

ICONOMI
GENERAL TERMS AND CONDITIONS
for
ICN TOKEN EXCHANGE

February 2019
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READ THESE TERMS AND CONDITIONS CAREFULLY BEFORE MAKING ANY DECISION IN RELATION TO POTENTIAL EXCHANGE OF ICN TOKENS. BY REQUESTING ANY ACTION IN RELATION TO EXCHANGE OF ICN TOKENS, YOU ACKNOWLEDGE THAT YOU HAVE READ THESE TERMS AND CONDITIONS AND THAT YOU AGREE TO BE BOUND BY THEM. WITH ACCEPTANCE OF THESE TERMS YOU ALSO ACKNOWLEDGE THAT YOU UNDERSTAND ENGLISH LANGUAGE AND THAT YOU ARE AWARE OF ALL RULES, TERMS AND CONDITION INCLUDED IN THESE TERMS. “YOU” MAY REFER EITHER TO YOU OR TO THE ENTITY YOU REPRESENT. YOU ACKNOWLEDGE THAT YOU HAVE READ THE ICONOMI ANTI-MONEY LAUNDERING POLICY AND THAT YOU AGREE TO BE BOUND BY IT.

A NEW CHAPTER OF ICONOMI

Two years ago, ICONOMI paved the way for a new era. ICONOMI began to fulfil the promise of opening up a new financial services category in the decentralized economy. By launching the ICONOMI platform a year later, a great leap toward the disruptive economy was taken. Since then, Digital Portfolio Experts and users of the ICONOMI platform are just a click away from a new way of managing their assets. Digital Portfolio Experts try out their winning digital asset management strategies and share them with the community of users of the ICONOMI Platform. Users of the ICONOMI Platform choose between various Digital Portfolios as a new way of managing their portfolio of digital assets.

Now, the last few bricks are being built into a bridge between the old and the new economy. ICONOMI gives you the best of both worlds—the appeal of a new kind of digital asset management platform and the safety of a regulated corporate structure. Holders of ICN tokens have an opportunity to become a securityholder of a newly established company, ICONOMI AG, with its seat in Liechtenstein.

1. TERMS

1.1 For the purposes of these Terms, the following terms shall have meanings as ascribed to them below.

- (a) “**ICONOMI SV**” means ICONOMI Incorporated, a company limited with shares incorporated in Saint Vincent and the Grenadines with company

number 23680 IBC 2016 and whose registered office is Shamrock Lodge, Murray Road, Kingstown, Saint Vincent and the Grenadines.

- (b) **“ICONOMI AG”** means ICONOMI AG, a joint-stock company incorporated in Liechtenstein with company number FL-002.594.137-5 and whose registered office is % Ganten Trustees Ltd., Marktgass 11, 9490 Vaduz, Liechtenstein.
- (c) **“ICONOMI”** means ICONOMI SV and/or ICONOMI AG.
- (d) **“Securities”** mean profit participation securities of ICONOMI AG, issued on the basis and in accordance with Liechtenstein legislation; more detailed meaning of Securities is set out in 2.1 (a)(i).
- (e) **“Terms”** means these General Terms and Conditions.
- (f) **“ICONOMI Wallet”** means a software solution and a service integrated into the platform that enables users to store Digital Portfolios and other Digital Assets.
- (g) A **“Third-party Wallet”** is a software solution enabling users to store their Digital Assets that is not hosted by ICONOMI or on the Platform.

1.2 Any capitalized terms herein that are not included in the preceding paragraph shall have the same meaning as ascribed to them in the ICONOMI General Terms and Conditions for End Users (**“End User Terms”**).

2. ICN TOKEN TRANSFORMATION

2.1 Holders of ICN tokens have several options in relation to their ICN tokens. The terms and conditions, including procedures for each of these options, are described below.

- (a) **Exchange of ICN tokens for Securities**

- (i) General Description of Securities Exchange

All eligible ICN token holders (as determined under subpoint (ii)) (**“eligible ICN token holders”**) have the right to exchange their ICN tokens for Securities (the **“securities exchange”**).

Securities as defined under point 1.1.d) will represent profit participation securities that will not be part of the share capital and will confer no incorporated voting rights. However, each Security will confer the same rights as shares of ICONOMI AG to participate in the net profit and in any remaining proceeds from liquidation following repayment of the share capital. Notwithstanding the fact that the voting right will not be directly incorporated in the issued security, ICONOMI AG is committed to establishing voting for all Securityholders through ICONOMI platform on matters and issues usually voted at the general assembly of shareholders. Securities will be issued on the basis and in accordance with Liechtenstein legislation as profit participation securities. This particular security is known as “Genussschein” in Liechtenstein. Due to the lack of (technical) standard for security tokens and licenced and operated trading venues for security tokens, Securities will not be tokenized at issuance, but may be tokenized at the later stage, when the (technical) standards and trading venues for security tokens will be developed and/or established.

The securities exchange process will be constituted of several steps. In the first step of the securities exchange process, all eligible ICN token holders will have the option to submit their non-binding interest for exchange of ICN tokens for Securities (“**non-binding interest**”). On the basis of gathered interest, ICONOMI AG will make a security exchange offer to all eligible ICN token holders who have validly submitted their non-binding interest (“**qualified ICN holders**”). Qualified ICN holders will have the right to accept the security exchange offer in accordance with the terms of the security exchange offer (“**offer**”), which will be sent to all qualified ICN holders before the offering commences. After the successful offering, Securities of ICONOMI AG will be issued and allotted to qualified ICN holders who accept the offer (“**investors**”). At the later stage, the tokenization of Securities may happen as described above.

(ii) Eligible ICN token holders

All ICN token holders are eligible for security exchange, subject to certain potential regulatory limitations to be described in the future. ICN token holders who are registered on the ICONOMI platform as Tier 2 or higher are able to submit non-binding interest through ICONOMI’s user interface, as described in subpoint (iii) of this chapter (the list of supported countries for Tier 2 is available [here](#)).

Other ICN token holders who are unable to verify for Tier 2 on the ICONOMI platform (with the exception of US ICN holders) (“**other ICN token holders**”) may request for submission of their non-binding interest by email to eicn.support@iconomi.com. After the request, other ICN token holders will receive further instructions and requirements. These ICN token holders may also be subject to strict AML due diligence performed by ICONOMI AG.

All ICN token holders with residence in the US and/or US citizenship (“**US ICN holders**”) should follow the specific provision for US residents under Chapter 3 of this Terms.

ICONOMI AG reserves the right to reject the submission of non-binding interest if any ICN token holder does not provide any requested and/or sufficient information and/or documentation (e.g. AML requirements).

Please note that restrictions included in the ICONOMI AML Policy apply to ICN token holders, unless otherwise stated in these Terms.

(iii) Timeline for submitting non-binding interest

The collection of non-binding interest is carried out in three consecutive rounds:

- the first round of collecting non-binding interest is opened from October 30, 2018 to December 31, 2018 (“**first non-binding interest period**”);
- the second round of collecting non-binding interest is opened from January 1, 2019 to June 30, 2019 until 24:00 CET (“**second non-binding interest period**”);
- the third round of collecting non-binding interest is opened from July 1, 2019 at 00:00 CET to December 31, 2019 until 24:00 CET (“**third non-binding interest period**”).

After the third non-binding interest period, the submission of non-binding interest will no longer be possible.

The security exchange offer will be made in the next stage within a reasonable period of time after each non-binding interest period by ICONOMI AG to qualified ICN holders only.

(iv) Process of submitting non-binding interest

The submission of non-binding interest will take place through ICONOMI's user interface, which will be available in the non-binding interest period on a dedicated subpage of www.iconomi.com (“**user interface**”).

All eligible ICN token holders will have to prove ownership of ICN tokens for which they wish to submit non-binding interest by staking all ICN tokens they wish to exchange for Securities on the ICONOMI platform through the website mentioned in the preceding paragraph.

After submitting their non-binding interest, qualified ICN holders may freely dispose with their ICN tokens by canceling their previously expressed non-binding interest in full, which shall mean that they will no longer be included in the offer. Any qualified ICN holder may elect at any time (but within the non-binding period) to express their non-binding interest again through the user interface noted above. Qualified ICN holders may cancel or resubmit their non-binding interest within the user interface up to the end of each non-binding interest period.

The provisions under this subpoint do not apply to US ICN holders. In relation to the non-binding interest process, the provision from Chapter 3 of these Terms applies to US ICN holders.

(v) Delivery and Review of the Offer Disclosure

To help all eligible ICN token holders make an informed decision regarding whether to participate in the offer, ICONOMI AG intends to make available to all offerees certain offering disclosure documentation about ICONOMI, ICONOMI AG, the terms of the offer, and Securities as profit participation securities. This disclosure documentation will be made available prior to the token holder making a final decision regarding the offer, i.e., before commencing the offer.

(vi) Issuance and allocation of Securities

Securities of ICONOMI AG will be issued and registered in the Securityholders Register of ICONOMI AG and allocated to the investors (“**Securityholders**”) as soon as possible after the offer.

The provision under this subpoint does not apply to US ICN holders. In relation to the issuance and allocation of Securities, the provision from Chapter 3 of these Terms apply for US ICN holders.

(b) **Exchange of ICN tokens for ETH**

(i) Eligible ICN token holders

All ICN token holders are eligible for the exchange of ICN tokens to ETH (“**ETH exchange**”). There is no limitation regarding ICN token holder eligibility for the ETH exchange.

(ii) Timeline for ETH exchange

The ETH exchange process is carried out in three consecutive rounds:

- the first round of the process of ETH exchange is opened from October 30, 2018 to December 31, 2018 at 24:00 CET (“**first ETH exchange period**”);
- the second round of the process of ETH exchange is opened from January 1, 2019 at 00:00 CET to June 30, 2019 at 24:00 CET (“**second ETH exchange period**”);
- the third round of the process of ETH exchange is opened from July 1, 2019 at 00:00 CET to December 31, 2019 at 24:00 (“**third ETH exchange period**”).

After the third ETH exchange period, the exchange of ICN tokens for ETH will no longer be possible. Any tokens, sent to ICN tokens deposit address after said date are not subject to exchange of any kind and will stay in the wallet and will not be returned.

(iii) Exchange rate

The ETH/ICN exchange rate is set as follows:

- in the first ETH exchange period: 0.0019 (zero point zero zero one nine) ETH for 1 ICN;
- in the second ETH exchange period:
 - from January 1, 2019 at 00:00 CET until January 31, 2019 at 24:00 CET: 0.00165 (zero point zero zero one six five) ETH for 1 ICN;
 - from February 1, 2019 at 00:00 CET until June 30, 2019 at 24:00 CET: 0.00125 (zero point zero zero one two five) ETH for 1 ICN;
- in the third ETH exchange period: 0.00125 (zero point zero zero one two five) ETH for 1 ICN.

(iv) ETH Exchange process

The exchange of ICN tokens for ETH will take place through the user interface. The ETH exchange will be made by ICONOMI SV as the current holder of assets which will be used to settle obligations arising from the exchange of ICN tokens for ETH. In the second and third ETH exchange periods, the exchange of ICN tokens for ETH may be made by ICONOMI SV, ICONOMI AG, or any other entity in the ICONOMI group.

ICN token holders who transfer their ICN tokens to the Platform for exchange to ETH in the first exchange period, namely:

- from October 30, 2018 to approximately December 10, 2018 (so that the transfer of ICN tokens on the Ethereum blockchain will be mined up to and including block number 6867000) will be included in the first batch of the ETH exchange. The block number is due to be reached on approximately December 10, 2018, but cannot be precisely predicted (the current latest block can be seen at <https://etherscan.io/blocks> at the top the table). ETH will be sent to these ICN token holders’ wallets no later than December 31, 2018 (“**first batch of first ETH exchange period**”);

- from December 11, 2018 to approximately December 31, 2018 (so that the transfer of ICN tokens on the Ethereum blockchain will be mined up to and including a predefined block number; the exact block number will be publicly announced after December 10, 2018 and no later than December 14, 2018) will be included in the second batch of the exchange. The block number is due to be reached on approximately December 31, 2018 but cannot be precisely predicted (the current latest block can be seen at <https://etherscan.io/blocks> at the top the table). ETH will be sent to these ICN token holders' wallets no later than January 15, 2019 (“**second batch of first ETH exchange period**”).

The dates at which the block numbers stated above are reached are indicative and may differ from the precise date at which the predefined block numbers are achieved. ICONOMI SV recommends all ICN token holders who wish to make the ETH exchange in a certain ETH exchange period to do it as soon as possible and not to wait until the last moment.

ICN token holders who transfer their ICN tokens for exchange to ETH in the second ETH exchange period will receive ETH no later than July 31, 2019 (“**first batch of the second ETH exchange period**”). ICN token holders who transfer their ICN tokens for exchange to ETH in the third ETH exchange period will receive ETH no later than January 31, 2020 (“**first batch of the third ETH exchange period**”).

ICN token holders subscribed to email notifications about the ETH exchange process will be informed about any completed ETH transfers in each completed batch. After receiving a notification, ICONOMI recommends ICN token holders to check their wallet to determine whether their ICN tokens were included in the completed batch.

ICN token holders shall transfer their ICN tokens directly from their own digital asset wallet (“**wallet**”) to the address stated in the user interface. ETH exchange is possible also directly through user interface with exchanging ICN tokens (stored in the holder's account on the ICONOMI platform) to ETH. Any recovery of ICN tokens sent from a Third-Party Wallet, exchange wallet, or ICN token holder's account opened at a digital asset exchange could be impossible. Any attempt of such recovery will be subject to a fee in the amount of 10% of the transaction value, but in no case the fee shall be less than 0.5 BTC (or the equivalent amount of digital assets valued in USD). ICONOMI will not attempt to recover ICN tokens sent in such a manner if the total value of the ICN tokens sent is lower than 0.5 BTC. ICONOMI does not guarantee that transactions from such wallets, i.e., from exchange wallets or similar, will be recoverable, and no ICONOMI liability can emerge in such cases. ICONOMI shall start the recovery procedure only if it is technically possible and when the claimant can undoubtedly prove that he or she is the rightful owner of such ICN tokens sent.

Should any other kind of digital assets (such as ETH or tokens based on Ethereum blockchain) be sent to the ICN token deposit address, recovery of such digital assets may be impossible. ICONOMI does not guarantee the possibility of recovery of such digital assets sent. Any attempt of such recovery will be subject to a fee in the amount of 10% of the transaction value, but in no case the fee shall be less than 0.5 BTC (or the equivalent amount of digital assets valued in USD). ICONOMI will not attempt to recover digital assets sent in such a manner if the total value of the digital assets sent is lower than 0.5 BTC. ICONOMI shall start the recovery procedure only if it is technically possible and when the claimant can undoubtedly prove that he or she is the rightful

owner of such digital assets sent. ICONOMI cannot be held liable for any digital assets lost or damages incurred by making such a transaction.

In case an ICN token holder finds out that he/she has transferred ICN tokens from the wrong wallet address, the ICN token holder can report this to ICONOMI by sending an email to eicn.support@iconomi.com.

(c) No action taken by ICN token holder

In case an ICN token holder does not choose either of the two options under points (a) and (b) until December 31, 2019 at 24:00 CET, ICN tokens, deposited on the ICN holder account on ICONOMI platform on January 1, 2020 at 00:00 CET will be automatically exchanged for ETH in January 2020 under the ICN/ETH exchange rate valid on December 31, 2019. ETH will be deposited on the ICN holder account on ICONOMI platform.

ICN tokens which will not be deposited on ICN holder account on ICONOMI platform on January 1, 2020 at 00:00 CET will no longer be eligible to be exchanged for ETH or Securities. ICONOMI cannot be held liable in case the ICN token holder willingly or unwillingly takes no action in regard to his/her ICN tokens.

The ICN token's utility function will be disabled after December 31, 2018. After this date, ICN tokens will have no function.

3. US ICN HOLDER TOKEN EXCHANGE PROCESS

- 3.1 US ICN holders must make their request for submission of non-binding interest within the non-binding interest period by email to eicn.support@iconomi.com. After the request, US ICN holders will receive further instructions and requirements. US ICN holders may be subject to strict AML due diligence performed by ICONOMI AG and their options may be limited pursuant to applicable investment regulations.
- 3.2 US ICN holders who submit all requested information and meet all requirements for submission of non-binding interest within the non-binding interest period will be eligible for submission of their non-binding interest. US ICN holders will receive further instructions and requirements in relation to the submission of non-binding interest.
- 3.3 ICONOMI AG reserves the right to reject the submission of non-binding interest if any US ICN token holder does not provide the requested and/or sufficient information and/or documentation (e.g. AML requirements). The offer for security exchange will be made by ICONOMI AG to all US ICN holders who validly submit their non-binding interest ("**qualified US holders**"), subject to potential US investment law limitations (i.e. after satisfying all legal requirements).
- 3.4 In order to comply with applicable legislation, the issuance of Securities and allocation of Securities to US investors ("**US Securityholders**") will be made after satisfying all legal requirements. Due to the unpredictability of the procedures at the competent authority, ICONOMI AG is not able to predict at this time the timeframe of allocation of Securities to US Securityholders.

- 3.5 With the exception of subpoints (ii), (iv), and (vi) of point (a) of Chapter 2 of these Terms, all other provisions of point (a) of Chapter 2 apply mutatis mutandis for US ICN holders.
- 3.6 It is important to note that after the allocation of Securities to US Securityholders, US Securityholders may not be allowed to sell their Securities during the one-year period after the allocation of Securities to them due to relevant US legislation (“**locked period**”).

4. **WARNINGS AND RISKS**

- 4.1 After the issuance and allocation of Securities to the Securityholders and US Securityholders, Securities are unlikely to be immediately admitted to trading and/or listed on the security exchange(s). ICONOMI will actively endeavor for Securities to be admitted to trading and/or listed on one or more security exchanges. Until then, there is a potential risk that the Securities will be illiquid and Securityholders and US Securityholders will not be able to sell them on the exchange. Notwithstanding the above, OTC transactions with Securities will be possible, but the extent of possible OTC transactions may be limited and performed under certain conditions (e.g. KYC checks).
- 4.2 **The collection of non-binding interest does not constitute an offer for buying and/or subscribing for Securities of ICONOMI AG. The formal offer will only be made in the future, pursuant to a formal offering disclosure document.** The offering of Securities will commence after the non-binding interest period is finished and will be based on the offering document, which will be sent only to qualified ICN holders and qualified ICN US holders. Any offer will be addressed solely to qualified ICN holders and qualified ICN US holders.
- 4.3 In case ICN token holders do not use the user interface and transfer their ICN tokens to any address other than the one stated on the user interface, ICONOMI shall not be held liable for any such actions made by ICN token holders. For the avoidance of doubt, the preceding sentence shall also apply to US ICN holders.

5. **MISCELLANEOUS**

- 5.1 All communications and notices to be made or given pursuant to these Terms must be in the English language.
- 5.2 ICONOMI reserves the right to change, modify, add, or remove portions of these Terms at any time for any reason. We suggest that you review these Terms periodically for changes. Such changes shall be effective immediately upon posting. In case of a material change of these Terms, all ICN token holders who have already made a decision and/or action under these Terms before the change of these Terms became effective and are directly affected by certain material changes of Terms have a right to change their decision and/or action until the end of the relevant period determined in these Terms. In case ICN token holders who are affected by the material change of these Terms do not change their decision

and/or action until the end of a certain relevant period acknowledge that by making no change of their decision and/or action, they are agreeing to the modified Terms. Notwithstanding the above in this paragraph, the exchange of ICN tokens for ETH is not reversible at any time or under any conditions unless a material change to section 2.1 (b) of these Terms (Exchange of ICN tokens for ETH) occurs.

- 5.3 The End User Terms shall be considered part of these Terms. The End User Terms may be changed from time to time and published on www.iconomi.com. In case of discrepancies between these Terms and the End User Terms, these Terms shall prevail.

THIS DOCUMENT OR ANY OTHER DOCUMENT PRODUCED AND SIGNED BY ICONOMI DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO SELL OR PURCHASE SECURITIES, WHETHER ON THE ICONOMI PLATFORM OR USER INTERFACE OR OTHERWISE, BE IT IN DIGITAL PORTFOLIO STRUCTURES OR OTHER PRODUCTS ON THE ICONOMI PLATFORM WEBSITE. NONE OF THE INFORMATION OR ANALYSES PRESENTED ARE INTENDED TO FORM THE BASIS FOR ANY INVESTMENT DECISION, AND NO SPECIFIC RECOMMENDATIONS ARE INTENDED, AND ICONOMI SERVICES AND THE WEBSITE ARE NOT, DO NOT OFFER, AND SHALL NOT BE CONSTRUED AS INVESTMENT OR FINANCIAL PRODUCTS, BUT AS A SOFTWARE APPLICATION. ACCORDINGLY, THIS DOCUMENT DOES NOT CONSTITUTE INVESTMENT ADVICE OR COUNSEL OR SOLICITATION FOR INVESTMENT IN ANY SECURITY AND SHALL NOT BE CONSTRUED IN THAT WAY. THIS DOCUMENT DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, ANY OFFER FOR PURCHASE OR SUBSCRIPTION OF, OR ANY INVITATION TO OFFER TO BUY OR SUBSCRIBE FOR, ANY SECURITIES, ICONOMI PRODUCTS INCLUDED. ICONOMI EXPRESSLY DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND WHATSOEVER ARISING DIRECTLY OR INDIRECTLY FROM: (I) RELIANCE ON ANY INFORMATION CONTAINED IN THIS DOCUMENT, (II) ANY ERROR, OMISSION, OR INACCURACY IN ANY SUCH INFORMATION, (III) ANY ACTION RESULTING THEREFROM, OR (IV) USAGE OR ACQUISITION OF PRODUCTS AVAILABLE THROUGH THE WEBSITE.