

### **PayperEx Token Terms and Conditions**

1. The following Terms and Conditions (“Terms”) govern the sale of cryptographic tokens – PayperEx Tokens (hereby referred to as “PAX”) that are required to transact on the PayperEx - (payperex.com) open source software platform described in the PayperEx Whitepaper (“PayperEx Platform”) to users (“Users” collectively, and “User” individually).
2. The information contained in the PayperEx Whitepaper and on PayperEx website are of descriptive nature only, are not binding and do not – unless explicitly referred to herein – form part of the Terms or the agreement between the parties.
3. By participating in the initial sale of PAX, the User expressly acknowledges and represents that he/she has carefully reviewed the Terms and fully understand the risks, costs, and benefits of purchasing PAX and PAX private wallet and agrees to be bound by the Terms. As set forth below, the User further represents and warrants that, to the extent permitted by law, he/she is authorized to purchase PAX in his/her relevant jurisdiction, is of a legal age to be bound by these Terms, and will not hold PayperEx, its parent and affiliates, and the officers, directors, agents, joint ventures, employees and suppliers of PayperEx or our parent or affiliates, now or in the future and any other member of the PayperEx Team (collectively the “PayperEx”) liable for any losses or any special, incidental, or consequential damages arising out of, or in any way connected to the initial sale of PAX.
4. The User understands and accepts that while the individuals and entities, including PayperEx Limited, incorporated under the law of UK (hereinafter “PayperEx”), assigned to this task will make reasonable efforts to develop and complete the PayperEx Platform and PayperEx Project, it is possible that such development may fail and User’s PAX may become useless and/or valueless due to technical, commercial, regulatory or any other reasons (see also Chapter 4 regarding Risks).
5. The User is aware of the risk that even if all or parts of the PayperEx Platform are successfully developed and released in full or in parts, due to a lack of public interest, the PayperEx Project could be fully or partially abandoned, remain commercially unsuccessful or shut down for lack of interest, regulatory or other reasons. The User therefore understands and accepts that purchasing PAX carries significant financial, regulatory and/or reputational risks (including the complete loss of value of purchased PAX, if any, and attributed features of the PayperEx Project).
6. This document does not constitute a prospectus of any sort, is not a solicitation for investment and does not pertain in any way to an initial public offering or a share/equity offering and does not pertain in any way to an offering of securities in any jurisdiction.
7. Only individuals, entities, or companies that have significant experience with, and understanding of the usage and intricacies of cryptographic tokens, like bitcoin (“BTC”), and blockchain-based software systems should participate in the initial sale of PAX. Users should have functional understanding of storage and transmission mechanisms associated with cryptographic tokens. While the PayperEx Team will be available to assist Users of PAX during and after the initial sale, PayperEx will not be responsible for lost BTC, any other cryptocurrency or PAX resulting from actions taken by, or omitted by Users. Note, in particular, that Users should take great care to write down their wallet password and not lose it so as to be sure that they will be able to access their PAX when it becomes available after the initial sale.
8. This document is not a solicitation for investment and does not pertain in any way to an offering of securities in any jurisdiction. This document describes the ICO in which the token (PAX) is sold.

## 1. CREATION AND SALE OF PAX

### 1.1. No Ownership, Revenue or Governance Rights

User understands and accepts that PAX does not represent or constitute any ownership right or stake, share or security or equivalent rights nor any right to receive future revenues, shares or any other form of participation or governance right in or relating to PayperEx LIMITED PayperEx Platform PayperEx Project and/or PAX. Ownership of PAX carries no rights, express or implied, other than the right to participate in the PayperEx Project if and to the extent the PayperEx Project has been successfully completed and launched. By receiving PAX no form of partnership, joint venture or any similar relationship between the Users and PayperEx and/or other individuals or entities involved with the setting up of the PayperEx Limited is created.

### 1.2. Initial Sale Period

The public initial sale of PAX will begin on Aug 21, 2017 at 12:00 GMT. The initial sale period will run for 120 days and will end on Dec 19, 2017 at 11:59:59 GMT or when the total value of purchase orders of PAXs placed reaches the value of BTC 80,000; whichever condition is met sooner.

PayperEx reserves the right to change the date when the initial sale will begin and further reserves the right to extend the sale period for any reason, including the unavailability of the website PayperEx.com or other unforeseen security or procedural issues. Though it does not currently anticipate doing so, PayperEx also reserves the right to shorten the initial sale period for any reason.

### 1.3. PAX value and cap

PayperEx has determined that the initial sale of PAX proceeds on the following basis:

	PAX
Total quantity	6,200,000,000
Total quantity to sale	4,000,000,000
Total quantity to Extra PAX on Pre-Sale	1,200,000,000
Total quantity to reserve	1,000,000,000

Extra PAX on Pre-Sale	PAX	Bitcoin
5%	1000 - 9,999	0.02 - 0.19998
10%	10,000 - 24,999	0.2 - 0.49998
20%	25000 - 49,999	0.5 - 0.99998
30%	50,000 +	1 +

PAX Unit	Extra PAX %	Bitcoin Cost	
1	0%	0.00002	Token Sale
1	5%	0.000019	Pre-Sale
1	10%	0.000018	
1	20%	0.000017	
1	30%	0.000015	

\*A maximum of, 4,000,000,000 PAX will be sold during the token sale, any remaining tokens will be burned.

#### **1.4. Disclosure of Transactions**

In the spirit of openness and to enable Users to have as much information as possible to guide their decision-making process, PayperEx will disclose in real time the total number of PAX sold in order to enable the User to develop an understanding of the size of the existing PAX pool at the time of submitting their PAX purchase order.

#### **1.5. Sale on PayperEx PAX Website**

PayperEx will maintain an interface, which can be used to purchase PAX. The interface will be available at PayperEx website. Instructions for purchasing PAX using the interface will be embedded and available for review on the PayperEx website during the initial sale period. Failure to follow these instructions may limit, delay, or prevent a User from purchasing PAX. Any questions about these instructions should be directed to [support@PayperEx.com](mailto:support@PayperEx.com)

#### **1.6. Obligation to Determine if User Can Purchase PAX in User's Jurisdiction and Pay Applicable Taxes**

The initial sale constitutes a sale of tokens (PAX) for obtaining a right to use future software services provided through the PayperEx Platform under UK Law. This service is going to be provided by PayperEx LIMITED, a company incorporated in England & Wales, operating under UK law. It is the responsibility of each User of PAX to determine if the User can legally purchase PAX in the User's jurisdiction. In case any taxes have to be paid on the purchase of PAX in the jurisdiction where the User is located, the User shall undertake to pay such taxes.

#### **1.7. KYC**

During the initial sale PayperEx shall conduct Know Your Customer („KYC“) procedure for all Users purchasing PAX at a total value exceeding 2 BTC (or equivalent in any other cryptocurrency). This would entail Users to submit Photo of their Passport or ID and utility bill. For legal persons, in addition, to submit their owner's structure and extract from company registry.

#### **1.8. Acceptance of the Terms and Representations and Warranties of the User**

By placing a purchase order of PAX, the User:

- (i) Consents and agrees to the Terms;
- (ii) Represents and warrants that the User is legally permitted to purchase PAX in the User's jurisdiction to have a possibility to obtain service of United Kingdom origin;
- (iii) Represents and warrants that the User is of a sufficient age to legally purchase PAX or has received permission from a legal guardian who has reviewed and agreed to these Terms;
- (iv) Represents and warrants that the User will take sole responsibility for any restrictions and risks associated with the purchase of PAX as set forth below;
- (v) Represents and warrants that User is not purchasing PAX for the purpose of speculative investment;
- (vi) Represents and warrants that the User is purchasing PAX for the use of the PayperEx Platform, or to facilitate development, testing, deployment and operation of applications using the PayperEx Platform;
- (vii) Represents and warrants that the User has an understanding of the usage and intricacies of cryptographic tokens, like BTC, and blockchain-based software systems;
- (viii) Represents and warrants that the User is not a citizen or resident of a country, whose legislation conflicts with the present allocation of PAX and/or the PayperEx Project in general.

#### **1.9. Confirmation of Purchases**

During the initial sale process on the PayperEx Limited website, PayperEx will provide Users with a unique intermediary payment method. Users can see their funds in the private wallet after the PAX token purchase completed and confirmed.

### **1.10. Receipt of PAX and User Email**

As part of the sale process and in order to purchase PAX, the User will need to provide a valid email address (the "User Email").

The User Email will be used in order to notify for any system notifications regarding the activity of the user in PayperEx platform (creating account, edit account details, buy/sell PAX, buy/sell "Paypers" and any other system notifications)

By purchasing PAX and to the extent permitted by applicable law, the User agrees not to hold any members of the PayperEx liable for any losses or any special, incidental, or consequential damages arising out of or in any way connected to, User's failure to access their account.

### **1.11. Process of Initial Sale of PAX**

PAX will be created and delivered to the User through the following process:

- (i) The User registers on the website payperex.com, providing all necessary information and agrees to the Terms;
- (ii) The User places a purchase order of PAX and pays the corresponding sum in BTC or any other cryptocurrency available in the purchase page;
- (iii) immediately after the PAX purchased completed and approved, the purchased amount of PAX will be issued to the User on the webpage token PayperEx PAX private wallet;
- (iv) In case the User has purchased PAX in an amount exceeding 2 BTC (or equivalent in any other cryptocurrency), the User completes KYC procedure, after which PAX may be withdrawn to the wallet provided by the User. In case the amount of PAX purchased is below 2 BTC (or equivalent in any other cryptocurrency), PAX may be immediately withdrawn to the wallet provided by the User.

### **1.12. No Refund**

All purchases of PAX are final and non-refundable. By purchasing PAX, the User acknowledges that he/she has no right to request a refund for any reason, and that the User will not receive money or other compensation for any PAX that remains unused.

### **1.13. Fraudulent Attempts to Double Spend BTC or any other cryptocurrency**

PayperEx will monitor all potential transactions for fraudulent attempts to double spend BTC (any other cryptocurrency). Any detected double spends of BTC (any other cryptocurrency) will result in no PAX being delivered to the associated User.

### **1.14. Rejected Transactions**

PayperEx shall maintain the right to reject any transaction of purchase of PAX in case the User has not complied with the Terms or has not transferred necessary funds in BTC or any other cryptocurrency, to purchase requested amount of PAX within 24 hours after placing an order to purchase PAX. In case of rejection of a transaction, PayperEx shall have the right to freely sell PAX created for such transactions to other Users.

### **1.15. PayperEx will not Purchase PAX During Initial Sale**

PayperEx warrants that it will not purchase PAX in its own initial sale. Furthermore, PayperEx warrants that it will not acquire PAX from any third party during the period of the initial sale of PAX.

## **2. PayperEx Project Execution**

The User understands and accepts that for the purpose of the development and execution of the PayperEx Project, PayperEx receives the full amount of BTC and any other cryptocurrency transferred during the initial sale period. This amount covers expenses, charges and other costs that may arise by PayperEx and/or its subcontractors as part of the development and execution of the PayperEx Project. It remains at PayperEx's sole discretion to decide how to allocate the funds in

order to develop and execute the PayperEx Project. PayperEx has the right to engage subcontractors to perform the entire or partial development and execution of the PayperEx Project. The scope of the development work will be triggered by the amount of funds received during the initial sale.

The User understands and accepts that the User may not have any expectation of influence over governance on the PayperEx Project.

The User understands and accepts that the PayperEx Project will need to go through substantial development works as part of which it may become subject of significant conceptual, technical and commercial changes before release.

### **3. PayperEx Platform**

The PayperEx Platform as well as the smart contract has been programmed according to the current state of the art. However, the User understands and accepts that smart contract technology is still in an early development stage and its application is of experimental nature, which carries significant operational, technological, financial, regulatory and reputational risks.

### **4. Risks**

The purchase of PAX carries with it significant risk. Prior to purchasing PAX, the User should carefully consider the below risks and, to the extent necessary, consult a lawyer, accountant, and/or tax professionals prior to determining whether to purchase PAX. In particular, but not concluding, the User understands the inherent risks listed hereinafter:

**Risk of software weaknesses:** The User understands and accepts that smart contract system concept; the underlying software application and software platform (i.e. the Ethereum blockchain) is still in an early development stage and unproven. Thus, there is no warranty that the process of creating and distributing PAX will be uninterrupted or error-free and there is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of BTC or any other cryptocurrency and/or PAX.

**Regulatory risk:** The User understands and accepts that the blockchain technology allows new forms of interaction and that it is possible that certain jurisdictions will apply existing regulations on or introduce new regulations addressing blockchain technology based applications, which may be contrary to the current setup of the smart contract system and PayperEx Platform. This may, inter alia, result in substantial modifications of the smart contract system and/or the PayperEx Project, including its termination and the loss of PAX for the User.

**Risk of abandonment / lack of success:** The User understands and accepts that the creation of the PAX and the development of the PayperEx Project may be abandoned for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects (e.g. caused by competing projects). The User therefore understands that there is no assurance that, even if the PayperEx Project is partially or fully developed and launched, the User will receive any benefits through the PAX held by him/her.

**Risk associated with other applications:** The User understands and accepts that the PayperEx Project may give rise to other alternative projects, promoted by unaffiliated third parties, under which PAX will have no intrinsic value.

**Risk of loss of private key:** The User understands and accepts that if his/her private key file or password respectively got lost or stolen, the obtained PAX associated with the User's account (address) or password will be unrecoverable and will be permanently lost.

**Risk of theft:** The User understands and accepts that the smart contract system concept, the underlying software application and software platform (i.e. the Ethereum blockchain) may be exposed to attacks by hackers or other individuals that could result in theft or loss of PAX, BTC or any other cryptocurrency, impacting the ability to develop the PayperEx Project.

**Risk of mining attacks:** The User understands and accepts that, as with other cryptocurrencies, the blockchain used for the smart contract system 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 smart contract system, expected proper execution and sequencing of PAX transactions, and expected proper execution and sequencing of contract computations.

**Risk of incompatible Wallet service:** The User understands and accepts, that the wallet or wallet service provider used for purchasing PAX, has to be technically compatible with the PAX. Failure to assure this may have the result that User will not gain access to his/her PAX.

**Risks related to Amendments:** Amendments to the PayperEx Platform’s protocols and software, if accepted and authorised by the PayperEx Platform’s community, could adversely affect PAXs. The PayperEx Platform is based on a math-based protocol that governs the peer-to-peer interactions between computers connected to the PayperEx Platform. To the extent that a significant majority of the users on the PayperEx Platform install software upgrade(s), the PayperEx Platform would be subject to new protocols and software that may adversely affect PAXs. If more than a significant majority of the users on the PayperEx Platform install such software upgrade(s), the PayperEx Platform could “fork.” A failure to properly monitor and upgrade the protocol could damage the PayperEx Platform and PAX.

**Risks related to intellectual property rights claims:** Intellectual property rights claims may adversely affect the operation of the PayperEx Platform. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets and their source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the PayperEx Platform’s long-term viability or the ability of end-users to hold and transfer PAX may adversely affect the value of PAX. Additionally, a meritorious intellectual property claim could prevent PayperEx and other end-users from accessing the PayperEx Platform or holding or transferring their PAXs.

## **5. No Liability**

The User bears the sole responsibility to determine if the purchase, ownership or use of PAX, the potential appreciation or depreciation in the value of PAX over time (if any), the allocation of PAX and/or any other action or transaction related to the PayperEx Project have tax implications for him/her. In case of any tax obligations, the User shall be under obligation to pay all and any applicable tax. By purchasing, holding or using PAX the User agrees not to hold any third party (including developers, auditors, contractors or founders of PayperEx) liable for any tax liability associated with or arising from the creation, ownership or use of PAX or any other action or transaction related to the PayperEx Project.

The User acknowledges and agrees that, to the fullest extent permitted by any applicable law, the User will not hold any developers, advisors, auditors contractors or founders of PayperEx liable for any damages or injury whatsoever caused by or related to the use of or the inability to use PAX or the PayperEx Platform under any cause or action whatsoever of any kind in any jurisdiction, including, without limitation, actions for breach of warranty, breach of contract or tort (including negligence) and that developers, auditors, advisors, contractors or founders of PayperEx Project shall not be liable for any indirect, incidental, special, exemplary or consequential damages,

including for loss of profits, goodwill or data, in any way whatsoever arising out of the use of, or the inability to use of the PayperEx Platform and/or PAX.

The User further specifically acknowledges that developers, advisors, auditors, contractors or founders of the PayperEx Project are not liable, and the User agrees not to seek to hold them liable, for the conduct of third parties, including other creators of PAX, and that the risk of purchasing, holding and using PAX rests entirely with the User.

By purchasing, holding or using PAX, and to the extent permitted by law, the User agrees not to hold any third party (including developers, auditors, advisors, contractors or founders) liable for any regulatory implications or liability associated with or arising from the purchase, ownership or use of PAX or any other action or transaction related to the PayperEx Project.

## **6. Privacy**

Although PayperEx requires Users to provide an email address and other information, PayperEx will not publish any identifying information related Users without the prior written consent of the User unless required to do so under applicable law. PayperEx may request Users from time to time to provide additional information. The User undertakes to provide such information. Users may be contacted via email by PayperEx regarding purchase or delivery of PAX and the use of the PayperEx Platform.

## **7. Disclaimer of Warranties**

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

## **8. Limitations Waiver of Liability**

THE USER ACKNOWLEDGES AND AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY ANY APPLICABLE LAW, THE DISCLAIMERS OF LIABILITY CONTAINED HEREIN APPLY TO ANY AND ALL DAMAGES OR INJURY WHATSOEVER CAUSED BY OR RELATED TO USE OF OR INABILITY TO USE PAX OR THE PAYPEREX PLATFORM UNDER ANY CAUSE OR ACTION WHATSOEVER OF ANY KIND IN ANY JURISDICTION, INCLUDING, WITHOUT LIMITATION, ACTIONS FOR BREACH OF WARRANTY, BREACH OF CONTRACT OR TORT (INCLUDING NEGLIGENCE) AND THAT NONE OF THE PAYPEREX PARTIES SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING FOR LOSS OF PROFITS, GOODWILL OR DATA, IN ANY WAY WHATSOEVER ARISING OUT OF THE USE OF, OR INABILITY TO USE, OR PURCHASE OF, OR INABILITY TO PURCHASE, PAX. THE USER FURTHER SPECIFICALLY ACKNOWLEDGES THAT PAYPEREX PARTIES ARE NOT LIABLE FOR THE CONDUCT OF THIRD PARTIES, INCLUDING OTHER USERS OF PAX, AND THAT THE RISK OF PURCHASING AND USING PAX RESTS ENTIRELY WITH THE USER. TO THE EXTENT PERMISSIBLE UNDER APPLICABLE LAWS, UNDER NO CIRCUMSTANCES WILL ANY OF THE PAYPEREX PARTIES BE LIABLE TO ANY USER FOR MORE THAN THE AMOUNT THE USER HAVE PAID TO PAYPEREX FOR THE PURCHASE OF PAX. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES OR THE LIMITATION OR EXCLUSION OF LIABILITY FOR CERTAIN TYPES OF DAMAGES. THEREFORE, SOME OF THE ABOVE LIMITATIONS IN THIS SECTION AND ELSEWHERE IN THE TERMS MAY NOT APPLY TO A USER.

## **9. Dispute Resolution**

PayperEx and the User agree to make good faith efforts to resolve any dispute, controversy or claim arising between them relating to this initial sale and their respective rights and obligations hereunder arising under these Terms.

Terms are governed by the laws of the U.K.

Dispute settlement will be conducted in accordance with the United Kingdom legislation and applicable court.

## **10. Force Majeure**

PayperEx is not liable for failure to perform caused by:

- (i) unavoidable casualty,
- (ii) delays in delivery of materials,
- (iii) embargoes,
- (iv) government orders,
- (v) acts of civil or military authorities,
- (vi) acts by common carriers,
- (vii) emergency conditions (including weather conditions), or
- (viii) any similar unforeseen event that renders performance commercially implausible.

If an event of *force majeure* occurs, the party injured by the other's inability to perform may elect to suspend the Agreement, in whole or in part, for the duration of the *force majeure* circumstances.

The party experiencing *force majeure* circumstances shall cooperate with and assist the injured party in all reasonable ways to minimize the impact of *force majeure* on the injured party.

## **11. Complete Agreement**

These Terms set forth the entire understanding between each User and PayperEx with respect to the sale and use of PAX. For facts relating to the sale and use of PAX, the User agrees to rely only on the Terms and understands that the Terms alone govern the sale and use of PAX and supersede any public statements about the initial sale made by third parties or by PayperEx or individuals associated with any PayperEx Parties, past and present and during the initial sale.

## **12. Severability**

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

## **13. No Waiver**

The failure of PayperEx to require or enforce strict performance by the User of any provision of these Terms or PayperEx's failure to exercise any right under these agreements shall not be construed as a waiver or relinquishment of PayperEx's right to assert or rely upon any such provision or right in that or any other instance. The express waiver by PayperEx of any provision, condition, or requirement of these Terms shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement. Except as expressly and specifically set forth in these Terms, no representations, statements, consents, waivers, or other acts or omissions by PayperEx shall be deemed a modification of these Terms nor be legally binding, unless documented in physical writing, hand signed by the User and a duly appointed officer, employee, or agent of PayperEx.

## **14. Updates to the Terms**

PayperEx reserves the right, at its sole discretion, to change, modify, add, or remove portions of the Terms at any time before or during the initial sale by posting the amended Terms on the PayperEx



token website ([payperex.com/tokensale](https://payperex.com/tokensale)). Any User will be deemed to have accepted such changes by purchasing PAX. The Terms may not be otherwise amended except in a signed writing executed by both the User and PayperEx. For purposes of this agreement, "writing" does not include an e-mail message. If at any point the User does not agree to any portion of the then-current version of the Terms, the User should not purchase PAX.

#### **15. Cooperation with Legal Authorities**

PayperEx will cooperate with all law enforcement enquiries, subpoenas, or requests provided they are fully supported and documented by the law in the relevant jurisdictions. In accord with one of the core principles of the PayperEx project — transparency — PayperEx will endeavor to publish any legal enquiries upon receipt.