. name and surname;
 - 11.1.2. country of residence/nationality;
 - 11.1.3. scanned version of the government issued ID, that is valid for at least 6 months as of uploading date:
 - 11.1.3.1. Passport (double page)
 - 11.1.3.2. National ID card (both sides)
 - 11.1.3.3. Driving license (both sides)
 - 11.1.3.4. date of birth (if not available on the ID document);
 - 11.1.4. proof of residency, providing any of the following documents
 - 11.1.4.1. Bank statement of your current account
 - 11.1.4.2. Credit card statement
 - 11.1.4.3. Loan-related documents from a bank
 - 11.1.4.4. Utility bill: water, electricity etc.
 - 11.1.4.5. Broadband home internet bill, landline phone bill, bundles etc.
 - 11.1.4.6. Tax return, council tax bill
 - 11.1.4.7. Government-issued certificate of residency.
 - 11.1.5. mobile phone number;
 - 11.1.6. photograph of you holding your ID document next to your face, with your head and shoulders visible;

- 11.2. The Lender shall comply with such requests by the Borrower for identification documentation as is required for the Borrower to comply with applicable Know Your Customer laws and regulations.
- 11.3. Any photocopies of documents showing photographs and signatures should be:
- 11.3.1. certified by a duly authorized individual (as required pursuant to applicable KYC procedures of the Borrower);
 - 11.3.2. plainly legible; and
 - 11.3.3. produced in high quality with the resolution not less than 300 dpi.
- 11.4. Any documents to be given pursuant to the KYC procedures must be in the English language. Those which are not made in English must be duly translated and certified by a notary.
- 11.5. The Borrower will verify the Lender identity according to information provided pursuant to para. 11.1.
- 11.6. Processing of personal data is any operation or set of operations which is performed upon personal data, whether or not by automatic means, such as collection, recording, organization, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction.
- 11.7. Processing of personal data is carried out in order to fulfill the Parties' obligations under the Agreement, registration of the Lender as a user of the Website, technical support, KYC procedures, consideration of complaints, information and other services.
- 11.8. The Borrower disclaims any obligation to the Lender if the Lender turns out to belong to one of the following groups of persons:
- 11.8.1. suspected or accused of money laundering, terrorist financing and other serious crimes or tried for these crimes;
 - 11.8.2. subject to international or regional sanctions;
 - 11.8.3. subject to assets freeze;
 - 11.8.4. accused of mass human rights violation;
 - 11.8.5. individuals who fall within the official financial sanctions orders of the United Nations, the Cayman Islands or any other relevant jurisdictions.
- 11.9. The Borrower has the right to refuse to fulfill his obligations to the Lender if:
- 11.9.1. the transfer of the Principal Loan Amount (operation) bears signs of suspicious or unusual transactions;
 - 11.9.2. the Borrower has doubts concerning the Lender's identity;
 - 11.9.3. the Borrower in its absolute discretion does not consider the documents provided by the Lender under para 11.1 to be satisfactory or sufficient for the purposes of the Borrower's compliance with applicable laws and regulations, including without limitation Lender's passport and other documents, which are not made in English or are not duly translated and certified by the notary or the scanned copies of the documents are made in low quality with the resolution less than 300 dpi.
- 11.10. At any time the Lender is entitled to withdraw his or her consent for processing of personal data, ask for erasure or change of the personal data by sending to the Borrower an e-mail to the address info@cryptopay.me. The Lender acknowledges that the Borrower may continue to process his or her personal data in cases allowed by the applicable legislation.
- 11.11. The Lender agrees to receive advertising materials from the Borrower or third parties by order of the Borrower on the e-mail address and the mobile phone number that the Lender provided to the Borrower throughout the use of the Website and the duration of this Agreement.
- 11.12. At any time the Lender is entitled to withdraw his or her consent to receive advertising materials by clicking through the link provided in the advertising materials received by the Lender.

- 11.13. The Borrower may share the personal data with law enforcement officials and other authorities within litigation or as part of the investigation pursuant a court order, injunction or in order of cooperation, as well as in other cases stipulated by applicable law.
- 11.14. The Borrower may share the personal data with third parties in order to reveal or suppress fraud or fix technical bugs or eliminate security problems.

12. Taxes

- 12.1. All the Lender's factual and potential tax obligations are the Lender's concern and the Borrower is not in any case, and under no condition, bound to compensate for the Lender's tax obligations or give the Lender any advice related to tax issues, including but not limited what kind of filing or reporting the Lender needs to do with the competent tax authority, which taxes and to which extent the Lender is obliged to pay and which tax exemptions the Lender is eligible to utilize.
- 12.2. The payments of interest or refunding or repayment of the loan do not construct any VAT obligations to the Borrower. If the applicable law of the Lender determines that the abovementioned transactions are treated as a VAT-able operations, the Lender is obliged to perform all necessary actions in and according to the law of the Lender's applicable jurisdiction.

13. Miscellaneous

- 13.1. The Parties agree to use electronic signatures while delivering all necessary documents or claims. The Parties confirm that documents and claims signed by electronic signature have the legal effect and are to be accepted and considered by the Parties. The Parties confirm that all e-mails sent from the authorized e-mail addresses are deemed to be sent and signed by the Parties.
- 13.2. Notices sent by e-mail in accordance with these Terms shall be deemed to be sent on the date on which the e-mail is confirmed as being sent provided that day is a working day.
- 13.3. The Parties consider the following e-mail addresses as authorized:
 - 13.3.1. for the Borrower: info@cryptopay.me;
 - 13.3.2. for the Lender: e-mail address provided by the Lender when registering on the Website.
- 13.4. All communications and documents to be made or given pursuant to this Agreement must be in the English language.
- 13.5. Until one Party advises the other one of the fact of the breach of security in respect of its authorized e-mail address, all actions and documents done and sent from the authorized e-mail address of one of the Parties, even if these actions and documents have been done and sent by third parties, are considered to be done and sent by the owner of the authorized e-mail address. In that case the owner of the authorized e-mail address acquires all rights and incurs all obligations, as well as bears the liability arising out of these facts.
- 13.6. The Borrower has the right to assign rights and transfer debts in respect of all obligations arising under the Agreement. Hereby the Lender gives his consent to the assignment of rights and the transfer of debt to any third parties. The aforementioned rights are on the condition that the Borrower informs the Lender by posting such information on the Website and that any assignee or transferee pursuant to this paragraph agrees to be bound by the Terms as if it were, and in place of, the Borrower.
- 13.7. Except as expressly provided in this agreement, a person who is not a party to this agreement has no right under the Contracts (Rights of Third Parties) Law 2014 to enforce or enjoy the benefit of any term of this agreement. This does not affect any right or remedy of a third party which exists, or is available, apart from under that law.
- 13.8. This Agreement constitutes the entire agreement and understanding of the Parties and supersedes any previous agreement between the Parties relating to the subject matter of this Agreement.
- 13.9. If at any time any one or more of the provisions of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall be in any way affected or impaired as a result.

- 13.10. The Borrower's rights powers and remedies under this Agreement are cumulative and are not, nor are they to be construed as, exclusive of any rights, powers or remedies provided by law or otherwise and may be exercised from time to time and as often as the Borrower deems expedient.
- 13.11. In the case of insolvency, winding up or dissolution of the Borrower (or any other similar process in any applicable jurisdiction) any claims of the Lenders shall rank pari passu with all other unsecured creditors of the Borrower.
- 13.12. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.