



**VARANIDA**  
*BINDING TERMS AND CONDITIONS*  
*FOR PURCHASERS ACQUIRING VAD TOKENS ("VAD TOKENS")*

September 2018  
*Version 2.0*

These Terms & Conditions have been updated on 28 September 2018 to reflect the new conditions of sale of the VAD Tokens following the freezing of Round 2 of the Crowdsale on September 5th 2018.

The new conditions for the sale of the VAD Tokens are precised in particular in Articles 5.13 and seq. of the present Terms & Conditions

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These Binding Terms and Conditions ("Terms" or "Document") are entered into by and between Varanida SAS ("Varanida" or "we") and the purchasers of the VAD Tokens, (hereafter referred to as the "Purchasers" or "you" collectively, and "Purchaser" or "you" individually), participating in the crowdsale process organised by Varanida. These Terms form the basis for the VAD Tokens distribution. They prevail over all other documents issued by Varanida and, as from their date of entry into force, shall apply to all purchases, including outstanding orders, and are deemed to be unconditionally accepted by the Purchasers as of the conclusion of an order. Any other document (e.g. marketing materials, presentation under any format if any, etc.) is therefore given for information purpose only and shall not constitute a contract document that commits the liability of Varanida, which may therefore withdraw or modify such documents, without entitling the Purchaser to any compensation. By adhering to the Terms, the Purchaser expressly acknowledges having been thoroughly and comprehensively informed about the contributing process for the Project.

The Purchaser is deemed to be fully aware of all the legal norms and technical constraints relating to the acquiring, purchase, possession and use of crypto currencies and tokens based on Blockchain technologies, and to the services offered by Varanida.

As a consequence, the Purchaser acknowledges that he has a complete understanding of the Terms of the token distribution process.

By agreeing to acquire VAD Tokens you hereby covenant and agree with Varanida to be bound by all of the terms set forth in these Terms. Any Purchaser which does not agree with these Terms shall not acquire VAD Tokens.

READ THESE TERMS CAREFULLY BEFORE USING THE VAD TOKENS AND VARANIDA BLOCKCHAIN DESCRIBED HEREIN. BY UTILIZING THE WEBSITE LOCATED AT <http://varanida.com> ("Website") AND BLOCKCHAIN OFFERED THEREIN, YOU ACKNOWLEDGE THAT YOU HAVE READ THESE TERMS AND THAT YOU AGREE TO BE BOUND BY THEM. IF YOU DO NOT AGREE TO ALL OF THE TERMS OF THIS AGREEMENT, YOU ARE NOT AN AUTHORIZED PURCHASER OF THE VAD TOKENS AND YOU SHOULD NOT USE THIS WEBSITE NOR ITS PRODUCTS. IN THESE TERMS, "YOU" REFERS TO EITHER THE INDIVIDUAL OR ENTITY ACQUIRING THE VAD TOKENS DIRECTLY AS WELL AS INDIVIDUAL SIGNING ON BEHALF OF SUCH ENTITY.

VARANIDA RESERVES THE RIGHT TO CHANGE, MODIFY, ADD OR REMOVE PORTIONS OF THESE TERMS AT ANY TIME FOR ANY REASON AFTER YOU AGREE TO THESE TERMS AND YOU AGREE THAT ANY SUCH CHANGES WILL BE BINDING ON YOU. SUCH MODIFICATIONS WILL IN FACT LIKELY HAPPEN AND YOU HEREBY ACKNOWLEDGE THIS FACT. WE SUGGEST THAT YOU REVIEW THESE TERMS PERIODICALLY FOR CHANGES. SUCH CHANGES SHALL BE EFFECTIVE IMMEDIATELY UPON POSTING ON THE WEBSITE. YOU ACKNOWLEDGE THAT BY ACCESSING THE WEBSITE AFTER WE HAVE POSTED CHANGES TO THESE TERMS, IT SHALL BE CONSIDERED THAT YOU WERE ACQUAINTED WITH AND YOU AGREE WITH THE MODIFIED TERMS. IN PARTICULAR, VARANIDA IS LIKELY TO CHANGE THESE TERMS AFTER THE DEVELOPMENT OF THE VARANIDA BLOCKCHAIN AND THEIR PUBLIC RELEASE.

THESE TERMS SHALL GOVERN THE CONTRIBUTION PROCESS TO THE VARANIDA PROJECT AND DISTRIBUTION OF THE VAD TOKENS. THE VAD TOKENS ARE CRYPTOGRAPHIC TOKENS, BASED ON ETHEREUM BLOCKCHAIN NETWORK AT FIRST STAGE, WHICH WILL BE THE TOKEN OF THE CROWDSALE AND WHICH WILL GIVE RIGHT TO ATTRIBUTION AT A LATER STAGE OF THE VAD<sub>m</sub> MASTER TOKEN AND VAD<sub>u</sub> UTILITY TOKEN ON THE VARANIDA BLOCKCHAIN ALLOWING PURCHASERS TO ACCESS TO A NUMBER OF UTILITY FUNCTIONS WITHIN THE VARANIDA BLOCKCHAIN, SUCH AS ACCESS TO THE BLOCKCHAIN ITSELF FOR VERIFICATION AND ABILITY TO REQUEST DATA.

VAD TOKENS DO NOT PRESENT ANY SHAREHOLDERS RIGHT IN VARANIDA, NAMELY THE VAD TOKENS DO NOT PRESENT SHARES IN VARANIDA, AND HOLDER OF ANY CRYPTOGRAPHIC TOKENS, ISSUED BY VARANIDA IS NOT ENTITLED TO ANY FORM OF DIVIDEND OR OTHER REVENUE RIGHT, OR VOTING RIGHT IN THE SHAREHOLDERS' MATTERS. THE VAD TOKEN DOES NOT PRESENT A MONETARY CLAIM AGAINST VARANIDA AND DOES NOT GENERATE ANY FORM OF PASSIVE INCOME RIGHT. CONSEQUENTLY, YOU HEREBY AGREE AND UNDERSTAND THAT YOU DO NOT EXPECT ANY PROFITS DERIVED FROM THE PURCHASE OF THE VAD TOKENS, BASED ON THE WORK OF VARANIDA.

YOU EXPLICITLY CONFIRM THAT YOU ARE AWARE THAT ACQUISITION OF THE VAD TOKENS DOES NOT GRANT YOU A RIGHT TO REQUEST PAYMENT OF ANY KIND, BUT MERELY A RIGHT TO POTENTIALLY USE THE VAD<sub>m</sub> AND VAD<sub>u</sub> TOKENS ONCE ATTRIBUTED AGAINST THE VAD TOKENS TO BE USED WITHIN THE VARANIDA BLOCKCHAIN, AS IT IS OR WILL BE DEFINED IN THE WHITEPAPER AND THESE TERMS. YOU EXPLICITLY CONFIRM THAT YOU ARE AWARE OF A POTENTIAL RISK THAT THE VAD TOKENS LOSE THEIR VALUE COMPLETELY AND YOU CONFIRM THAT YOU ARE ACQUIRING THE VAD TOKENS FOR PERSONAL USE AND NOT FOR INVESTMENT OR SPECULATIVE REASONS.

THE VAD TOKENS ARE AVAILABLE TO PURCHASERS IN EXCHANGE FOR BTC, ETH, AND EUR AND VARANIDA DOES IN NO WAY AND WILL ALSO NOT IN THE FUTURE PROVIDE EXCHANGE OF THE VAD TOKENS FOR FIAT CURRENCY. VARANIDA ALSO DOES NOT PROVIDE CUSTODIAL OR WALLET SERVICES FOR THE TOKENS.

VAD TOKENS ARE DIGITAL UTILITY TOKENS WITH NO RIGHTS TO OWNERSHIP, DIVIDENDS, DISTRIBUTIONS OF ASSETS, VOTING OR OTHER RIGHTS EXCEPT FOR THE IMMEDIATE USE AS A TOKEN TO BE USED WITHIN THE VARANIDA BLOCKCHAIN. THIS DOCUMENT OR ANY OTHER DOCUMENT, PRODUCED AND SIGNED BY VARANIDA DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO SELL SHARES OR "SECURITIES" OR OTHER INVESTMENTS OF ANY KIND, WHETHER IN VARANIDA OR THE WEBSITE OR OTHERWISE. NONE OF THE INFORMATION OR ANALYSES PRESENTED ARE INTENDED TO FORM THE BASIS FOR ANY INVESTMENT DECISION, AND NO SPECIFIC RECOMMENDATIONS ARE INTENDED, AND VARANIDA SERVICES AND THE WEBSITE ARE NOT, DO NOT OFFER AND SHALL NOT BE CONSTRUED AS INVESTMENT OR FINANCIAL PRODUCTS. ACCORDINGLY, THIS DOCUMENT DOES NOT CONSTITUTE INVESTMENT ADVICE OR COUNSEL OR SOLICITATION FOR INVESTMENT IN ANY SECURITY OR OTHER INVESTMENT INSTRUMENT 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 TO BUY OR SUBSCRIBE FOR ANY SECURITIES OR OTHER INVESTMENT.

ACQUISITION OF VAD TOKENS FROM VARANIDA DOES NOT PRESENT AN EXCHANGE OF CRYPTOCURRENCIES FOR ANY FORM OF ORDINARY SHARES OR OTHER INVESTMENT IN VARANIDA, ITS AFFILIATES OR THE WEBSITE, AND HOLDER OF ANY CRYPTOGRAPHIC TOKENS, ISSUED BY VARANIDA IS NOT ENTITLED TO ANY FORM OF DIVIDEND, DISTRIBUTION OR RIGHT TO ASSETS OR PROFITS OF ANY KIND. HOLDERS OF VAD TOKENS ARE ONLY ENTITLED TO THE USE OF THE VARANIDA BLOCKCHAIN AND SOFTWARE AND CERTAIN OTHER RIGHTS WITHIN THE VARANIDA BLOCKCHAIN IN ACCORDANCE WITH THE TERMS SET OUT HEREIN. VARANIDA IS CREATING THE VARANIDA BLOCKCHAIN AND IS ALSO OPERATING THE VARANIDA BLOCKCHAIN. VARANIDA ALSO EXPLICITLY WARNS YOU AND YOU EXPLICITLY AGREE THAT WITHDRAWAL OF THE TOKENS UPON THEIR ACQUIRING MIGHT BE CONDITIONED BY REQUEST THAT EACH PURCHASER PASSES THE IDENTIFICATION PROCESS (KNOW YOUR CUSTOMER) AND THAT WITHDRAWAL OF THE VAD TOKENS MIGHT NOT BE POSSIBLE (MAY BE REFUSED BY VARANIDA) UNTIL EACH PURCHASER COMPLETES THE IDENTIFICATION PROCESS.

ANY PERSON OR ENTITY, INCLUDING ANYONE ACTING ON ITS BEHALF, BEING BASED, DOMICILED, LOCATED OR INCORPORATED IN THE UNITED STATES OF AMERICA, NEW ZEALAND, THE REPUBLIC OF NORTH KOREA, OR PEOPLE'S REPUBLIC OF CHINA, SHALL NOT USE THE WEBSITE OR ACQUIRE OR USE VAD TOKENS AND SHALL LEAVE THE WEBSITE IMMEDIATELY, OTHERWISE THIS PERSON ASSUMES ALL THE RESPONSIBILITY AND LIABILITY ARISING FROM THE CONTINUED USE OF THESE WEBSITE AND/OR VAD TOKENS AND SHALL INDEMNIFY VARANIDA FOR ANY DAMAGES ARISING OUT OF THIS.

VARANIDA EXPRESSLY DISCLAIMS ANY AND ALL RESPONSIBILITY, LIABILITY AND POSSIBLE THIRD-PARTY LIABILITY FOR ANY DIRECT OR CONSEQUENTIAL LOSS, PURE FINANCIAL LOSS, LOSS OF PROFIT 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 OR (III) ANY ACTION RESULTING THEREFROM, (IV) USAGE OR ACQUISITION OF PRODUCTS, AVAILABLE THROUGH THE WEBSITE.

## 1. TERMS

- 1.1.** The following terms shall have for the purposes of these General terms and conditions the following meanings.
- 1.2.** "AML" means anti-money laundering and refers to a set of rules, prescribed by law or self-defined by Varanida, regarding reducing the risks of money laundering.
- 1.3.** "Crowdsale" means the token sale launched by Varanida and concerning the issue and purchasing of VAD Tokens.
- 1.4.** "Digital Assets" means ETH or BTC allowing the purchase of the VAD Tokens and authorized by Varanida during the Crowdsale.
- 1.5.** "European Economic Area" or "EEA" shall mean all EU countries and in addition Iceland, Liechtenstein and Norway.
- 1.6.** "KYC" means "know your customer" and represents a process of identification and verification of the identification data of particular Purchaser.
- 1.7.** "Network Incentivization Program" shall have the meaning set out under paragraph 5.19
- 1.8.** "Purchaser" means any entity or individual person, participating in the contribution process for the Project.
- 1.9.** "Private Pre-Sale Participant" means the investors authorized to participate to Round-0 of the Crowdsale upon invitation only.
- 1.10.** "Private Sale Participant" means the investors authorized to participate to Round 1 of the Crowdsale upon invitation only.
- 1.11.** "Project" shall have the meaning set out in section 3.
- 1.12.** "Public Presale Participant" means the investors authorized to participate to Round 2 of the Crowdsale.
- 1.13.** "Public Sale Participant" means the investors authorized to participate to Round 3 of the Crowdsale.
- 1.14.** "Round(s)" shall have the meaning of Round 0, Round 1, Round 2 and Round 3 as set out in paragraphs 5.12 to 5.15.
- 1.15.** "Round 0 Period" means the period of offer of the VAD Tokens to Invited Investors during Round 0 beginning June 5th, 2018 and ending June 26th, 2018 or on any earlier date when the maximum amount for Round 0 is hit as provided under paragraph 5.12.
- 1.16.** "Round 1 Period" means the period of offer of the VAD Tokens to Invited Investors during the Round 1 beginning maximum 7 days following the end of Round 0 Period and ending (i) August 15th, 2018 or (ii) on any earlier date when the maximum amount for Round 1 is hit as provided under paragraph 5.13
- 1.17.** "Round 2 Period" means the period of offer of the VAD Tokens to pre-registered Investors during the Round 2 beginning on September 28<sup>th</sup> 2018 at 15:00 CEST and ending on October 13<sup>th</sup> 2018 at 00:01 CEST unless Soft Cap is reached, as provided under paragraph 5.14.
- 1.18.** "Round 3 Period" means the period of offer of the VAD Tokens under (i) Round 3A beginning 15 days following the end of Round 2 and achievement of public milestones, (ii) Round 3B beginning upon completion of Round 3A and achievement of public milestones and (iii) Round 3C beginning upon completion of Round 3B and achievement of public milestones. Public milestones will be voted by VAD Tokens holders and will need to be achieved within a 18 months period beginning at the end of completion of Round 2 as provided under paragraph 5.15.

- 1.19.** "Restricted Countries" shall have the meaning set out in paragraph 7.1.
- 1.20.** "Sale-Participants" means the general public authorized to participate to Round 3 of the Crowdsale.
- 1.21.** "Terms" means these General Terms and Conditions.
- 1.22.** "Total VAD Tokens Number" shall have the meaning set out in paragraph 5.11.
- 1.23.** "Third-party Wallet" is a solution, enabling Purchasers to store their Digital Assets and VAD Tokens.
- 1.24.** "VAD Token Price" means 0.072 EUR (VAT excluded) converted in BTC (example: 0,00001125 BTC on the basis of a conversion rate on June 5th 2018 or 1125 satoshis). The conversion rate will be provided to the Participants at the beginning of each Round so that it will be possible for such Participants to determine the number of BTC needed to purchase a VAD Token (taking also in consideration the appropriate discount relating to the particular Round if any).
- 1.25.** "Round 2 VAD Token Price" means 0.05 EUR (Vat excluded).
- 1.26.** "Round 3A VAD Token Price" means the price of the VAD Token established on the basis of the price of the VAD Token already listed on exchanges during Round 3A.
- 1.27.** "Round 3B VAD Token Price" means the price of the VAD Token established on the basis of the price of the VAD Token already listed on exchanges during Round 3B.
- 1.28.** "Round 3C VAD Token Price" means the price of VAD Token established on the basis of the price of the VAD Token already listed on exchanges during Round 3C.
- 1.29.** "Varanida" is Varanida SAS, a French *société par actions simplifiée* (simplified joint stock company), registered at 55 rue de la Villette, 69003 Lyon, France, registration number RCS 838 335 198 RCS Lyon (hereafter referred to as "Varanida").
- 1.30.** "Varanida IP" has the meaning set out in paragraph 15.1.
- 1.31.** "Varanida Blockchain" means the blockchain developed, deployed and operated by Varanida and to be used with the VADm and VADu as more detailed in paragraph 3.2.
- 1.32.** "Varanida Platform" means the platform Varanida intends to build and deployed on Varanida Blockchain.
- 1.33.** "Varanida Wallet" has the meaning set out in paragraph 2.2.
- 1.34.** "VAT" means value added tax of relevant jurisdiction, if applicable.
- 1.35.** "Website" shall mean <https://varanida.com>.
- 1.36.** "White Paper" or "Whitepaper" shall mean a document, called White Paper or Light Paper, published on the Website, or any other document created by Varanida, describing the envisaged features and operability of the Varanida Blockchain, Project and VAD Token.

## **2. STATEMENT OF FACTS**

- 2.1.** The Varanida project ("Varanida Project") is contemplating the building of a neutral digital ecosystem designed to clean the Internet of intrusive advertising implementing a decentralized, transparent and ethical advertising network.
- 2.2.** Varanida's main user facing feature is a Web browser extension. This extension acts as a wallet, allowing users to see their VAD Token balance, see statistics on their browsing behaviour, and use their tokens to reward creators, pay for services, and view premium content. The extension also acts

as an authentication mechanism where users can exchange personal information with the ad network. Lastly, the extension acts as a voting interface, where users can judge the compliance and efficiency of ads, filter inappropriate ads, and help improve ad targeting. A dedicated publisher platform allows publishers to monitor their earnings, buy VAD Tokens to promote their content on the Varanida network, view their quality score, view their engagement rate, and access tools that can be used to optimize their site. A dedicated advertiser platform allows advertisers to buy VAD Tokens, submit their advertising materials to the network for vote, view their scores, and evaluate the performance metrics of their campaigns. Varanida's advertising network is designed to be fair, transparent, and trusted by all parties, and takes no commission on ad sales. Varanida's blockchain records when value is sent or received, and decentralizes the ad consensus voting process, where users control whether or not ads are included in the Varanida system.

**2.3. The Varanida Project enables:**

**2.3.1. Advertisers** to manage their advertising budget in a more efficient manner by promoting their offer and services respecting users' privacy and avoiding fraud, by removing intermediaries;

**2.3.2. Publishers** to monetize content of the advertising without hurting the audience and to earn more money by also removing the intermediaries;

**2.3.3. Users** to control the advertising they are exposed to and the way their data are used.

**2.4.** The Varanida Project encompasses the plugin of an advertising blocker using the VAD Token. Purchasers will win VAD Tokens if they choose to see advertising and their data will not be sold. Users will also be rewarded for their contribution to the Varanida Network by signalling advertising, linking, validating, and disliking advertising. VAD Tokens will allow the benefit for users of discount, promotion, premium content following their contribution within the Varanida Platform.

**2.5.** The Varanida Project also contemplates the issue of a VAD Token first on the Ethereum Blockchain and then enforcing a fork on to build the Varanida Blockchain using VADm and VADu attributed against VAD Tokens to ensure an efficient stable coin. VADm and VADu are used to fuel the network.

**2.6.** VADm is a master token with fixed supply that serves as the store of value, and appreciates as the network's usage increases. VADu is a utility token that serves as the medium of exchange for all transactions on the Varanida Network, with a value that is stabilized and slightly inflationary.

**2.7.** VADm and VADu's purpose will be as follows:

**2.7.4.** represent a currency for advertisers, publishers and users without exchange rate or fee,

**2.7.5.** represent one currency to access all content on the Internet

**2.7.6.** represent a gain for Purchasers without the need for account or payment solutions

**2.7.7.** encourage transparency on the advertising ecosystem.

**2.8. Conclusion:** the Project enables (i) web users installing the Varanida plugin to blocks phishing advertising, protect their data and privacy and allow them to first earn VAD Tokens then VADm and VADu when watching advertisings (ii) publishers to pay a fair-value price for their advertising and engage with their audience, (iii) advertisers to use a transparent and fair advertising network.

**2.9. Disclaimer:** Other token use cases may be implemented, by anyone in the open-source community, independently from the token initial purpose.

### **3. THE PROJECT**

**3.1.** Varanida intends to create an open source standardized decentralized Blockchain Protocol, the Varanida Blockchain.

**3.2.** The Varanida Blockchain consists in:

- 3.2.1.** Deploying a collective advertising blocker with additional transparency through the use of a blockchain;
- 3.2.2.** Building a decentralized advertising network commission free;
- 3.2.3.** Deploying a crowdsourced advertising validation through the validation by users of the quality of the advertising;
- 3.2.4.** Using a blockchain to create a fraud-proof system, enabling more trust between advertisers, publishers and users.

**3.3.** The Project does not encompass and Varanida is not provider of:

- 3.3.1.** any investment security or product whatsoever;
- 3.3.2.** any exchange services between virtual currencies and fiat currencies;
- 3.3.3.** any wallet or custodial services of credentials necessary to access virtual currencies.

**3.4.** Purchaser understands and accepts that the Project is currently in alpha development phase and that it still requires substantial development work and faces risk in its execution. Due to unforeseeable material conceptual, technical and commercial changes before the final release, or any time after the release of the Varanida Blockchain, Purchaser understands and accepts that an upgrade of Varanida Blockchain and/or VAD Tokens may be required and that, if Purchaser decides not to participate in such upgrade, he may no longer use his VAD Tokens and that non-upgraded VAD Tokens may lose their functionality in full.

#### **4. VAD TOKEN STRUCTURE AND TOKEN HOLDER RIGHTS**

**4.1.** VAD Tokens will be an ERC-20 compatible Ethereum token with a number of additional functionalities built on top. VAD Token is an integral part of the Varanida Protocol, which cannot operate without VAD Token as the fuel. The VAD Token has the features as described in paragraphs 4.2 to 4.8. VAD Token smart contract address for the Crowdsale will be published in due time prior to VAD Token distribution.

**4.2.** The VAD Token will first be initiated on the Ethereum blockchain as a smart contract (ERC20) token. Once the Varanida Blockchain is operational, the VAD Token will be transferred to the Varanida Protocol native wallets.

**4.2.1.** The creation and maintenance of the VAD Token on the Ethereum blockchain includes a risk of hacking, human error and technical issues.

**4.2.2.** The transfer of the VAD Token to the Varanida Protocol native wallets as well as the use of the Varanida Blockchain includes a risk of hacking, human error and technical issues.

**4.2.3.** Varanida cannot be held liable in the events referred to above if it causes harm to the Purchasers.

**4.3.** VAD Token carries no rights, express or implied, other than those, set out in its Ethereum token code and as provided herein, and only if Varanida successfully completes and delivers the Varanida Blockchain. In particular, VAD Token holders shall not have any influence in the development or governance of Varanida, and VAD Tokens do not represent or constitute any ownership right or stake, share or security or equivalent rights or any right to receive future revenue shares, or any other form of participation in or relating to Varanida. Purchasers understand that by acquiring VAD Tokens they have not shareholding rights, monetary claims, interest or any other right in Varanida and its governance.

**4.4.** VAD Token reception and conversion

**4.4.1.** The VAD Token will be initiated on an ERC20 token as a way to reserve VAD Token until the Varanida Blockchain is actually released.

**4.4.2.** A first step consists in the creation of an Ethereum Token Standard using a smart contract for Round 3 of the Crowdsale (ERC20).

**4.4.3.** A second step consists in attributing the VADm and VADu against the VAD Tokens. As such, one VAD Token will give right to one VADm (There is no predefined number of VADu at this stage since the number of VADu will be fluctuant). At least 12 months after the end of the Crowdsale, Holders of VADm will be granted a 6 months period to convert their VAD Tokens in VADm. As such, Varanida will provide a specific address where Purchasers of VAD Tokens will send their VAD Tokens which will be automatically converted in VADm through a smart-contract. Accordingly, the Purchasers will receive the VADm on a specific compatible wallet or address. After the 6 months period, any VAD Tokens not converted in VADm will be useless and burned (destroyed).

**4.4.4.** Varanida will not be responsible of any of the events mentioned above.

**4.5.** The VAD Tokens will not entitle the Purchasers:

**4.5.1.** To participate and vote any decision within Varanida,

**4.5.2.** To benefit from any economical right, gain, asset or economical equivalent claim against Varanida.

**4.6.** VAD Tokens are designed to be exchangeable on cryptographic token exchanges. Varanida gives no representations or warranties that VAD Tokens will be exchangeable on a limited crypto high standard quality exchange.

**4.7.** You explicitly agree and understand that the features of the Project, the Varanida Blockchain and the VAD Token, described herein, might not be all implemented in the end due to unforeseeable circumstances. The Varanida Blockchain and VAD Token do not depend only on the Varanida development, but also on the involvement and activities of the community members. The technologies, being used for the development of the Project, are developing at a fast pace and there are novelties being introduced constantly. Consequently, the end Varanida Blockchain and VAD Token might be different in functionality, nature and structure, which you explicitly agree to and you confirm that you understand that the features described herein are only for the purpose of exemplifying.

**4.8.** Dual tokenomic - stable coin mechanism

The Varanida Blockchain will be operated using two different tokens ensuring the stability of the system with (i) a store of value and (ii) the medium of exchange.

- VADm will be attributed against VAD Tokens at a 1 to 1 ratio. VADm will be used as collateral for the VADu. VADm is the store of value listed on exchanges and will allow Purchasers to vote on the Varanida Blockchain. The number of VADm does not change.

- VADu is the stable token used to ensure stability of the VADm. In the case of growth of the value of the VADm, VADu is issued to ensure stability of the VADm. In the case of following down of the value of the VADm, VADu is destroyed to restore stability of the VADm.

## **5. VAD TOKEN DISTRIBUTION**

**5.1.** Contributions given to Varanida in exchange for VAD Tokens shall be considered as financial contributions to the Varanida Project. Failure to follow the instructions on the Website may limit, delay, or prevent a Purchaser from contributing and from receiving VAD Tokens. Purchasers understand and accept that they are only making a contribution to the Varanida Crowdsale and will



receive VAD Tokens in exchange. Contributions in ETH will be carried out through the use of a smart contract system on Ethereum and will receive VAD Tokens in exchange. Contributions in BTC or EUR will not be carried out through the use of a smart contract. Contribution in EUR will be carried out through wireless transfer upon provision by Varanida of its IBAN. Contributions in BTC will be carried out through provision by Varanida of a unique BTC address for each Purchaser.

- 5.2. Varanida reserves the right at any time to make use of an emergency stop functionality to stop the distribution process of VAD Tokens. Use of this functionality shall remain in discretion of Varanida 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 Purchasers of equal treatment, iii) any type of material attack on the VAD Tokens, contribution and token issuance functionality, the Varanida Blockchain, Website or Ethereum network or other unforeseen circumstances in Varanida sole discretion.
- 5.3. Distribution of VAD Tokens purchased by BTC will be distributed at the ETH address provided during the KYC process. Purchasers wishing to participate in the VAD Token distribution will be obliged to send their Digital Assets for acquisition of VAD Tokens from an Ethereum wallet address, for which they control the private key, whereas such address shall not belong to a Digital Assets exchange. Purchasers will receive their VAD Tokens only to the same address, from where they sent the ETH.
- 5.4. Purchasers wishing to participate in the VAD Token distribution in EUR using wire transfer to send their contributions will be provided with a specific Varanida account number dedicated to the Crowdsale which will be provided at the time of the Crowdsale. They also will have to provide an Ethereum wallet address, for which they control the private key, on which will be sent the VAD Tokens (following satisfaction of the KYC process and upon completion of the transfer of the EUR on the Varanida bank account). It is agreed that the transfer fee, if any, shall be borne by the Purchasers.
- 5.5. Purchasers wishing to participate in the VAD Token distribution in EUR using a check to send their contributions will be provided with a specific Varanida address dedicated to the Crowdsale, which will be provided at the time of the Crowdsale. They also will have to provide an Ethereum wallet address, for which they control the private key, on which will be sent the VAD Tokens (following the satisfaction of the KYC process and upon completion of the transfer of the EUR on the Varanida bank account). It is agreed that any fee, if any, for the process of the check shall be borne by the Purchaser.
- 5.6. The funds received by Varanida from the distribution of VAD Token will belong to Varanida and will be used by Varanida in its sole discretion to pay expenses of the VAD Token distribution process, and to develop, launch and operate the Project.
- 5.7. VAD Tokens will be attributed to the Purchaser against ETH, BTC, or EUR being understood that contribution in BTC, or ETH will be converted into EUR to determine the number of VAD Tokens attributable (the "Reference Price") according to the Reference Source on the Reference Date.

The "Reference Source" shall be understood as the opening time of the 1h time bucket starting at 12:00 pm CET and ending at 12:01 pm CET for XBT/EUR, ETH/EUR or BT/ETH on [bitcoinaverage.com](http://bitcoinaverage.com) / [ethereumprice.org](http://ethereumprice.org) and [coindesk.com](http://coindesk.com).

The "Reference Date" is the date of the beginning of each Round of the Crowdsale.

- 5.8. Reference Source for conversion of EUR in BTC, EUR in ETH, or BTC in ETH will be put available at the disposal of the Purchasers by Varanida on the following address: [ico.varanida.com](http://ico.varanida.com) at the Reference Date.
- 5.9. The number of VAD Tokens attributed to Purchasers will be the amount of BTC or ETH multiplied by the Reference Price and divided by the VAD Token Price value in EUR plus VAT when relevant (to which a specific discount will be attributed depending of the Round of the Crowdsale).
- 5.10. Availability of the Reference Source in the event where the information for conversion of BTC, ETH or EUR would not be available on [bitcoinaverage.com](http://bitcoinaverage.com) / [ethereumprice.org](http://ethereumprice.org) and [coindesk.com](http://coindesk.com) for

any reason, or would not be in a position to constitute the Reference Source as a consequence of a fall down, Varanida would make its best efforts to find an alternative reference source on an alternative good quality information platform or exchange platform to obtain the relevant conversion XBT/EUR, ETH/EUR.

- 5.11. Contribution Stage:** The Crowdsale will consist of four stages of contribution available for different Purchasers divided in four different sales who will contribute for different conditions of contribution: Round 0 to Round 3 (including sub-rounds 3A, Round 3B and Round 3C).
- 5.12. Milestone-Based Crowdsale:** Upon completion of Round 2, Participants to Round 2 will vote which public and auditable milestones will have to be performed by Issuer to open the different sub-rounds of Round 3. The Round 3 of the Crowdsale is divided into 3 sub-rounds, Round 3A, Round 3B and Round 3C. Each sub-round of Round 3 will be opened only upon achievement of public audited milestones as voted by VAD Tokens holders and which will authorise the Issuer to offer the VAD Tokens during these 3 sub-rounds.

Round 3 will be carried out through a smart contract and only contribution in ETH will then be allowed. In the event where public milestones will not be reached, VAD Tokens purchased but Purchasers will be redeemed.

In the event where one or more milestones are not achieved during a specific sub-round of Round 3 no later than March 31<sup>st</sup> 2020, the following sub-round will not be opened and the corresponding VAD Tokens to be sold during the following sub-round(s) will be burned.

There will be discount granted to Purchasers depending on which Round they are purchasing the VAD Tokens. All Purchasers will purchase the VAD Tokens on a basis of the VAD Token Price.

**Note:** Participation in the Crowdsale is reserved for natural or individual persons acting within the scope of their professional activities. Any private individual acting on a non-professional basis as a simple consumer within the meaning of EU Directive 2011/83/EU relating to consumer rights is excluded from the Crowdsale.

- 5.13. Token allocation:** Varanida will issue up to a maximum of 1,000,000,000 of VAD Tokens ("Total VAD Tokens Number") for a maximum amount of EUR 72,000,000.
- 5.13.1.** Varanida will sell a maximum of 530,000,000 VAD Tokens during the Crowdsale. The VAD Tokens dedicated to Purchasers will represent a maximum of 53% of the Total VAD Tokens Number;
- 5.13.2.** 12% of the Total VAD Tokens Number will constitute a reserve kept in escrow on a specific escrow wallet belonging to Varanida and only used to operate the Varanida Blockchain. The reserve can be unlocked as a rate of 25% per year during 4 years;
- 5.13.3.** 15% of the Total VAD Tokens Number will be kept in escrow by Varanida on a specific escrow wallet and attributed to the founders and the team. VAD Tokens attributed to founders and the team will be blocked for a minimum period of 36 months and will be released the third year at a rhythm 25% per quarter.
- 5.13.4.** 3% of the Total VAD Tokens Number will be attributed to advisors 7 days following completion of Round 3 of the Crowdsale. Advisors will earn a 30% bonus if they are still holding their VAD Tokens on the same wallet, 6 months after they received them for the first time.
- 5.13.5. Inflation:** the total number of VAD Tokens issued during the Crowdsale is not the definitive number of VAD Tokens. Once the Varanida Blockchain will be operational, there might be an inflation mechanism in place. The inflation mechanism might generate VAD Tokens to reflect the growth of the ecosystem.

For the sake of clarity, this would mean that if 53 VAD Tokens are issued and sold during the Crowdsale, 47 VAD Tokens will be issued and kept (not sold) during the Crowdsale.

**5.13.6.** There is a minimum threshold of EUR 8,000,000 for the Crowdsale (the "**Soft Cap**"). There will be a redemption of VAD Token in the event where the Soft Cap is not reached during the Crowdsale. In this event, Varanida will request Purchasers their wallet address to organize the redemption; VAD Tokens will be redeemed of the number of ETH, BTC, or EUR used to purchase the VAD Tokens. The number of ETH or BTC sent back to the Purchaser will be equal to the EUR amount received converted back into BTC or ETH shortly before the redemption is executed (Purchasers shall be aware that Purchasers will bear transfer costs). Banking accounts details will also be requested to Purchasers in the case of subscription in EUR so that Varanida will be in a position to proceed with the redemption in EUR in case the soft cap is not hit.

**5.14. Round 0:** VAD Tokens have been sold as follows:

**5.14.1.** VAD Tokens sold during Round 0 of Crowdsale will be sold only to Private Pre-Sale Participants upon specific nominative invitation;

**5.14.2.** VAD Tokens will be sold during Round 0 of the Crowdsale for the VAD Token Price less a 50% discount, during the Round 0 Period for a maximum amount of EUR 500,000.

**5.14.3.** Contributions during Round 0 will be allowed in EUR or ETH.

**5.14.4.** Each Private Pre-Sale Investor will be able to purchase the VAD Tokens during the Round 0 Period for an individual maximum amount of 20 BTC (i.e. or its equivalent in EUR).

**5.15. Round 1:** VAD Tokens have been sold as follows:

**5.15.1.** VAD Tokens sold during Round 1 of Crowdsale will be sold only to Private-sale Participants upon specific nominative invitation;

**5.15.2.** VAD Tokens will be sold during Round 1 of Crowdsale for VAD Token Price with a 30% discount, during the Round 1 Period for a maximum amount of EUR 15,195,600 (or any exceeding amount corresponding to the offer of VAD Token from Round 0 during Round 1 in the event where Round 0 has not been completed).

**5.15.3.** Contributions during Round 1 will be allowed in BTC or ETH.

**5.15.4.** Each Private-Sale Investor will be able to purchase the VAD Tokens during the Round 1 Period for an individual maximum amount of 30 BTC (i.e. or its equivalent in EUR).

**5.16. Round 2:** VAD Tokens will be sold as follows:

**5.16.1.** VAD Tokens sold during Round 2 of Crowdsale will be sold to Public Presale Participants.

**5.16.2.** VAD Tokens will be sold during Round 2 of Crowdsale for the Round 2 VAD Token Price, during Round 2 Period for a maximum number of 160,000,000 VAD Tokens representing a maximum amount of EUR 8,000,000 (or any exceeding amount corresponding to the purchase of VAD Token from Round 1 during Round 2 in the event where Round 1 has not been completed).

**5.16.3.** Contributions during Round 2 will be allowed in BTC.

**5.16.4.** Each Public Presale Investor will be able to purchase the VAD Tokens during the Round 2 Period with no individual maximum amount.

**5.17. Round 3:** VAD Tokens will be sold as follows:

**5.17.1. Round 3A:** VAD Tokens sold during Round 3A of Crowdsale will be sold to Public Sale Participants.

- 5.17.1.1. Round 3A will be opened upon achievement of public and auditable milestones (it could be a certain level of Monthly Active Users (MAU) corresponding to a number of active users registered on Varanida Dapps or Varanida Network).
  - 5.17.1.2. VAD Tokens will be sold during Round 3A of Crowdsale for the Round 3A VAD Token Price, during the Round 3A Period for a maximum VAD Token number of 120.000.000.
  - 5.17.1.3. Contributions during Round 3A will be allowed in ETH only (through the smart contract).
  - 5.17.1.4. Purchasers holding VAD Tokens from Round 2 will benefit of a (i) 30% discount to purchase VAD Tokens during Round 3A and of a (ii) 12% bonus.
- 5.17.2. Round 3B:** VAD Tokens sold during Round 3B of Crowdsale will be sold to Public Sale Participants.
- 5.17.2.1. Round 3B will be opened upon achievement of public and auditable milestones (it could be a certain level of MAU corresponding to a number of active users registered on Varanida Dapps or Varanida Network and a certain level of Monthly Unique Visitors (MUV) corresponding to a certain level of unique visitors of the Varanida Network).
  - 5.17.2.2. VAD Tokens will be sold during Round 3B of Crowdsale for the Round 3B VAD Token Price, during the Round 3B Period for a maximum VAD Token number of 120.000.000.
  - 5.17.2.3. Contributions during Round 3B will be allowed in ETH only (through the smart contract).
  - 5.17.2.4. Purchasers holding VAD Tokens from Round 3A will benefit of a (i) 20% discount to purchase VAD Tokens during Round 3B and of a (ii) 8% bonus.
- 5.17.3. Round 3C:** VAD Tokens sold during Round 3C of Crowdsale will be sold to Public Sale Participants.
- 5.17.3.1. Round 3C will be opened upon achievement of public and auditable milestones (it could be a certain level of MAU corresponding to a number of active users registered on Varanida Dapps or Varanida Network and a certain level of Monthly Unique Visitors (MUV) corresponding to a certain level of unique visitors of the Varanida Network).
  - 5.17.3.2. VAD Tokens will be sold during Round 3C of Crowdsale for the Round 3C VAD Token Price, during the Round 3C Period for a maximum VAD Token number of 120.000.000.
  - 5.17.3.3. Contributions during Round 3C will be allowed in ETH only (through the smart contract).
  - 5.17.3.4. Purchasers holding VAD Tokens from Round 3A and Round 3B will benefit of a (i) 10% discount to purchase VAD Tokens during Round 3C and of a (ii) 6% bonus.
- 5.17.4.** Contributions during the 3 sub-rounds of Round 3 will be refundable in the following conditions:
- 5.17.4.1. 70% of contribution during a specific sub-round of Round3 will be locked at issuer's level and 30% will be freely attributed to the Issuer.
  - 5.17.4.2. In the event the public milestones for the relevant sub-round are not reached for each sub-round, the 70% of contributions locked for a specific sub-round will be redeemed in favour of the Purchasers.
    - 5.17.4.2.1. Contributions during Round 3A will be redeemed in the event where milestones to open Round 3B are not reached,
    - 5.17.4.2.2. Contributions during Round 3B will be redeemed in the event where milestones to open Round 3C are not reached

5.17.4.2.3. Contributions during Round 3C will be redeemed in the event where the final milestones are not reached. Final milestones would have to be communicated upon consensus from the VAD Token holders voting to establish such final milestones.

**5.17.5.** All the VAD Tokens offered during Round 3 will be issued and burned in the event where the respective sub-rounds are not opened.

**5.18. Validity of the VAD Token Price:** VAD Token Price is valid until either one of the following conditions are met:

- all the VAD Tokens are sold, or
- the end of the Crowdsale.

#### **5.19. Bounties and Network Incentivization Program**

Our goal is to make sure our software will adhere to the highest security and performance standards and be adopted as widely as possible. We understand that it is crucial to reward the public for helping us in this journey. We will launch a number of network incentivization Programs of 17,00% of the Total VAD Tokens Number, including but not limited to, Airdrop, Bug Bounties, Scalability & Varanida Blockchain Bounties, Hackathon Awards, Use Case Firsts Bounties, Tokenomic Research, Adoption Program or Translation Bounties.

In details, Network Incentivization Program will be structured as follows:

**Community and early users (4.5%):** This network includes the 3% already allocated to the community during Round 0 to Round 2 (airdrop and Bounties). The additional 1.5% will correspond to early user incentivization.

**Advertiser on boarding Program (3%):** first advertisers on the Varanida Network will obtain a 50% bonus for the purchasing they make through the network. One VAD Token bought will give right to 1.5 VAD Token to spend on the Varanida Network.

**Publisher on-boarding program:** The first publishers will receive an additional bonus. They can accept VAD Tokens on their platform or support and maintain the Varanida Network.

**User on-boarding Program (4%):** Users of the Varanida Network using their VAD Tokens to pay for premium content or subscribe to service membership (streaming, music, video) will obtain a 10% usage bonus in the form of a “token back” for each VAD Token spent.

**VAD Token holders bonus (2.5%):** early Purchasers keeping their VAD tokens in their wallet since the beginning of the Crowdsale will benefit from “holding bonuses”.

#### **5.20. Transparency of contribution**

All VAD Token contribution in ETH during Crowdsale will be visible on the blockchain, which can be viewed and be publicly accessible via the Ethereum blockchain browser like [www.etherscan.io](http://www.etherscan.io) or similar and contributions are managed by the smart contract deployed on Ethereum Network.

All VAD Tokens contribution in BTC during Crowdsale will be visible on the blockchain, which can be viewed and be publicly accessible via the Bitcoin blockchain browser like <https://blockchain.info> or similar.

#### **5.21. Restitution of contribution in excess**

In the event where the Purchaser will send in error a contribution in ETH, BTC, or EUR in excess to the number of VAD Tokens attributable for a specific Round or in excess to the number of VAD Tokens requested by the Purchaser, the Purchaser will be automatically invited to the following Round in which the amount of contribution in excess will be used to obtain additional VAD Tokens.

Contribution in excess will be returned to the Purchaser only following completion of the relevant sub-round during Round 3.

## 5.22. Delivery of VAD Token

**5.22.1.** The VAD Token will be distributed automatically when contributed in ETH by the smart contract deployed by Varanida on the Ethereum blockchain following the end of the Round 3 and payment of the VAD Token Price.

**5.22.2.** Purchasers hereby explicitly agree that it is Varanida's exclusive discretion that it may decide that the Purchasers will only be entitled to receive their respective VAD Tokens after they complete the KYC process, namely after they provide the required personal data in accordance with these Terms. Purchasers hereby explicitly acknowledge and agree that they might not receive VAD Tokens if they will not finish the KYC process even if they have in fact contributed Ether to the Varanida smart contract or EUR or BTC, and such contributions should not be reimbursable due to their unwillingness or inability to complete the KYC process.

**5.23.** VAD Token distribution will be offered only through the Website. No third-party website or a different provider is allowed and has not been in any way supported, engaged, or authorized by Varanida and must not be relied upon in any way. The only official and authorized website and VAD Token distribution provider is <https://varanida.com>. You must ensure that the URL of your web browser indicates that it is using a hypertext transport secure connection ("https") and that the domain name is correct. Varanida shall not be liable for errors made by Purchasers in using the Website. Notwithstanding the above, Varanida may partner with third party service provider to enable easier acquisition of VAD Tokens with Digital Assets.

**5.24.** All contributions to Varanida in exchange for VAD Tokens are final and non-refundable subject to paragraph 5.11.6. Varanida will not reimburse the Purchasers in the event they do not receive the VADm and VADu or in the event where the Varanida Blockchain is not ultimately deployed or does not operate on a permanent basis or does not offer the exactly equivalent services and features described in the White Paper. By participating in the VAD Token distribution, you acknowledge that Varanida is not required to provide a refund for any reason, and that you will not receive money or other compensation in lieu of a refund. Varanida will not reimburse the Purchasers in the event the Varanida Blockchain is not ultimately deployed or does not operate on a permanent basis or does not offer the exactly equivalent services and functionalities described in the White Paper.

**5.25.** In the event where the Hard Cap for the Crowdsale is not hit, VAD Tokens in excess of contributions will be burned.

**5.26.** The VAD Token is not a consumer product and its Purchasers accept explicitly and agree to it that they are not covered by the consumer protection regulation of any jurisdiction.

## 6. RISKS

**6.1.** You understand that Digital Assets, VAD Tokens, blockchain technology and other associated and related technologies are new and untested and outside of Varanida exclusive control and adverse changes in market forces or the technology, broadly construed, may prevent or compromise Varanida's performance under these Terms.

**6.2.** In addition to the above, you also acknowledge that you have been warned of the following risks, associated with the Website, the Varanida Blockchain, Varanida and other relevant technologies mentioned herein.

### 6.2.1. Legal risks

There is a risk that in some jurisdictions the VAD Tokens might be considered to be a "security", or other regulated investment now or in the future, or might be considered to be some other type of regulated instrument. Varanida believes, but does not give representations, warranties or guarantees that VAD Tokens are not a security or regulated or regulated investment in all jurisdictions. Varanida has diligently, to the best of its knowledge, already prohibited the acquiring of VAD Tokens by individuals and entities from jurisdictions, where legal uncertainties regarding obtaining, sale and usage of cryptographic tokens are unreasonably high

(see section 6 of this Term). Each Purchaser of VAD Tokens shall bear their own legal or financial consequences of VAD Tokens being considered a security or other regulated investment or instrument in their respective jurisdiction.

Based on Varanida current belief that the VAD Tokens are not securities or other regulated when issued, Varanida does not intend to attempt to comply with securities or regulated investment offering laws in any jurisdiction; however, due to the continually changing regulatory environment worldwide, Varanida reserves the right to decide to register, obtain license, or otherwise take action to attempt to comply with any new law or regulation relating to Varanida and the VAD Tokens, which could have a material adverse effect on (i) Varanida ability to conduct the Crowdsale and/or (ii) VAD Token holders ability to use their VAD Tokens.

Every Purchaser is required and bound to determine for themselves if the acquiring, receipt, trading, use, transfer or disposal of VAD Tokens is legal in its jurisdiction, and hereby covenants and agrees not to use VAD Tokens should their use not be legal in the relevant jurisdiction. If a Purchaser determines that the use of VAD Tokens under these Terms is not legal in its jurisdiction, it should not use the VAD Tokens, nor acquire them and should immediately stop using or possessing them if such case arises.

Acquiring cryptographic tokens for personal possession and exchanging them for other cryptographic tokens 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 Varanida to provide VAD Tokens and the Varanida Blockchain in some jurisdictions may be eliminated by future regulation or legal actions. In the event, it turns out with a high degree certainty that VAD Tokens are not legal in certain jurisdiction, VARANIDA would either a) cease operations and possible use of VAD Tokens in that jurisdiction, or b) adjust VAD Tokens and the Varanida Blockchain in a way to comply with the regulation should that be a possible and viable alternative.

#### **6.2.2. Risks associated with Ethereum**

VAD Tokens are based on Ethereum blockchain. As such, any malfunction, unintended function or unexpected functioning of the Ethereum Blockchain may cause the VAD Tokens to malfunction or function in an unexpected or unintended manner. Ether, the native unit of the Ethereum may itself lose value in ways similar to VAD Tokens, and also other ways. More information about the Ethereum is available at <http://ethereum.org>.

#### **6.2.3. Risk of unfavourable regulatory action in one or more jurisdictions**

Blockchain technologies have been the subject of scrutiny by various regulatory bodies around the world, including but not limited to anti-money laundering and securities/investment regulations. The functioning of the Ethereum network and associated blockchain networks and Digital Assets and VAD 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 VAD Tokens, which could materially impede or limit their existence, permissibility of their use and possession, and thus causing a material reduction in their value.

#### **6.2.4. Risk of theft and hacking**

Hackers or other groups or organizations may attempt to interfere with your Third-party Wallet, the Website or the availability of VAD Tokens and Digital Assets in any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks. You hereby agree that Varanida shall have no liability for any such loss you incur.

#### **6.2.5. Risk of security weaknesses in the Websites and VAD Tokens source code or any associated software and/or infrastructure**

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

#### **6.2.6. 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, VAD Tokens, Ethereum, the Varanida Blockchain, which could result in the theft or loss of VAD Tokens.

#### **6.2.7. Risk of mining attacks**

As with other decentralized cryptocurrencies, Ethereum blockchain, which is used for the VAD 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 VAD Tokens, expected proper execution and sequencing of VAD Tokens, and expected proper execution and sequencing of Ethereum contract computations in general. Despite the efforts of Varanida 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 VAD Tokens interact with and consequently the VAD Tokens may be impacted also in that way to the extent, described above.

#### **6.2.8. Risk of low or no liquidity**

Even though there are currently online services 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 VAD Tokens will be listed or made available for exchange for other cryptographic tokens 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 Varanida does not give any warranties in regard to any exchange services providers. Purchasers might be exposed to fraud and failure. In any case, Varanida will not enable exchange of VAD Tokens for other cryptographic tokens or for fiat currency. Purchaser may not at any given time be able to acquire or dispose of its VAD Tokens due to lack of liquidity.

#### **6.2.9. Risk of loss of value**

Even though VAD Tokens are not financial instruments, they might be awarded certain monetary value by the Purchasers and the markets. Varanida gives no warranty in respect of VAD Token value and warns the Purchasers that value of VAD Tokens may fluctuate and that VAD Tokens may also lose their value entirely. There might be different reasons that would cause unfavourable fluctuations of the value of the VAD Tokens.

#### **6.2.10. Risk of change / Fees**

There is a foreign exchange risk for the Purchaser as the exchange rate of the Digital Assets used to calculate the number of VAD Tokens will not necessarily be the rate used at the time the Purchaser sent the Digital Assets but the rate at the time it was received by Varanida.

In addition, there may be additional charges and commissions incurred in connection with the conversion.

#### **6.2.11. Risk of uninsured losses**

VAD Tokens are entirely uninsured.

#### **6.2.12. Risk of malfunction in the Ethereum network or any other blockchain**

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

#### **6.2.13. Internet transmission risks**

You acknowledge that there are risks associated with using the VAD Tokens including, but not limited to, the failure of hardware, software, and Internet connections. You acknowledge that Varanida shall not be responsible for any communication failures, disruptions, errors, distortions or delays you may experience when using the Websites and VAD Tokens, howsoever caused.



#### **6.2.14. Unanticipated risks**

Cryptocurrencies and blockchains are new and untested technology. In addition to the risks set forth here, there are risks that Varanida cannot foresee and it is unreasonable to believe that such risks could have been foreseeable. Risks may further materialize as unanticipated, all of which could lead to loss of value and utility of VAD Tokens.

#### **6.2.15. Unforeseeable events**

Varanida shall not be held liable for any loss, damage or other form of loss resulting from force majeure.

Force majeure shall be unforeseen and unexpected event that occurs independently of the will of the contracting parties and which the contracting parties could not foresee when entering into a contract.

#### **6.2.16. Insufficient interest in Varanida, the Varanida Blockchain and VAD Tokens**

It is possible that Varanida, VAD Tokens or Varanida Blockchain 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 Varanida Blockchain and result in a failure of the Varanida Blockchain and loss of utility (and value) of VAD Tokens.

#### **6.2.17. VAD Tokens and the Varanida Blockchain, as developed, may not meet your expectations**

The Varanida Blockchain is currently under development and may undergo significant changes before release. Your expectations regarding the form and functionality of the Varanida Blockchain and VAD Tokens may not be met upon release of new Website, deployment of the Varanida Blockchain, additional products and services for any number of reasons, including a change in the design and implementation plans and execution of the implementation of VAD Tokens.

#### **6.2.18. The Varanida Blockchain may never be completed or released**

The Varanida Blockchain may never be released and operational, or may be delayed substantially for unforeseen reasons, even though Varanida will make reasonable efforts to complete and deploy it.

#### **6.2.19. Speculative participation**

A participation in a crowdsale is highly speculative. Purchasing the VAD Tokens should be considered only by participants who are able to make a long-term commitment and are aware of the risk factors involved in such a Crowdsale. The Purchasers should only purchase the VAD Tokens if they are able to bear the risk of the entire loss of their investment and have no need for immediate liquidity in such purchase.

#### **6.2.20. VAD Tokens Purchasers may experience more dilution**

Varanida is able to issue the VAD Tokens according to the T&C. VAD Tokens Purchasers may experience more dilution in the future.

#### **6.2.21. Less than full amount pre-sold**

There can be no assurance that a sufficient amount of VAD Tokens will be sold during the Crowdsale. In that case, less than the maximum necessary funds will be available to Varanida and, consequently, its technology development and business development plans and prospects could be adversely affected.

#### **6.2.22. Development on a best effort basis**

Purchasers in the Crowdsale further confirm to understand and accept that while the individuals and entities assigned to this task, in particular Varanida, will make reasonable efforts to develop and complete the Varanida Blockchain, it is possible that such development may partially or fully fail and VAD Tokens become useless-and/or valueless due to technical, commercial, regulatory or any other reasons

#### **6.2.23. No Ownership, Revenue or Governance Rights**

Purchaser understands and accepts that VAD Tokens do 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 Varanida.

#### **6.2.24. Risk of non-compliance with privacy regulation**

As of issuing these Terms, all aspects of effects of privacy regulation are not yet clear, and privacy regulation might substantially differ in different jurisdictions across the world. Some envisaged features of the Project might not be by itself compliant with the applicable regulation and will need to be adjusted, modified or omitted.

**6.3.** The VAD Tokens and the Varanida Blockchain are provided “as is” and “with all faults”. We and our affiliates and licensors make no representations or warranties of any kind, whether express, implied, statutory or otherwise regarding the VAD Tokens and the Varanida Blockchain, including any warranty that the VAD 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, we and our 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 dealing or usage of trade.

**6.4.** Business risks: Purchasers acknowledge that they have been warned of the business risks, associated with the Website, the Digital Assets, the VAD Tokens, the Varanida Blockchain and other relevant technologies mentioned herein:

##### **6.4.1. No assurance of profitability**

Varanida operates at a loss and there is no assurance that Varanida will ever be profitable. No revenues have been recorded as of the date of these Terms.

##### **6.4.2. No Personal data**

Varanida receives, transmits and stores a large volume of personally identifiable information and other sensitive data from its customers and potential customers. There are French laws regarding privacy and the storing, sharing, use, disclosure and protection of personally identifiable information and sensitive data.

Specifically, personally identifiable information is increasingly subject to legislation and regulations to protect the privacy of personal information that is collected, processed and transmitted. Any violations of these laws and regulations may require Varanida to change its business practices or operational structure, address legal claims and sustain monetary penalties and/or other harms to its business.

##### **6.4.3. Additional capital may be required**

Varanida intends to continue to make investments to support the growth of its business and build the Varanida Blockchain. As such, it may require additional capital to pursue its business objectives and respond to business opportunities, challenges or unforeseen circumstances, including increasing its marketing expenditures to improve its brand awareness, developing new products or services or further improving existing products or services, enhancing its operating infrastructure and acquiring complementary businesses and technologies. Accordingly, it may need to engage in equity or debt financings in addition to the Crowdsale to secure additional funds. However, additional funds may not be available when Varanida needs them, on terms that are acceptable to Varanida, or at all. In addition, Varanida's agreements with other lenders may make it more difficult for it to obtain additional capital and to pursue business opportunities.

If Varanida raises additional funds through issuances of equity or convertible debt securities, its existing shareholders could suffer significant dilution, and any new equity securities Varanida issues could have rights, preferences and privileges superior to those of holders of its common stock. If Varanida is unable to obtain adequate financing or financing on terms satisfactory to Varanida, when it requires, its ability to continue to pursue its business objectives and to respond to business opportunities, challenges or unforeseen circumstances could be significantly limited, and its business, operating results, financial conditions and prospects could be adversely affected.

#### **6.4.4. Security breaches of customers' confidential information**

Varanida stores customers' personal information and other sensitive data. Any accidental or wilful security breaches or other unauthorized access could cause the theft and criminal use of this data. Security breaches or unauthorized access to confidential information could also expose Varanida to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in Varanida's software are exposed and exploited, and, as a result, a third party obtains unauthorized access to any of its customers' data, Varanida's relationships with its customers will be severely damaged, and Varanida could incur significant liability.

Because techniques used to obtain unauthorized access or to sabotage systems change frequently and are generally not recognized until they are launched against a target, Varanida may be unable to anticipate these techniques or to implement adequate preventative measures which are costly to implement. Any security breach, whether actual or perceived, may cause the Purchasers to lose confidence in the effectiveness of its data security measures and would harm its reputation and Varanida may lose Purchasers.

#### **6.4.5. Protection of the intellectual property rights**

Varanida's ability to service its Purchasers will depend, in part, upon its intellectual property. It primarily relies on copyright, trade secret and trademark laws, trade secret protection and confidentiality or license agreements with its employees, customers and others to protect its intellectual property rights. However, the steps it takes to protect its intellectual property rights may be inadequate. Varanida currently does not have any issued patents.

In order to protect its intellectual property rights, Varanida may be required to spend significant resources to monitor and protect these rights. Litigation brought to protect and enforce its intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of its intellectual property. Furthermore, its efforts to enforce its intellectual property rights may be met with defences, counterclaims and countersuits attacking the validity and enforceability of its intellectual property rights. Varanida's failure to secure, protect and enforce its intellectual property rights could seriously harm its brand and adversely affect its business.

#### **6.4.6. Success of marketing efforts**

Varanida believes that an important component of its growth will be continued market penetration through its direct marketing channel. To achieve this growth, Varanida anticipates relying heavily on marketing and advertising to increase the visibility of Varanida Blockchain brand with potential Purchasers. The goal of this marketing and advertising is to increase the strength, recognition and trust in Varanida Blockchain brand, drive more unique visitors to submit applications on the Varanida Blockchain. If Varanida is unable to recover its marketing costs through an increase in the number of users of the Varanida Blockchain, or if it discontinues its broad marketing campaigns, it could have a material adverse effect on its growth, results of operations and financial condition.

#### **6.4.7. Quality of the team**

Varanida believes its success has depended, and continues to depend, on the efforts and talents of its executives and employees. Its future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and Varanida may incur significant costs to attract and retain them. In addition, the loss of any of its senior management or key employees could materially adversely affect its ability to execute its business plan and strategy, and it may not be able to find adequate replacements on a timely basis, or at all.

#### **6.4.8. Litigation may adversely affect the Varanida's business and financial condition**

Varanida's business is subject to the risk of litigation by employees, customers, consumers, suppliers, competitors, shareholders, government agencies, or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. The outcome of litigation, particularly class action lawsuits, regulatory actions and intellectual property claims, is difficult to assess or quantify. Plaintiffs in

these types of lawsuits may seek recovery of large or indeterminate amounts, and the magnitude of the potential loss relating to these lawsuits may remain unknown for substantial periods of time. In addition, certain of these lawsuits, if decided adversely to Varanida or settled by Varanida, may result in liability material to its financial statements as a whole or may negatively affect its operating results if changes to its business operations are required.

The cost to defend future litigation may be significant. There also may be adverse publicity associated with litigation that could negatively affect customer perception of its business, regardless of whether the allegations are valid or whether Varanida is ultimately found liable. As a result, litigation may adversely affect its business and financial condition.

#### **6.4.9. Industry Risk: Limited operating history in an evolving industry,**

Varanida has no operating history in an evolving industry that may not develop as expected. Assessing its business and future prospects is challenging in light of the risks and difficulties it may encounter. These risks and difficulties include its ability to:

- navigate complex and evolving regulatory and competitive environments;
- increase the number of Purchasers;
- Successfully maintain and evolve our internal controls to manage compliance with an evolving and complex regulatory environment;
- Successfully develop and deploy new products;
- Successfully maintain its funding strategy;
- Favourably compete with other companies that are currently in, or may in the future enter, the core Blockchain technology business;
- Successfully navigate economic conditions and fluctuations in the Blockchain core technology market;
- Effectively manage the growth of its business;
- Successfully expand its business;
- continue to revise its Varanida Blockchain;
- continue to develop, maintain and scale the Varanida Blockchain and other products and services, if any;
- Effectively use limited personnel and technology resources;
- Effectively maintain and scale its financial and risk management controls and procedures;
- maintain the security of the Varanida Blockchain and the confidentiality of the information provided and utilized across above said Varanida Blockchain; and
- attract, integrate and retain an appropriate number of qualified employees.

#### **6.4.10. Changes in legislation**

There can be no assurance that income tax laws and laws relating to the industry in which Varanida operates will not be changed in a manner which adversely affects Varanida's business plan.

## **7. Eligibility**

**7.1.** The Website, the Varanida Blockchain and VAD Tokens are not offered for use to natural and legal persons, who are "residents" (as defined in applicable local regulation) or have their seat of incorporation (in each case "Restricted Persons") in the following countries: i) The United States of America, ii) Australia, iii) New Zealand, iv) Republic of North Korea and v) People's Republic of China ("Restricted Countries").

**7.2.** Natural and legal persons with their habitual residence or seat of incorporation from the Restricted Countries shall not use the Website, the Varanida Blockchain and are prohibited from acquiring VAD Tokens. None of the activities of Varanida take place in the restricted Areas.

**7.3.** Varanida reserves the right to decide in its own discretion to adopt reasonable organizational and technical measures to assure that the Websites and VAD Tokens are not available to Restricted Persons. Due to the VAD Tokens being offered on the Internet (world-wide web) Varanida and Purchasers understand that there is a possibility that there might be a certain "flow back" of VAD Tokens to Restricted Persons. Varanida consequently explicitly prohibits Restricted Persons from using VAD Tokens. Varanida shall not be held liable for any legal or monetary consequence arising

of such use. Such persons using VAD Tokens despite the prohibition shall on first request indemnify and hold harmless Varanida from any legal or monetary consequence arising of their breach of the terms as described in this paragraph 7.3. Restricted Persons shall immediately stop using VAD Tokens and leave the Website.

**7.4.** If you are registering with the purpose to use the Varanida Blockchain in the future on behalf of a legal entity, you for yourself and on behalf of such legal entity hereby represent and warrant to Varanida and its management (a) that you are not a Restricted Person, (b) that such legal entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization; and (c) you are duly authorized by such legal entity to act on its behalf.

**7.5.** You further represent and warrant that you:

**7.5.1.** are of legal age to form a binding contract (at least 18 years old in most of the jurisdictions);

**7.5.2.** have full power and authority to accept these Terms and in doing so will not violate any other agreement to which you are a party;

**7.5.3.** are not a Restricted Person;

**7.5.4.** have not been placed on any of the sanctions lists, published and maintained by the United Nations, European Union, any EU country, UK Treasury, US Office of Foreign Assets Control (OFAC) or any similar entity in any other country around the world;

**7.5.5.** will not use the VAD Tokens if any applicable laws in jurisdiction of your habitual residence or incorporations prohibit you from doing so in accordance with these Terms;

**7.5.6.** have a deep understanding of the functionality, usage, storage of cryptographic tokens, smart contracts, and blockchain-based software;

**7.5.7.** have carefully reviewed the content of this document and have understood and agreed with these Terms,

**7.5.8.** will contribute Bitcoins (BTC) from a Wallet or Wallet service provider that technically supports the VAD Token, or EUR;

**7.5.9.** have obtained and was given sufficient information about the VAD Tokens to make an informed decision to acquire them;

**7.5.10.** are not making contribution with any BTC (or fiat currency) that directly or indirectly resulted from, or was previously used for any "money laundering" activity of any kind, and on request by Varanida you hereby agree to provide to Varanida any available information you have necessary to prove this statement to Varanida or any required exchange or governmental entity;

**7.5.11.** understand that the VAD Tokens would confer only the right to obtain VADm and VADu use and access the Varanida Blockchain, as set out in Article 4, and confer no other rights of any form with respect to the Varanida Blockchain or Varanida, such as voting in its annual general meeting, right to dividends or other distribution or other financial or legal rights;

**7.5.12.** are acquiring VAD Tokens to access/run the Varanida Blockchain and to support its development, testing, deployment and operation; and that you are not acquiring VAD Tokens for any other uses or purposes, including, but not limited to, any speculative investment or other financial purposes; and

**7.5.13.** your acquiring and usage of VAD Tokens complies with applicable law and regulation in your jurisdiction, including, but not limited to, (i) legal capacity and any other threshold requirements in your jurisdiction for acquiring the Tokens, using the VAD Tokens in the Varanida Blockchain, and entering into contracts with us, (ii) any foreign exchange or regulatory restrictions applicable for acquiring and holding tokens, and (iii) any governmental or other consents that may need to be obtained.

## **8. Financial regulation and cooperation with legal authorities and authorized financial institutions and regulators**

- 8.1.** Varanida believes that the VAD Tokens and the Varanida Blockchain are generally unregulated by any country other than the Restricted Countries, however Varanida is closely following changes to legislation in the most relevant jurisdictions in the world and intends to act accordingly, if regulatory changes impact operations of VAD Tokens and the Varanida Blockchain. Varanida is not a financial institution and is currently not under supervision of any financial supervisory authority. Varanida does not provide any licensed financial services, such as investment services, capital raising, fund management or investment advice. Varanida believes (but cannot warrant) that the VAD Token distribution is not a public offering, a regulated “security” or an equity or debt instrument.

According to the foregoing, any Purchaser subject to these conditions is aware that he cannot expect judicial protection from the respective local regulator for damage or loss that might arise from the risks described in Article 6.

- 8.2.** This Agreement or any other Agreement, produced and signed by Varanida, as well as the Website, and any of their content does not constitute an offer or solicitation to sell shares or securities.
- 8.3.** None of the information or analyses presented are intended to form the basis for any investment decision, and no specific recommendations are intended, and Varanida services and the Website are not, do not offer and shall not be construed as investment, securities or financial products.
- 8.4.** Varanida intends to use best efforts to cooperate with any governmental legal authority or regulator or supervisory authority of any country, and also with all authorized financial institutions.

## **9. Liability**

- 9.1.** You hereby agree to the fullest extent permitted by law (for yourself, your successors and assigns) that Varanida and their affiliates and their respective officers, directors, advisors employees or agents will in regard to the Website, the Varanida Blockchain and offer, distribution and use by you of VAD Tokens shall not be liable to you 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 loss of revenues, loss of profits, trading losses or damages that result from the offer, sale or use or loss of use of the VAD Tokens, the Website, or the Varanida Blockchain) or damages caused by data breach, even if Varanida has been advised of the possibility of such damages or losses, including, without limitation, from the use or attempted use of VAD Tokens, the Website or the Varanida Blockchain. In no event will the aggregate liability of Varanida and its affiliates, either in contract, warranty, tort or other theory, exceed the amount received by contributions.
- 9.2.** Further, neither we nor any of our affiliates or licensors or ambassador will be responsible for any compensation, reimbursement, or damages you or your successors and assigns may have arising in connection with: (a) your inability to use the Website, the Varanida Blockchain or VAD Tokens, including without limitation as a result of any termination or suspension of the Varanida Blockchain or these Terms, 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 you in connection with these Terms or your use of or access to the Website, the Varanida Blockchain and VAD 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 to the Website, the Varanida Blockchain and VAD Tokens.
- 9.3.** You (for yourself, your successors and assigns) hereby waive your right to demand the return of any Digital Assets you exchanged with us for the purpose of acquiring VAD Tokens, including, without limitation, any demand for specific performance.
- 9.4.** You will defend, indemnify, and hold harmless Varanida, our affiliates, licensors or ambassador, if any and each of their respective employees, officers, directors, advisors and representatives (collectively Varanida Group) from and against any claims, damages, losses, liabilities, costs, and expenses (including reasonable attorney fees) arising out of or relating to any third-party claim concerning

these Terms or your use of the Website, the Varanida Blockchain and VAD Tokens contrary to these Terms. If Varanida Group is obligated to respond to a third-party subpoena or other compulsory legal order or process described above, you 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.

- 9.5.** The information, software and products included in or available through the Website and the Varanida Blockchain may include inaccuracies or typographical errors. Changes are periodically added to the information herein. Varanida and/or its suppliers may make improvements and/or changes to the Website and the Varanida Blockchain at any time. Varanida makes no representations about the suitability, reliability, availability, timeliness, and accuracy of the Website, the Varanida Blockchain, VAD 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, the Varanida Blockchain and VAD Tokens, all such information, software, products and related graphics are provided "as is" without warranty or condition of any kind. Varanida hereby disclaims all warranties and conditions with regard to the Website, the Varanida Blockchain, VAD 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.
- 9.6.** Honourability: Varanida believes that transparency, honourability and honesty of the team members is a key criterion for its success. In that respect, Varanida acknowledges that all the founders, shareholders and team members of Varanida benefit from the appropriate experience, reputation and honourability to conduct the Project. In addition, Varanida undertakes that its senior managers have the necessary integrity to ensure a sound and prudent management of Varanida. In that respect, although Varanida is not a credit institution or an investment services provider, Varanida undertakes that its senior managers have not been convicted of any of the crimes or offenses listed under article L.500-1-II of the (French) Monetary and Financial Code.
- 9.7.** In addition, Varanida may not be held liable for any of the following:
- 9.7.1.** Use of Varanida services that are not compliant with the terms of the contract;
  - 9.7.2.** Non-performance, failure, malfunction or unavailability of the services from the Varanida Blockchain due to a third party, the purchaser or user of the Varanida Blockchain, a third-party product, or the Purchaser's breach of its obligations;
  - 9.7.3.** Indirect damages such as business loss or disturbance, loss of orders, operating loss, infringement of the trade mark, loss of profits or Purchasers (e.g. improper disclosure of confidential information concerning said Purchaser due to failure or piracy of the system, third-party proceedings against the Purchaser, etc.);
  - 9.7.4.** Loss, disclosure or unlawful or fraudulent use of Purchaser sign-on by the Purchaser or third parties;
  - 9.7.5.** Suspension of access or temporary or permanent suspension of the VAD Tokens or of the Varanida Crowdsale Website (in particular, arising from a request issued by an appropriate administrative or judicial authority, or notification received from a third-party);
  - 9.7.6.** Mismatch between the VAD Tokens functionalities and services and the Purchaser's needs (in particular, with regard to the sensitivity of the relevant data);
  - 9.7.7.** Security incidents relating to use of the Internet, concerning in particular the loss, alteration, destruction, disclosure or unauthorized access to the Purchaser's data or details on or via the Internet.
- 9.8.** Because the VAD Tokens and the Varanida Blockchain are first based on the Ethereum Blockchain, any malfunction, breakdown or abandonment of the Ethereum Blockchain may have a material adverse effect on the VAD Tokens. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to VAD Tokens and the Varanida Blockchain, including the utility of VAD Tokens, by rendering ineffective the cryptographic consensus

mechanism that underpins the Ethereum Blockchain; Varanida reserves the right to substitute in the future an alternative network to replace the Ethereum Blockchain if needed or if useful for the Varanida Blockchain.

- 9.9. As with other decentralized cryptographic tokens based on the Ethereum Blockchain, VAD Tokens are susceptible to attacks by miner in the course of validating VAD Tokens transactions on the Ethereum Blockchain or any other public Blockchain on which the Ethereum Blockchain may operate, including, but not limited, to double-spend attacks, majority mining power attacks, and selfish-mining attacks. Any successful attacks present a risk to the Ethereum Blockchain, including, but not limited to, accurate execution and recording of transactions involving VAD Tokens.
- 9.10. Hackers or other malicious groups or organizations may attempt to interfere with the Varanida Blockchain or the VAD Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, smurfing and spoofing. Furthermore, because the Varanida Blockchain is based on an open-source software, there is a risk that a third party or a member of the Varanida team may intentionally or unintentionally introduce weakness into the core infrastructure of the Ethereum Blockchain, which could negatively affect the Varanida Blockchain and the VAD Tokens.
- 9.11. You warrant to Varanida that you will not use the Website, the Varanida Blockchain or the VAD Tokens for any purpose that is unlawful or prohibited by these Terms. You may not use the Varanida Blockchain or VAD Tokens in any manner that could damage, disable, overburden, or impair the Varanida Blockchain, VAD Tokens or the Website.
- 9.12. Varanida also reserves the right to rectify any clerical error or omission in the contract documents binding it to the Purchasers without entitling the Purchaser to any compensation.

## **10. Liability of the VAD Token's Purchaser**

- 10.1. The Purchaser acknowledges that he is solely liable for storage and use of the purchased VAD Tokens under normal conditions of use, and in accordance both with current legislation at the time and place of use and with his profession's code of conduct, which he declares he is fully aware of.
- 10.2. Accordingly, he shall be deemed personally liable for any damaging consequences arising from the abnormal, noncompliant or unforeseeable storage, transfer or use of the VAD Tokens.
- 10.3. The Purchaser also acknowledges he has received all the necessary details from Varanida on the information and data he has communicated and is therefore solely liable for the ordered VAD Tokens' suitability in terms of their specific planned use.
- 10.4. The Purchaser agrees to send to Varanida their correct and updated personal details at the time of creating their client account and each time they may modify the said account. Varanida reserves the right to request supporting documents from the Purchasers to ensure the accuracy of the details they have supplied.
- 10.5. The Purchaser will be solely and exclusively liable for the logins required to sign into the Crowdsale website. Varanida shall not be held liable for any illegal or fraudulent use of the Purchaser's login. The provision of logins is deemed confidential. Any suspicion of intentional or unintentional disclosure of the login shall engage the Purchaser's sole liability, excluding that of Varanida.
- 10.6. The Purchaser will assume full responsibility for the consequences of any theft or misuse of the VAD Tokens purchased as a result of any use by the members of its staff or by any person to whom the Purchaser has provided their login(s). Similarly, the Purchaser will assume full responsibility for the consequences of the loss of the above-mentioned login(s).

## **11. No guarantee**

- 11.1. The purchase of the VAD Tokens by the Purchasers is irrevocable and may not be suspended.



The VAD Tokens have no other value and functionality than to be used on the Varanida Blockchain. No guarantee is attached to the VAD Tokens following attribution to the Purchasers.

- 11.2.** Varanida has no control on the operation of the smart contract on Ethereum (or any other public Blockchain to which the VAD Token is or will be plugged). Consequently, Varanida may not under any circumstances, be held liable for any failure of said network that could result in the Purchaser losing or being unable to use the VAD Tokens.
- 11.3.** However, Varanida shall take all the necessary care and diligence to provide the best quality of service in accordance with current business practice and state of the art. Varanida is solely bound by an obligation of means.
- 11.4.** The VAD Tokens will be used only if the Varanida Blockchain is effectively deployed. If not, the VAD Tokens value would most likely be equal to zero.

## **12. Privacy and Purchaser identification**

- 12.1.** Varanida collects information from running the Website and uses information, provided to us by you. When you visit the Website, or use our products, we collect information sent to us by your computer, mobile phone, or other access device. This information may include your IP address, device information including, but not limited to, identifier, name, and type, operating system, mobile network information and standard web log information, such as your browser type, and the pages you accessed on our Website. When you use a location-enabled device with our Website and products, we may collect geographical location data or use various means to determine the location, such as sensor data from your device that may, for instance, provide data on nearby cell towers and Wi-Fi access spots. However, we will not release your personally-identifying information to any third party without your consent, except as set forth herein.
- 12.2.** When you access the Website, or use our products or services we (or Google Analytics or similar service provider on our behalf) may place small data files called cookies on your computer or other device. We use these technologies to recognize you as our Purchaser; customize our Website and advertising; measure promotional effectiveness and collect information about your computer or other access device to mitigate risk, help prevent fraud, and promote trust and safety.
- 12.3.** In principle we do not, but we may store and process your personal information on our servers in the EU, where our facilities or our service providers are located. We use reasonable efforts to protect your information using physical, technical, and administrative security measures to reduce the risks of loss, misuse, unauthorized access, disclosure, and alteration. Some of the safeguards we use are firewalls and data encryption, physical access controls to our data centres, and information access authorization controls. We also authorize access to personal information only for those employees who require it to fulfil their job responsibilities. All of our physical, electronic, and procedural safeguards are designed to comply with applicable laws and regulations. Data may from time to time be stored also in other locations.
- 12.4.** We reserve our right to share information we have on you with:
  - 12.4.1.** our banking partners;
  - 12.4.2.** companies that we plan to merge with or be acquired by (should such a combination occur, we will require that the newly combined entity follow these terms with respect to your personal information, and you would as well receive prior notice of any change in applicable policy);
  - 12.4.3.** 3<sup>rd</sup> party identification services providers for fraud prevention purposes;
  - 12.4.4.** law enforcement, government officials, or other third parties when i) we are compelled to do so by a subpoena, court order, or similar legal procedure; or ii) we believe in good faith that the disclosure of personal information is necessary to prevent physical harm or financial loss, to report suspected illegal activity or to investigate violations of our Terms;
  - 12.4.5.** other third parties only with your prior consent or direction to do so.

**12.5.** You may request us at any time to deliver to you any data and information we hold on you, and you may as well request us at any time to delete such information permanently, all in compliance with the applicable EU regulation.

**12.6.** By accepting these Terms, you hereby expressly agree, consent and authorize:

- to provide your email address or other personal information, such as name, mobile number, address, or other personal information (“personal information”) to Varanida and
- Varanida to obtain personal information for the purpose of sending you notification email regarding the completion of your contribution.

You hereby acknowledge that your email will be collected and stored by Varanida for the necessary time period for the execution of token distribution and purposes, related to the subject of these Terms.

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

**13.1.** You are required to follow KYC procedure as published on the Website prior to your contribution in the Crowdsale. If you do not provide the information requested by us, then we may in our sole discretion decide to refuse your contribution and not distribute VAD Tokens to you.

**13.2.** Varanida reserves a right to change the anti-money laundering and know your client process “KYC” discretionary without any explanation, and that AML/KYC procedure might be adjusted on per case basis.

**13.3.** Varanida will use the services of Onfido to implement and perform the KYC process for Purchasers. For any contribution exceeding 5 BTC, an additional KYC process will be implemented and performed by Thomson Reuters.

**13.3.1.** You understand and accept, that you may be refused to receive VAD Tokens without completing the KYC procedure, and that we may refuse to deliver VAD Tokens even if you have contributed a correct amount of BTC, or EUR in accordance with these Terms.

**13.3.2.** You understand and accept that you may be requested to provide additional information in the future to comply with additional AML/KYC requirements. If you do not comply with the additional requirements, Varanida reserves the right to reject your application. If Varanida rejects your application, it will send you back your contribution. If you have contributed in BTC, the amount of BTC to be sent back will be the EUR amount equivalent at the time of the purchased converted to BTC shortly before sending it back. All the transactional and operational costs will be at the charge of the Purchaser.

**13.4.** Varanida reserves its right to reject your identification application if you are unable to provide the information in accordance with these Terms and other terms published on our Website. We will store your data in accordance with regulation of France. Any personal data collected will be used solely for the purpose and as part of the contribution process to satisfy the compliance requirements of business banks.

**13.5.** Varanida has established its mechanism to fight money laundering and financing of illicit activities by:

**13.5.1.** identifying and verifying the identification of its Purchasers,

**13.5.2.** establishing technical mechanisms for monitoring of the source of Digital Assets, contributed to Varanida,

**13.5.3.** monitoring Purchasers' activities and VAD Token transactions.

**13.6.** Varanida would in principle collect from the Purchasers:

- 13.6.1. name,
- 13.6.2. residence address and justification of residence address,
- 13.6.3. e-mail address,
- 13.6.4. mobile number,
- 13.6.5. place of birth and date of birth,
- 13.6.6. scans of photo identifications,
- 13.6.7. copy of ID and identification number on the ID,
- 13.6.8. in cases where Purchaser is a legal entity, also court registry excerpt and information on ultimate beneficial owner, where relevant.

## 14. Taxes

- 14.1. All your factual and potential tax obligations relating to acquiring, use, transfer, assignment of VAD Tokens and use of the Varanida Blockchain are your concern and Varanida is not in any case and under no conditions bound to compensate for your tax obligation or give you any advice related to tax issues, including but not limited to what kind of filing or reporting you need to do with the competent tax authority, which taxes and to which extent you are obliged to pay, which tax exemptions you are eligible to etc.
- 14.2. All fees and charges payable by you are exclusive of any potentially-applicable sales, use, VAT, income withholding and other potentially-applicable taxes, and should certain taxes be applicable, they shall be added on top of the payable amounts. Upon our request, you will provide us any information we reasonably request to determine whether we are obligated to collect VAT from you, including your VAT identification number, if applicable. If any deduction or withholding is required by law, you will notify us and will pay us any additional amounts necessary to ensure that the net amount that we receive, after any deduction and withholding, equals the amount we would have received if no deduction or withholding had been required. Additionally, you will provide us upon request with documentation showing that the withheld and deducted amounts have been paid to the relevant taxing authority.
- 14.3. VAD Tokens are sold VAT excluded (i.e. VAT will be added to the subscription the case may be).
- 14.4. The tax treatment of the VAD Tokens is uncertain and there may be adverse tax consequences for the Purchasers upon certain future events. Each Purchaser should seek its own tax advice in connection with the purchase of the VAD Tokens. Any purchase may result in adverse tax consequences to the Purchasers, including, withholding taxes, income taxes and tax reporting requirements. Each Purchaser should consult with and must rely upon the advice on its own professional tax advisors with respect to the relevant applicable tax treatment of a purchase of VAD Tokens and any right associated therewith.

## 15. Intellectual Property

- 15.1. We retain all right, title and interest in all of our intellectual property, including inventions, discoveries, processes, marks, methods, compositions, formulae, techniques, information, source code, brand names, graphics, Purchaser interface design, text, logos, images, information and data pertaining to the Project (hereinafter: "*Varanida IP*"), whether or not patentable, copyrightable or protectable in trademark, and any trademarks, copyrights or patents based thereon. You may not use any of our intellectual property for any reason, except with our express, prior, written consent.
- 15.2. These Terms shall not be understood and interpreted in a way that they would mean assignment of intellectual property rights, unless it is explicitly defined so in these Terms.
- 15.3. You are being granted a non-exclusive, non-transferable, revocable license to access and use the Website and the Project and use the VAD Tokens strictly in accordance with these Terms and any other terms that may be posted on the Website now or in the future. As a condition of your use of the Website and the VAD Tokens you warrant to Varanida that you will not use the Website, or the Project or VAD Tokens for any purpose that is unlawful or prohibited by these Terms. You may not use the VAD Tokens in any manner that could damage, disable, overburden, or impair the Website and the Project. You may not obtain or attempt to obtain any materials or information through any

means not intentionally made available or provided for through the Website and VAD Tokens. Limitation to the transferability of license shall not be understood in a way to mean, that the Purchasers are not allowed to transfer VAD Tokens to third parties.

- 15.4.** All Varanida IP is the property of Varanida and is protected by copyright, trademark and other laws that protect intellectual property and proprietary rights. You agree to observe and abide by all copyright and other proprietary notices, legends or other restrictions contained in any such content and will not make any changes thereto.
- 15.5.** You will not modify, publish, transmit, reverse engineer, participate in the transfer or sale, create derivative works, or in any way exploit any of the Varanida IP, in whole or in part, found on the Website or associated products and services. Varanida IP is not for resale. Your use of the Varanida IP does not entitle you to make any unauthorized use of any Varanida IP, and in particular you will not delete or alter any proprietary rights or attribution notices in any Varanida IP. You will use Varanida IP solely for your personal use and will make no other use of Varanida IP without the express written permission of Varanida and the copyright owner. You agree that you do not acquire any ownership rights in any Varanida IP. We do not grant you any licenses, express or implied, to the intellectual property of Varanida except as expressly authorized by these Terms.

## **16. Notices**

- 16.1.** We may provide any notice to you under these Terms by: (i) posting a notice on the Website; or (ii) sending an email to the email address then associated with your account. Notices we provide by posting on the Website will be effective upon posting and notices we provide by email will be effective when we send the email. It is your responsibility to keep your email address current. You will be deemed to have received any email sent to the email address then associated with your account when we send the email, whether or not you actually receive or read the email.
- 16.2.** To give us notice under these Terms, you must contact us by email to [support@varanida.com](mailto:support@varanida.com). We may update this email address for notices to us by posting a notice on our Website. Notices to us will be effective one business day after they are sent.
- 16.3.** All communications and notices to be made or given pursuant to these Terms must be in the English language.

## **17. Post- Crowdsale governance**

- 17.1.** Varanida will conduct post Crowdsale audits on a semi-annual basis and will publish the results of the audits to properly inform Purchasers of the orientation of the Project. Such audits and compliance reporting will be performed by an external compliance services provider of good standing. The audit will cover (i) Project progress, (ii) funds usage and (iii) strategy of the Project.

## **18. Miscellaneous**

- 18.1.** Materials, such as Varanida White Paper and others, published in the Website or elsewhere, are not binding and do not – unless explicitly referred to herein – form part of these Terms, and are of descriptive nature only.
- 18.2.** We do not permit individuals under the age of 18 to register with our Website and use the VAD Tokens or our products. If we become aware that a child under the age of 18 has provided us with personal information, we will delete such information from our files immediately and block its access to our Website and products.
- 18.3.** Varanida will not be liable for any delay or failure to perform any obligation under this Terms where the delay or failure results from any cause beyond our reasonable control, including acts of God, labour disputes or other industrial disturbances, electrical, telecommunications, hardware, software

or other utility failures, earthquake, storms or other elements of nature, blockages, embargoes, riots, acts or orders of government, acts of terrorism, or war, changes in blockchain technology (broadly construed), changes in the Ethereum or any other blockchain or any other force outside of our control.

- 18.4.** We and you are independent contractors, and neither party, nor any of their respective affiliates, is an agent of the other for any purpose or has the authority to bind the other.
- 18.5.** These Terms do not create any third-party beneficiary rights in any individual or entity.
- 18.6.** You will not assign these Terms, or delegate or sublicense any of your rights under these Terms, without our prior written consent. Any assignment or transfer contrary to these Terms will be void. Subject to the foregoing, these Terms will be binding upon, and inure to the benefit of the parties and their respective successors and assigns.
- 18.7.** The failure or omission by us to enforce any provision of these Terms will not constitute a present or future waiver of such provision nor limit our right to enforce such provision at a later time. All waivers by us must be unequivocal and in writing to be effective.
- 18.8.** Except as otherwise set forth herein, if any portion of these Terms is held to be invalid or unenforceable, the remaining portions of these Terms will remain in full force and effect. Any invalid or unenforceable portions will be interpreted to affect the intent of the original portion. If such construction is not possible, the invalid or unenforceable portion will be severed from these Terms, but the rest of the Terms will remain in full force and effect.
- 18.9.** “Varanida” refers to the Project as a whole, including any or all of the entities, being used by Varanida.
- 18.10.** All disputes or claims arising out of or in connection with these Terms including disputes relating to its validity, breach, termination or nullity, and any disputes or claims arising out of or in connection with the use of Website, the Project and VAD Tokens shall be finally settled by the Paris commercial Court in France. The applicable law shall be the laws of France, without regard to its conflict of law.
- 18.11.** You also waive your right to participate in a class action suit or a class action arbitration against Varanida or any of its affiliates.
- 18.12.** These Terms represent the entire agreement between you and us regarding the subject matter of these Terms, in particular use of the Website, the Project and acquiring, purchase, use, sale or disposition of VAD Tokens. These Terms supersede all prior or contemporaneous representations, understandings, agreements, or communications between you and us, whether written or verbal, regarding the subject matter of these Terms. We will not be bound by, and specifically object to, any term, condition or other provision which is different from or in addition to the provisions of these Terms (whether or not it would materially alter these Terms) and which is submitted by you in any order, receipt, acceptance, confirmation, correspondence or other document.
- 18.13.** These Terms are not boilerplate. If you disagree with any of them, believe that any should not apply to you, or wish to negotiate these Terms, please contact Varanida via e-mail and immediately navigate away from the Website and cease using the Project. Your agreement to acquire VAD Tokens, your acceptance and purchase of any VAD Tokens, your use of VAD Tokens, and/or your use of the Website or Project shall constitute your binding agreement with these Terms, supported by valid and binding consideration.

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