

REX Creation and REX Project Creation Conditions: Explanatory Note & Governance Terms

I. Principles

- 1 By transferring Ether (ETH) to the Smart Contract System and the Smart Contract System creating REX Tokens (“REX Tokens”), the User understands and accepts that the User makes a contribution into a Smart Contract System for the development of the REX Project (“Contribution”), as further described in the REX Project Whitepaper (“REX Project” / “the Whitepaper”). For the Whitepaper and/or further information on the REX Project, visit: <https://github.com/rexmls/whitepaper/blob/master/readme.md>. The information contained in the Whitepaper and on the website are of descriptive nature only, are not binding and do – unless explicitly referred to herein – not form part of the Terms as set forth under para. 5 below.
- 2 The User understands and accepts that while the individuals and entities, including REX Technologies GmbH (hereinafter “REX GmbH”), assigned to this task will make reasonable efforts to develop and complete the REX Project, **it is possible that such development may fail and User’s REX become useless and/or valueless due to technical, commercial, regulatory or any other reasons** (see also section 5 regarding Risks).
- 3 The User is also aware of the risk that even if all or parts of the REX Project are successfully developed and released in full or in parts, due to a lack of public interest, the REX Project could be fully or partially abandoned, remain commercially unsuccessful or be shut down for lack of interest, regulatory or other reasons. **The User therefore understands and accepts that the transfer of ETH to the Smart Contract System and the creation of REX by the Smart Contract System carry significant financial, regulatory and/or reputational risks (including the complete loss of value of created REX (if any), and attributed features of the REX Project).**
- 4 The User furthermore understands and accepts that - as the creation of the REX Tokens as well as the assignment of the execution of the REX Project are smart contract based - the terms and conditions applicable thereon are set forth in the Smart Contract System Code, consisting of two interconnected software codes, existing on the Ethereum blockchain at the address specified on: <http://tokensale.rexmls.com>. **To the extent the terms contained herein or in any other document or communication contradict to the ones set forth in the Smart Contract System, the terms of the Smart Contract System prevail. Furthermore, neither this document nor any other document or communication may modify or add any additional obligations to REX GmbH or publisher of these terms or developer of the Smart Contract System and/or any other person, REX GmbH and/or affiliates involved with the deployment of the Smart Contract System and the setting up of the REX Project beyond those set forth in the Smart Contract System.**
- 5 By transferring ETH to the Smart Contract System, the User expressly agrees to all of the terms and conditions set forth in Smart Contract System Code existing on the Ethereum

blockchain (at the addresses set forth under para 4) and in this document (together the “Terms”), which is incorporated by reference herein. **The User further confirms to have carefully reviewed the Smart Contract System Code, its functions and the terms and conditions set forth in this document and to fully understand the risks and costs of creating REX Tokens and contributing into a Smart Contract System for the development of the REX Project.**

- 6 This document does not constitute a prospectus of any sort, is not a solicitation for investment and does not pertain in any way to an initial public offering or a share/equity offering and does not pertain in any way to an offering of securities in any jurisdiction. It is a description of the functionality of a Smart Contract System.
- 7 By transferring ETH to the Smart Contract System and/or receiving REX Tokens, no form of partnership, joint venture or any similar relationship between the Users and REX GmbH and/or other individuals or entities involved with the deployment of the Smart Contract System and the setting up of the REX Project is created.
- 8 The contribution into the Smart Contract System will not involve any fiat currencies and will strictly be done in cryptocurrencies (ETH).

II. REX Token Creation Function

III. Usage License; No Ownership, Revenue or Governance Rights

- 9 **Usage License:** Ownership of REX Tokens carries no rights express or implied other than a limited right (license) to use the REX platform (“REX Platform”), if and to the extent the REX Project has been successfully completed and launched.
- 10 **No Ownership, Revenue or Governance Rights:** In particular, User understands and accepts that **REX 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 the REX Project and/or REX GmbH.**

IV. Contribution

- 11 **Maximum Contribution Amount:** The maximum contribution amount or security cap (“Maximum Contribution Amount”) is 133,333.333 ETH.
- 12 **Maximum REX Token Supply:** The maximum REX token supply will depend on the amount of ETH raised during the contribution period. The effectively created amount of REX Tokens will be referred to as total Rex Token supply (“Total REX Token Supply”).

- 13 **Contribution Period:** The contribution period (“Contribution Period”) starts Monday July 31st, 4:00pm UTC and concludes at the end of the four week duration period or when the security CAP has been met, whatever is earlier.
- 14 **Token Pools:** The amount of REX Tokens issued will depend on how much ETH is raised.
- **Pool A consists of 50% of the Total REX Token Supply.** Pool A is intended to be created by the Smart Contract System at the end of the Contribution Period for Users having made Contributions.
 - **Pool B consists of 20% of the Total REX Token Supply.** After the end of the Contribution Period, Pool B will be allocated to REX GmbH and shall be transferred to a smart contract called listing reward contract (“Listing Reward Contract”; listing rewards shall be made to users of the REX Platform in order scale and incentivise global participation. The Listing Reward Contract allocates listing rewards for listee contributions, please see Whitepaper for more information). The REX Tokens of Pool B shall be used by REX GmbH and according to the provisions of the Listing Reward Contract for listing rewards on the REX Platform.
 - **Pool C consists of 5% of the Total REX Token Supply.** After the end of the Contribution Period, Pool C will be created and allocated by the Smart Contract System to reward angel investors of the REX Project .
 - **Pool D consisting of 15% of the Total REX Token Supply.** After the end of the Contribution Period, Pool D will be allocated to REX GmbH to reward persons who participated as managers, founders, worked to develop the ideas, implementations and supporting structures of the REX Project (“REX Team Members”).
 - **Pool E consisting of 7% of the Total REX Token Supply.** After the end of the Contribution Period, Pool E will be allocated to REX GmbH to reward persons who acted as partners, early contributors and/or advisors of the REX Project, as well as to participants of Bounty campaigns.
 - **Pool F consisting 3% of the Total REX Token Supply.** After the end of the Contribution Period, Pool F will be allocated to REX GmbH to reward corporate affiliates
- 15 **Creation Rate and Bonus System:** The Smart Contract System will allocate 1,000 REX Tokens for every Contribution of 1 ETH in the first week of the Contribution Period. The contract is based on dynamic pricing, declining 100 REX Tokens per each week:
- Allocation of REX Tokens for contributions during the first week of the Contribution Period: 1,000 REX Tokens per 1 ETH of Contribution;

- Allocation of REX Tokens for contributions during the second week of the Contribution Period: 900 REX Tokens per 1 ETH of Contribution;
- Allocation of REX Tokens for contributions during the third week of the Contribution Period: 800 REX Tokens per 1 ETH of Contribution;
- Allocation of REX Tokens for contributions during the fourth week of the Contribution Period: 700 REX Tokens per 1 ETH of Contribution

- 16 **Creation and Allocation of REX Tokens:** The creation and allocation of REX Tokens of Pool A by the Smart Contract System are initiated by the User sending an amount of ETH to the Smart Contract System, located on the Ethereum blockchain at the addresses set forth under para 4, which triggers a smart contract operation. The Smart Contract System creates and allocates the corresponding REX Tokens to the User's wallet address, from where the ETH were sent from. User therefore shall assure to make his contribution using an ETH address to which the Smart Contract System can send back REX Tokens and/or ETH to (e.g. not an address of a currency exchange like Poloniex, Coinbase, Bitfinex etc.). Issuance of REX Tokens (meaning that respective entries of the Public Key (PUK) of User) are triggered by the User and made by the Smart Contract System on the blockchain according to the allocation information in the Smart Contract System.
- 17 **No Refund:** The User understands and accepts that all Contributions are final and may not be reversed. Contributions are non-refundable. By contributing for the REX Project, the User acknowledges that he has no right to request a refund for any reason, and that the User will not receive money or other compensation for any REX Tokens that is not used or remains unused.
- 18 **Minimum Contribution Amount:** Is determined by Ethereum's built in decimal places. Contributions of less than the lowest denominator in Ethereum's built in decimal place system do not result in the allocation of REX Tokens, nor will they be refunded.
- 19 **Assure to use the original Smart Contracts:** Only the Smart Contract(s) existing at the addresses set forth under para 4 will issue REX Tokens during the Contribution Period. Access to this Smart Contract will be available through tokensale.rexmls.com. To the extent that any third-party website, service or smart-contract offers REX Tokens during the Contribution Period or facilitates the allocation or transfer of REX Tokens in any way during the Contribution Period or at any time up to the release of the Genesis Block, such third-party websites or services are, unless explicitly mentioned on <http://tokensale.rexmls.com> not authorised by REX GmbH and have no relationship in any way with REX GmbH.
- 20 **Transferability of REX during the Contribution Period and after:** Any and all REX Tokens are not transferable during the token sale. All tokens will be transferable upon expiration of the sale.

- 21 **Contribution Freeze / Abort:** During the Contribution Period, REX GmbH may at any time stop the contribution function for security reasons. As long as such contribution freeze is upheld or if the Contribution Period is aborted, no further Contribution will be possible.

V. Pre-Allocation of REX Tokens

- 22 The User understands and accepts that up to 50% of the total amount of REX Tokens, will not be allocated to participants of the contribution event but as set forth below:
- **20% of the Total REX Token Supply (Pool B)**, will be released to REX GmbH. The REX of Pool B shall be used for listing rewards on the REX Platform.
 - **5% of the Total REX Token Supply (Pool C)**, will be released to angel investors.
 - **15% of the Total REX Token Supply (Pool D)**, will be released to REX GmbH to reward the REX Team Members.
 - **7% of the Total REX Token Supply (Pool E)**, will be released to REX GmbH to reward partners, early contributors and/or advisors of the REX Project, as well as to participants of Bounty campaigns.
 - **3% of the Total REX Token Supply (Pool F)**, will be released to REX GmbH to reward corporate affiliates.

VI. REX Token Functionality

- 23 REX Tokens are only for use in connection with the REX Project under the terms of the Smart Contract System and only constitute a transferable representation of attributed functions specified in the Smart Contract System.
- 24 REX Token is a usage token, which enables users to participate in the REX Network. Furthermore, certain governance functions may possibly be implemented at a later stage.
- 25 Ownership of REX Tokens carries no rights express or implied other than the right to use REX Tokens as a mean to enable usage of and interaction with and within the REX Network (especially on the REX Platform), if successfully completed and deployed (see section 3). Beyond this, ownership of REX Tokens carries no rights express or implied. In particular, User understands and accepts that he has no right to claim as holder of REX Tokens any intellectual property rights, equity or equivalent rights or any other form of participation in or relating to the REX Project and/or REX GmbH.

VII. Representation and Warranties of User

26 By transferring ETH to the Smart Contract System and creating REX Tokens, the User represents and warrants that:

- the User is not a citizen or resident of a country, whose legislation conflicts with the present allocation of REX Tokens and/or the REX Project in general;
- the User is not a citizen or resident of the USA;
- the User confirms not to be resident of, citizen of or located in a geographic area that is subject to UN-, US-, EU-, CH- or any other sovereign country sanctions or embargoes;
- the User confirms not being listed or being associated with any person or entity being listed on any of the US Department of Commerce's Denied Persons or Entity List, the US Department of Treasury's Specially Designated Nationals or Blocked Persons Lists, the US Department of State's Debarred Parties List, the EU Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions or the Swiss SECO's Overall List of Sanctioned Individuals, Entities and Organizations;
- the User has a deep understanding of the functionality, usage, storage, transmission mechanisms and intricacies associated with cryptographic tokens, like bitcoin (BTC) and Ether (ETH), and blockchain-based software systems;
- the User understands and accepts that there is no warranty or assurance that the network of miners will allocate the REX Tokens to the Users as proposed by these Terms.
- the User has carefully reviewed the code of the Smart Contract System located on the Ethereum blockchain at the addresses set forth under para 4 and fully understands and accepts the functions implemented therein;
- the User is legally permitted to transfer ETH to the Smart Contract System, create and obtain REX Tokens in the User's jurisdiction;
- User will contribute ETH from a wallet or wallet service provider that technically supports the REX Tokens. User understands and accepts, that failure to assure this may have the result that User will not gain access to his REX Tokens;
- the User is legally permitted to receive software and contributing to the Smart Contract System for the development of the REX Project;
- the User is of a sufficient age to legally create and obtain REX Tokens;

- the User will take sole responsibility for any restrictions and risks associated with the creation of REX Tokens by the Smart Contract System as set forth below;
- the User is not submitting ETH to the Smart Contract System to obtain REX Tokens for the purpose of speculative investment;
- the User is not obtaining or using REX Tokens for any illegal purposes;
- the User is purchasing the functionality of the REX Tokens issued by the Smart Contract System primarily to support the development, testing, deployment and operation of the REX Project, being aware of the commercial risks associated with the REX Project;
- the User waives the right to participate in a class action lawsuit or a classwide arbitration against REX GmbH or any individual involved with the creation of REX Tokens;
- the User understands the creation of REX Tokens does not involve the purchase of shares or any equivalent in any existing or future public or private company, corporation or other entity in any jurisdiction;
- the User understands that the transfer of ETH to the Smart Contract System, the creation of REX Tokens and the development of the REX Project carries significant financial, regulatory and reputational risks as further set forth in the Terms;
- the User understands and expressly accepts that there is no warranty whatsoever on REX Tokens, the Smart Contract System and/or the success of the REX Project, expressed or implied, to the extent permitted by law, and that the Smart Contract System is used and REX Tokens are created and obtained at the sole risk of the User on an “as is” and “under development” basis and without, to the extent permitted by law, any warranties of any kind, including, but not limited to, warranties of title or implied warranties, merchantability or fitness for a particular purpose;
- the User understands that the User has no right against any other party to request any refund of the ETH submitted to the Smart Contract System for the creation of the REX Tokens under any circumstance; and that
- the User understands with regard to REX Tokens no market liquidity may be guaranteed and that the value of REX Tokens over time may experience extreme volatility or depreciate in full;
- User understands and accepts, that the REX GmbH controls (at least initially) the listing reward contributions, arbitrates listing rewards and has the ability to ban users from the REX Platform at its sole discretion.

- the User understands that the User bears the sole responsibility to determine if the User's contribution to the Smart Contract System for the development of the REX Project, the transfer of ETH to the Smart Contract System, the creation, ownership or use of REX Tokens, the potential appreciation or depreciation in the value of REX Tokens over time (if any), the allocation of REX Tokens and/or any other action or transaction related to the REX Project have tax implications for him; by creating, holding or using REX Tokens, and to the extent permitted by law, the User agrees not to hold any third party (including developers, auditors, contractors or founders) liable for any tax liability associated with or arising from the creation, ownership or use of REX Tokens or any other action or transaction related to the REX Project.

27 As part of the creation process the User will use own account (address) on the Ethereum network, with a private key associated to this address and password. The password is used to encrypt the User's private key. Following the creation of REX Tokens by the Smart Contract System, the REX Tokens will be transferred to the User's address by the Smart Contract System. The User understands that the User must keep his password and private key safe and that the User may not share them with anybody. The User further understands that if his private key and/or password is lost or stolen, the User will not be able to generate a new password or recover his private key, and if the User also loses his private keys and password, the REX Tokens associated with the User's account (address) will be unrecoverable and will be permanently lost. Furthermore, the User understands that there is no recovery mechanism for lost keys and passwords, so no one will be able to help the User retrieve or reconstruct a lost password and private keys and provide the User with access to any lost REX Tokens.

VIII. REX Project Execution

28 The User understands and accepts that the development and execution of the REX Project will be assigned to a third party contractor, REX GmbH, by releasing the amount of contributed ETH by the Smart Contract System to the wallet of REX GmbH. REX GmbH has the right to engage subcontractors to perform the entire or partial development and execution of the REX Project. The scope of the development work will be triggered by the amount of Contributions received during the Contribution Period.

29 The User understands and accepts that for the purpose of the development and execution of the REX Project, REX GmbH receives the full amount of ETH transferred to the Smart Contract System during the Contribution Period. This amount covers expenses, charges and other costs that may arise by REX GmbH and/or its subcontractors as part of the development and execution of the REX Project. It remains at REX GmbH's sole discretion to decide how to allocate the funds in order to develop and execute the REX Project.

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

31 The User understands and accepts that the REX Project will need to go through substantial development works as part of which it may become subject of significant conceptual, technical and commercial changes before release. User understands and accepts that as part of the development, an upgrade of the REX Token may be required (hard-fork of REX Token) and that, if User decides not to participate in such upgrade, he may no longer use his REX Tokens and that non upgraded REX Tokens may lose their functionality in full.

IX. Audit of the Smart Contract System

32 The Smart Contract System has been, on a reasonable effort basis, audited and approved by technical experts. The technical experts have confirmed that the Smart Contract System has, with regard to both accuracy and security, been programmed according to the current state of the art.

33 However, the User understands and accepts that smart contract technology is still in an early development stage and its application of experimental nature which carries significant operational, technological, financial, regulatory and reputational risks. Accordingly, while the audit conducted raises the level of security and accuracy, the User understands and accepts that the audit does not amount to any form of warranty, including direct or indirect warranties that the Smart Contract System and the REX Tokens are fit for a particular purpose or do not contain any weaknesses, vulnerabilities or bugs which could cause, inter alia, the complete loss of ETH and/or REX Tokens.

X. Risks

34 The User understands and accepts the risks in connection with transferring ETH to the Smart Contract System and creating REX Tokens as exemplary set forth above and hereinafter. In particular, but not concluding, the User understands the inherent risks listed hereinafter:

- **Risk of software weaknesses:** The User understands and accepts that the Smart Contract System concept, the underlying software application and software platform (i.e. the Ethereum blockchain) is still in an early development stage and unproven, why there is no warranty that the process for creating REX Tokens will be uninterrupted or error-free and why there is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of ETH and/or REX Tokens.
- **Regulatory risk:** The User understands and accepts that the blockchain technology allows new forms of interaction and that it is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, blockchain technology based applications, which may be contrary to the current setup of the Smart Contract System and which may, inter alia, result in substantial modifications

of the Smart Contract System and/or the REX Project, including its termination and the loss of REX Tokens for the User.

- **Risk of abandonment / lack of success:** The User understands and accepts that the creation of the REX Tokens and the development of the REX Project may be abandoned for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects (e.g. caused by competing projects). The User therefore understands that there is no assurance that, even if the REX Project is partially or fully developed and launched, the User will receive any benefits through the REX Tokens held by him.
- **Risk associated with other applications:** The User understands and accepts that the REX Project may give rise to other, alternative projects, promoted by unaffiliated third parties, under which REX Tokens will have no intrinsic value.
- **Risk of loss of private key:** REX Tokens can only be accessed by using an Ethereum wallet with a combination of User's account information (address), private key and password. The private key is encrypted with a password. The User understands and accepts that if his private key file or password respectively got lost or stolen, the obtained REX Tokens associated with the User's account (address) or password will be unrecoverable and will be permanently lost.
- **Risk of theft:** The User understands and accepts that the Smart Contract System concept, the underlying software application and software platform (i.e. the Ethereum blockchain) may be exposed to attacks by hackers or other individuals that could result in theft or loss of REX Tokens or ETH, impacting the ability to develop the REX Project.
- **Risk of Ethereum mining attacks:** The User understands and accepts that, as with other cryptocurrencies, the blockchain used for the Smart Contract System is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attacks present a risk to the Smart Contract System, expected proper execution and sequencing of REX Token transactions, and expected proper execution and sequencing of contract computations.
- **Risk of governance attacks and failure:** The Contributor understands and accepts that the REX Network may use an in-built decentralized governance system ("Governance System"). For these reasons, it is possible that the Governance System adopts proposals that have an adverse effect on the useful functioning of the REX Network and/or the value of REX Tokens. If the Governance System is attacked, or becomes controlled either directly or indirectly by some party who makes unwise decisions, or the community generally makes unwise decisions, the value of

REX Tokens (if any) held by a Contributor might be greatly reduced or even permanently lost.

- **Risk of incompatible Wallet service:** The User understands and accepts, that the wallet or wallet service provider used for the contribution, has to be technically compatible with the REX Tokens. The failure to assure this may have the result that User will not gain access to his REX Tokens.

XI. Taxation

- 35 The User bears the sole responsibility to determine if his contribution into the Smart Contract System for the development of the REX Project, the transfer of ETH, the creation, ownership or use of REX Tokens, the potential appreciation or depreciation in the value of REX Tokens over time (if any), the allocation of REX Tokens and/or any other action or transaction related to the REX Project have tax implications for him.
- 36 By creating, holding or using REX Tokens, and to the extent permitted by law, the User agrees not to hold any third party (including developers, auditors, contractors or founders) liable for any tax liability associated with or arising from the creation, ownership or use of REX Tokens or any other action or transaction related to the REX Project.

XII. No Liability

- 37 The User acknowledges and agrees that, to the fullest extent permitted by any applicable law, the User will not hold any developers, auditors, contractors or founders of the REX Tokens, the Smart Contract System and/or REX GmbH liable for any and all damages or injury whatsoever caused by or related to the use of, or the inability to use, REX Tokens or the Smart Contract System under any cause or action whatsoever of any kind in any jurisdiction, including, without limitation, actions for breach of warranty, breach of contract or tort (including negligence) and that developers, auditors contractors or founders of the Smart Contract System, the REX Tokens and/or the REX Project shall not be liable for any indirect, incidental, special, exemplary or consequential damages, including for loss of profits, goodwill or data, in any way whatsoever arising out of the use of, or the inability to use of the Smart Contract System, the REX Project and/or REX Tokens.
- 38 The User further specifically acknowledges that developers, auditors, contractors or founders of the REX Tokens, Smart Contract System and/or the REX Project are not liable, and the User agrees not to seek to hold them liable, for the conduct of third parties, including other creators of REX Tokens, and that the risk of creating, holding and using REX Tokens rests entirely with the User.
- 39 By creating, holding or using REX Tokens, and to the extent permitted by law, the User agrees not to hold any third party (including developers, auditors, contractors or founders) liable for any regulatory implications or liability associated with or arising from the creation,

ownership or use of REX Tokens or any other action or transaction related to the REX Project.

XIII. Miscellaneous

- 40 The User understands and accepts that the network of miners will be ultimately in control of the Smart Contract System. The User understands that a majority of these miners could agree at any point to make changes to the official Smart Contract System and to run the new version of the Smart Contract System. Such a scenario could lead to REX Tokens losing intrinsic value.
- 41 The Smart Contract System is located in Alderney. Consequently, the REX Token creation and allocation and the assignment of the development and execution of the REX Project to REX GmbH are considered to be executed in Alderney.
- 42 The User agrees that if any portion of these Terms is found illegal or unenforceable, in whole or in part, such provision shall, as to such jurisdiction, be ineffective solely to the extent of such determination of invalidity or unenforceability without affecting the validity or enforceability thereof in any other manner or jurisdiction and without affecting the remaining provisions of the Terms, which shall continue to be in full force and effect.
- 43 The Terms govern the creation, ownership and use of REX Tokens and supersede any public statements about the launch of REX Tokens and/or the Smart Contract System made by anyone in the past, present and future.
- 44 The applicable law is Swiss law. Any dispute arising out of or in connection with the creation of the REX Tokens and the development and execution of the REX Project shall be finally settled by the ordinary courts of the registered domicile of the defendant.