



TERMS OF SALE FOR ELI TOKENS

DATE: 5 March 2018

PLEASE READ THESE TERMS OF SALE FOR ELI TOKENS ("**TERMS OF SALE**") CAREFULLY. THESE TERMS OF SALE CONTAIN PROVISIONS WHICH AFFECT YOUR LEGAL RIGHTS.

BY SELECTING "I AGREE" AND SUBMITTING A FORM IN THE KYC PROCEDURE YOU ARE ACKNOWLEDGING THAT YOU HAVE READ THESE TERMS OF SALE AND YOU ARE AGREEING TO BE BOUND BY THESE TERMS OF SALE AND ALL TERMS INCORPORATED HEREIN BY REFERENCE IN THE EVENT AN AGREEMENT IS CONCLUDED AS DEFINED HEREIN. IF YOU DO NOT AGREE TO ANY OF THE TERMS SET OUT IN THESE TERMS OF SALE, YOU BELIEVE THAT ANY TERMS SHOULD NOT APPLY TO YOU, OR YOU WISH TO NEGOTIATE THESE TERMS, DO NOT SUBMIT A FORM IN THE KYC PROCEDURE, DO NOT PURCHASE ANY ELIGMA'S CRYPTOGRAPHIC TOKENS ("**ELI TOKENS**") AND IMMEDIATELY NAVIGATE AWAY FROM THE ELIGMA WEBSITE.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S).

Please review our Privacy Policy ("**Privacy Policy**") and our Terms of Use ("**Terms of Use**"), which together with these Terms of Sale constitute the agreement between you and Eligma when you are purchasing ELI tokens, and read them collectively. Privacy Policy, Terms of Use and these Terms of Sale are available at <https://www.eligma.io> ("**Website**").

PROHIBITION ON CERTAIN CONTRIBUTORS

Citizens, nationals and any persons residing in Canada, People's Republic of China, Singapore, South Korea and the United States of America (including American Samoa, Guam, Northern Mariana Islands, Puerto Rico, the U.S. Virgin Islands or any other possession of the USA) are prohibited from purchasing ELI tokens. If such restricted persons purchase or try to purchase ELI tokens, such restricted person has done so on an unlawful, unauthorized and fraudulent basis and in this regard, will bear negative consequences. Aforesaid persons that participate in the fundraiser by providing false information about their citizenship, residency place and nationality will be in breach of these Terms and will be required to indemnify Eligma Ltd. in respect of any damages and/or losses suffered due to this breach in accordance with the indemnification provisions set out in these Terms.

PARTIES TO THESE TERMS

Eligma Ltd. is a company incorporated and registered in Slovenia with its registration number 8106452000 and registered address at Letaliska cesta 33F, SI-1000 Ljubljana, Slovenia, EU and will be the creator of ELI tokens under these Terms ("**Eligma**", "**Company**", "**we**", "**our**" or "**us**").

References in these Terms to "**Contributor**", "**you**" or "**your**" are to the person / legal entity who submits the form in the KYC Procedure (as defined in Section 6) and makes a purchase of ELI tokens as set out in these Terms of Sale.

You and the Company will be individually and collectively referred to as the "**Party**" or "**Parties**" as the context herein requires.

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If you have any questions relating to these Terms of Sale, please contact us at support@eligma.io.

YOU AND THE COMPANY HEREBY AGREE AS FOLLOWS:

1. Eligma Platform

1.1. We are developing an AI-driven and blockchain-based platform that acts as a personal commerce agent, that provides services, software solution and ELI token solution to its users ("**Eligma Platform**"). Eligma Platform also include any other services Eligma may provide in the future and which may be at a later stage available to its users.

1.2. For a more detailed description of the Eligma Platform, please refer to:

- a) The Website,
- b) The Eligma whitepaper (available at: https://www.eligma.io/pdf/eligma-white-paper_v1.1.pdf) ("**Whitepaper**") (both "**Project Documentation**").

1.3. The information contained in the Project Documentation is of descriptive nature only, is not binding and does not by any means form part of these Terms of Sale. Only information contained herein, Privacy Policy and Terms of Use are binding in nature.

2. ELI token

2.1. ELI tokens (code: ELI) are fully ERC-20 compliant tokens based on the Ethereum blockchain which will be generated and distributed by the Company. ELI tokens are utility tokens that you can use in relation to the Eligma Platform only. They are not cryptocurrencies and may not be used as such in any way. They are also not, and will not be used in any way as, equity, assets, bonds, securities, derivatives or any other financial instruments.

2.2. Functionality of ELI tokens is further described in Schedule 1.

2.3. If you decide to purchase ELI tokens, please note that your purchase does not involve the exchange of cryptocurrencies for any form of securities, investment units and/or form of ordinary or other shares in Eligma or any other company. Furthermore, you as an ELI token holder do not receive any form of dividend or other revenue right that is guaranteed or participate in profit sharing scheme nor receive any right of ownership in Eligma or any right to participate in the management of Eligma. It is for these reasons that we believe that ELI tokens are not securities and may be purchased by anyone. If you determine that ELI tokens may constitute securities subject to regulation in any country, we strongly advise you from acquiring them and suggest you immediately notify us of the possible risks.

3. Scope of Terms

3.1. Unless otherwise provided herein, these Terms of Sale, including terms incorporated herein by reference, govern your purchase of ELI tokens during the Token Sale (as defined in 4.1).

3.2. A legally binding agreement between you and the Company is concluded by your payment of ELI tokens executed by transferring the appropriate amount of Ether ("**ETH**") to the Company's Ethereum wallet provided to you by the Company during the Token Sale ("**Eligma Wallet**"), as provided

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in Section 7 below. By transferring the appropriate amount of ETH to the Eligma Wallet, you expressly agree to these Terms of Sale, all of the terms and conditions set forth in parts of these Terms of Sale which are directly written into lines of code and are self-executed by the Ethereum network ("**Smart Contract**") and terms incorporated herein by reference.

3.3. Any potential future use of ELI tokens in connection with the provision or receipt of services on the Eligma Platform, will be subject to and governed by such other applicable terms, conditions and policies relating to the use of the Eligma Platform ("**Platform Terms**"), except if otherwise provided herein. Such Platform Terms will be made available to Eligma Platform users, if and when the Eligma Platform is successfully developed and deployed.

4. Commencement and Duration of Token Sale

4.1. The Company intends to generate a total of 500,000,000 ELI tokens and intends to sale 300,000,000 ELI tokens to contributors ("**Token Sale**"). The Token Sale consist of Pre-Sale Stage and Crowdsale Stage (as defined in 4.2 and 4.5).

4.2. The Company intends to sell a target sum of 200,000,000 ELI tokens in the pre-sale stage ("**Pre-Sale Stage**"). The Pre-Sale Stage consist of Private Pre-Sale Stage and Public Pre-Sale Stage (as defined in 4.3 and 4.4).

4.3. The phase intended for private contributors and early supporters that already stated their intent to support the Company and made commitments will be available only to such private contributors and early supporters ("**Private Pre-Sale Stage**").

4.4. The phase intended for a general public of early supporters ("**Public Pre-Sale Stage**") will commence at 11:00 UTC on 20 March 2018 and end at 11:00 UTC on the earlier of: i) the date on which the total amount of proceeds received from the sale of all targeted Eli tokens in the Pre-Sale Stage has reached or exceeded 16,000,000 (sixteen million) US Dollars; or ii) on 10 April 2018; or iii) such other date as we in our sole and absolute discretion may set.

4.5. The Company intends to sell a target sum of 84,000,000 ELI tokens + unsold ELI tokens from previous phase in the public crowdsale stage ("**Crowdsale Stage**").

4.6. The Crowdsale Stage will commence at 11:00 UTC on 17 April 2018 and end at 11:00 UTC on the earlier of: i) the date on which the total amount of proceeds received from the sale of all targeted Eli tokens in the Pre-Sale Stage and Crowdsale Stage has reached or exceeded 24,000,000 (twenty-four million) US Dollars; or ii) 8 May 2018; or iii) such other date as we in our sole and absolute discretion may set.

4.7. Token Sale is further described in Schedule 2.

5. Eligibility for the Token Sale

5.1. The ELI tokens are not being offered or distributed to, as well as cannot be resold or otherwise alienated by their holders to, citizens of, natural and legal persons, having their habitual residence, location or their seat of incorporation in the country or territory of jurisdictions that include but are not limited to Canada, People's Republic of China, Singapore, South Korea and the United States of America (including American Samoa, Guam, Northern Mariana Islands, Puerto Rico, the U.S. Virgin Islands or any other possession of the USA) or where transactions with digital tokens are prohibited or in any manner restricted by applicable laws or regulations ("**Restricted Areas**"). WE EXPLICITLY

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PROHIBIT PERSONS OR ENTITIES IN RESTRICTED AREAS TO PURCHASE ELI TOKENS AND WE WILL NOT BE HELD LIABLE FOR ANY LEGAL OR MONETARY CONSEQUENCE ARISING OF SUCH PURCHASE. PLEASE NOTE THAT RESTRICTED AREAS MAY CHANGE BEFORE / DURING / UNTIL THE END OF THE CROWDSALE STAGE. IF RESTRICTED AREAS WILL CHANGE UNTIL THE END OF THE CROWDSALE STAGE, WE RESERVE THE RIGHT TO RETURN TO YOU ALL ETH SENT TO US AND WE WILL NOT SEND YOU ELI TOKENS. If such restricted person purchases the ELI tokens, such restricted person has done so on an unlawful, unauthorized and fraudulent basis and in this regard, will bear negative consequences. Aforesaid persons that participate in the ELI token purchase by providing false information about their citizenship, residency place and nationality will breach these Terms of Sale and would entitle Eligma to request such persons to compensate any damages and/or losses suffered due to this violation.

5.2. In order to be eligible to participate in the Token Sale, you must:

- (i) be at least 18 years old;
- (ii) have full power and authority to enter into this agreement;
- (iii) NOT be located in, under the control of, habitant, national or resident of Restricted Areas;
- (iv) comply with these Terms of Sale and terms incorporated herein by reference;
- (v) complete the KYC procedure, as described in more details in Section 6.
- (vi) have an ERC20-compatible Ethereum wallet which is NOT a cryptocurrency exchange wallet; and
- (vii) receive a confirmation email from us, including a security token, stating that, based on our review of your KYC procedure, you have been approved to purchase ELI tokens in the Token Sale;

5.3. You understand and accept, that purchase of ELI tokens will not be possible from a public Ethereum wallet address that has not been previously registered according to the procedure defined herein.

5.4. You acknowledge and agree that you are NOT purchasing ELI tokens for purposes of investment, speculation, as some type of arbitrage strategy, for immediate resale or any other financial purposes. You represent and warrant that the execution and delivery of, and performance under, These Terms of Sale require no approval or other action from any governmental authority or person other than you.

5.5. Eligma will have the right to implement necessary measures to monitor compliance of this section.

6. KYC procedure

6.1. In order to be eligible to participate in the Token Sale and purchase the ELI tokens, you will have to undergo our Know Your Client procedure ("**KYC Procedure**"). KYC Procedure is a customer identification process to ensure that each Contributor is appropriately verified. It is not only our legitimate interest to assess and monitor risks, to prevent doing business with a money launderer, terrorist or other criminal, even more importantly, KYC Procedure is a fundamental practice to protect a project and its supporters from fraud and losses due to illegal funds and transactions as well as an industry standard that has been established. You acknowledge and agree that to counteract money laundering and to enforce our internal security policy, we will use internal controls and programs for such control to be maintained. We will collect and store information about the Contributors and their transactions. We will strive to perform KYC Procedure within 72 hours of your submission, whereas sometimes the process may last longer.

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6.2. On a link provided to you, you will be prompted to complete the KYC Procedure application ("**KYC Application**") and provide us with your personal information listed in the next paragraph ("**Personal Information**").

6.3. In the KYC Application, you will be required to provide us with the following information: Your name, address of the permanent residence, address of the temporary residence, date of birth, place of birth, citizenship, personal document issued by a governmental authority ("**ID**") number, type of ID, date of issue of the ID, expiration date of the ID, e-mail address, telephone number, your ERC-20 compliant wallet address from which you will send ETH to Eligma Wallet and your ERC-20 compliant wallet address to which you will want to receive ELI tokens. You might need to be physically present and identify yourself to us by using your ID. You will also be required to upload a copy of your ID, utility bill and a photograph of yourself holding your ID and a note with an inscription "For Eligma", current date and your signature.

6.4. If you will purchase ELI tokens as a legal entity you will be required to provide us with the following information:

Legal entity's name, registered office, business address, registration number, name of the representative, country of registration, tax ID number, e-mail address, excerpt from the business register which is not more than three months old. The legal entity's representative might need to be physically present and identify himself to us and he needs to provide us his Personal Information and other information listed above.

6.5. After you submit your KYC Application, you will be provided with your personalised security token ("**Security Token**"). You must keep your Security Token Safe as all email correspondence in regard to ELI token transactions will include your Security Token. If you receive an email in regard to the ELI token transactions and does not contain your Security Token, you should immediately delete such email and inform us instantly.

6.6. Once you will provide to us all the above Personal Information and / or information about the legal entity and other required information we will process your KYC Application. If your KYC Application is flagged through our internal controls during the KYC Procedure, we may require additional identification information. Identification of bank accounts may also be required. We can request from you any additional identifying information and support documents at any time at the request of any competent authority or in case of application of any applicable law or regulation, including laws related to anti-money laundering and financing of terrorism. You consent that you will disclose such information and documents to us in order to comply with applicable laws, regulations, rules, standards or agreements. You acknowledge that we may refuse to distribute ELI tokens to you until such requested information is provided. You accept and agree that in cases where we have valid reasons to believe that your purchase of ELI tokens might be used for money laundering, financing of terrorism or for any other illegal activity, or that you have concealed or reported false identification information and other details, we can reject your KYC Application at our sole discretion and refuse to distribute ELI tokens to you.

6.7. You acknowledge and agree that we may reject your KYC Application if you are a citizen of, natural and legal person, having your habitual residence, location or your seat of incorporation in the country or territory of jurisdictions that include but are not limited to Afghanistan, Bosnia and Herzegovina, Democratic People's Republic of Korea (DPRK), Guyana, Iran, Iraq, Lao PDR, Syria, Sri Lanka, Trinidad and Tobago, Tunisia, Uganda, Vanuatu, Yemen, other countries available at:

http://www.uppd.gov.si/si/javne_objave/seznam_drzav_50_clen_zppdft_1/

or have been placed on any of the sanctions lists, published and maintained by the United Nations, European Union, any EU country, FATF, UK Treasury and US Office of Foreign Assets Control (OFAC).

6.8. We may, from time to time, implement policies restricting verification process by nationality, country of residence, or any other factor. This may affect your right to purchase Eli tokens. In highly unlikely cases, where you would be initially approved in the KYC Procedure and we would later on realize that you are from Restricted Areas (newly added or existing), we will return ETH paid by you to your address and we will not transfer ELI tokens to you. You expressly agree and acknowledge that this might occur and you hereby indemnify us against any losses associated with such event and your inability to purchase ELI tokens.

6.9. You confirm by using our KYC Procedure and providing your Personal Information to the Company, that all information provided within the KYC Procedure is true and accurate and that that you do not act on behalf of any third party.

7. ELI Token Sale

7.1. Pre-Sale Stage

7.1.1. The Company will sell ELI tokens in the Pre-Sale Stage only to the Contributors whose KYC Application was approved by us in the KYC Procedure prior to or during the Pre-Sale Stage ("**Pre-Sale Participants**").

7.1.2. In the welcoming email, after successfully completed the KYC Procedure, you will be provided with Ethereum wallet address of the Company which will be individualised for you and usable only for the Pre-Sale Stage. This email will include your Security Token. No third-party provider has been allowed, authorized or endorsed by the Company for the distribution of ELI tokens.

7.1.3. You agree not to share your individualised Ethereum wallet address of the Company provided in the welcoming email with any other person for the purpose of facilitating their unauthorized access to the Pre-Sale Stage and Crowdsale Stage. If you do share your individualised Ethereum wallet address of the Company with anyone we will consider their activities to have been authorized by you. You alone are responsible for any acts or omissions that occur during the Pre-Sale Stage and Crowdsale Stage through the use of your individualised Ethereum wallet address of the Company. We reserve the right to suspend or block your access to the Pre-Sale upon suspicion of any unauthorized access or use, or any attempt thereof, by anyone using your individualised Ethereum wallet address of the Company. You may lose all your ETH if made from the suspended or blocked ERC-20 compliant wallet address or using suspended or blocked individualised Ethereum wallet address of the Company.

7.1.4. The price and the bonus of the Pre-Sale Stage are defined in Schedule 2.

7.1.5. In the Pre-Sale, Contributors can contribute the minimum amount of 0.1 ETH.

7.1.6. You must transfer the purchase price for the ELI tokens in ETH by sending the appropriate amount of ETH to the individualised Ethereum wallet address of the Company provided to you in the welcoming email. You will be entitled to the amount of ELI tokens which equals to the amount of ETH you paid to the Company multiplied by the applicable exchange rate and divided by the USD price per one (1) ELI token (as defined in Schedule 2). In addition to this amount you will be entitled to an additional bonus (as defined in Schedule 2).

7.1.7. You can only pay the purchase price in ETH during the Pre-Sale Stage, i.e. no earlier than on 20 March 2018 at 12:00 UTC. If you transfer the purchase price in ETH before stated time, your transaction will bounce.

7.1.8. The ELI tokens distributed during the Pre-Sale Stage will not exceed 67% of all the available ELI tokens assigned for contributors including ELI tokens which will be distributed as bonuses.

7.2. **Crowdsale Stage**

7.2.1. The Company will sell ELI tokens in the Crowdsale Stage only to the Contributors whose KYC Application was approved by us in the KYC Procedure prior to or during the Crowdsale Stage ("**Crowdsale Participants**"). All Pre-Sale Participants can also participate in Crowdsale Stage pursuant to terms herein.

7.2.2. After successfully completed the KYC Procedure, you will be provided with Ethereum wallet address of the Company which will be public and NOT be individualised for you at the start of Crowdsale Stage. The email with the Ethereum wallet address of the Company will include your Security Token. No third-party provider has been allowed, authorized or endorsed by the Company for the distribution of ELI tokens.

7.2.3. The price and the bonus of the Pre-Sale Stage are defined in Schedule 2.

7.2.4. In the Pre-Sale, Contributors can contribute the minimum amount of 0.1 ETH.

7.2.5. You must transfer the purchase price for the ELI tokens in ETH by sending the appropriate amount of ETH to the Ethereum wallet address of the Company provided to you by the Company. You will be entitled to the amount of ELI tokens which equals to the amount of ETH you paid to the Company multiplied by the applicable exchange rate and divided by the USD price per one (1) ELI token (as defined in Schedule 2). In addition to this amount you will be entitled to an additional bonus (as defined in Schedule 2).

7.2.6. You can only pay the purchase price in ETH during the Crowdsale Stage, i.e. no earlier than on 17 April 2018 at 11:00 UTC. If you transfer the purchase price in ETH before stated time, your transaction will bounce.

7.3. **General**

7.3.1. You are not allowed to send ETH from the address of any currency exchange (i.e., Poloniex, Coinbase, Bitfinex, etc) or to set your ELI receiving address of any currency exchange. You may lose your payments made from these addresses. We reserve the right to prescribe additional guidance regarding specific wallet requirements.

7.3.2. You can only transfer the purchase price in ETH and no other cryptocurrency or fiat currency.

7.3.3. Your purchase is not guaranteed until we receive the amount of the ETH you sent to the individualised Ethereum wallet address of the Company. If we have not received your payment of the ETH within the Token Sale, we reserve the right to void your purchase request and refuse to accept your payment. For the avoidance of doubt, your payment



of the ETH will be deemed to be paid once we have received three (3) network confirmations of the transaction. We reserve the right, in our sole discretion, to modify any of the timelines and procedures described herein to account for network congestion or other technical challenges.

7.3.4. After we receive your payment we will check your Personal Information and accept or deny your request and amount of your ETH. The Company has absolute discretion and may reject you and any amount of ETH you paid for any reason or no reason at all.

7.3.5. The Company anticipates that ELI tokens, based on the funds raised during the Token Sale, will be generated, distributed and delivered at the latest at the same day as the Crowdsale Stage will end. The Company reserves the right to extend the ELI token delivery date for up to two (2) additional weeks if necessary to address any unanticipated technical difficulties and issues or security issues. For the avoidance of doubt, any extension of the ELI token delivery will not affect the obligation of the Company and you to make and take delivery, respectively, of ELI tokens purchased. Although the Company does not anticipate any technical difficulties and issues or security issues arising from the Token Sale, these two (2) additional weeks' timeframe is intended as a precautionary buffer period for Company to resolve any such technical difficulties and issues or security issues.

7.3.6. If the funds raised during the Token Sale all together do not reach the minimum target of 3.000.000 (three-million) USD ("**Soft Cap**") by the termination of the Token Sale, the Smart Contract System will not deliver ELI tokens to the contributors in the Pre-Sale Stage and Crowdsale Stage and will instead return the received payments from Contributors to the addresses provided in the KYC Procedure. In that circumstance, the Company will not have any further obligations to contributors, under these Terms of Sale or any other agreement, after Contributor's payment is returned to the Contributor's addresses provided in the KYC Procedure.

7.3.7. At any time during the Token Sale and at its sole discretion, Company may by notice on the Website, temporarily or permanently suspend the Token Sale for technical or security reasons and such suspension will take effect from the moment of publication of such notice until the same is updated or removed from the Website. You agree not to send any contributions in any ETH during such a suspension period and accept the risk that any contribution sent during such a suspension period may be lost in its entirety. Company is not responsible or liable for returning or refunding any losses incurred by you due to sending a contribution during a suspension period.

7.3.8. If the Company will at its sole discretion or as fulfilment of its obligations according to these Terms of Sale return your contribution back to you for any reason, you will be obliged to pay any transaction fees and other costs related to such return or transaction.

8. Possible Migration of ELI tokens.

8.1. ELI tokens are being created as ERC-20 tokens on the Ethereum protocol. We reserve the right to migrate the ERC-20 based ELI tokens to another protocol and to generate replacement ELI tokens on the new protocol in the future, should we determine, in our sole discretion, that doing so is necessary or useful of our operation or Eligma Platform.



8.2. Should we decide to migrate the ELI tokens, we will notify you via the email address you provided to us during the KYC procedure.

9. ELI token Creation and Allocation

All ELI tokens sold in the Token Sale will be created and distributed according to the rules of the ELI Token Sale defined in the Schedule 2, unless otherwise specified in the Section 5, Section 6 or Section 7 of these Terms of Sale. By participating in the Token Sale and purchasing ELI tokens, you acknowledge that you have read, understand, and have no objection to the Schedule 2.

10. Refusal of Purchase Requests

10.1. All purchases of ELI tokens from us and/or your acceptance of ELI tokens during the Token Sale are final, and there are no refunds or cancellations except as set forth herein or as may be required by applicable law or regulation. We reserve the right to refuse or cancel ELI token purchase requests at any time in our sole discretion. To the greatest extent legally possible, you hereby waive any statutory or contractual right to withdraw from, or to rescind, these Terms of Sale. To the extent the Company, in its sole discretion, decides to make a refund, any refunds will be made in the ETH for the Contributors which contributed ETH. We are not responsible for any delays, losses, costs, non-delivery of refunds or of ELI tokens, or other issues arising from the failure to provide, or providing an inaccurate or incomplete ERC-20 compliant wallet address.

10.2. You acknowledge and agree that these Terms of Sale are in respect of distance contracts excluded from the right of withdrawal since they concern the supply of goods for which the price is dependent on fluctuations in the market which cannot be controlled by us and which may occur within the withdrawal period.

10.3. You acknowledge and agree, in addition and without limitation to any other applicable exceptions, that the exception regarding the digital content on a non-tangible medium in respect of distance seal applies since these Terms of Sale concerns the supply of digital content on a non-tangible medium. You hereby waive the right to withdrawal from these Terms of Sale in a period of 14 days. Furthermore, you give the express consent and acknowledge that you thereby lose your right of withdrawal.

11. Your Representations and Warranties

By participating in the Token Sale and transferring ETH to the Company, you hereby represent and warrant the matters set out in Schedule 3 to these Terms of Sale.

12. Risks

12.1. You acknowledge and agree that there are significant financial, regulatory, reputational and other risks, including but not limited to those set out in Schedule 3 to these Terms of Sale associated with purchasing, holding, owning, and using ELI tokens and participating in the Token Sale.

12.2. BY TRANSFERRING ETH TO THE COMPANY AND ACCEPTING THESE TERMS OF SALE YOU EXPRESSLY ACKNOWLEDGE, ACCEPT AND ASSUME THE RISKS SET OUT IN SCHEDULE 4 TO THESE TERMS OF SALE.

13. Audit of the Smart Contract System

13.1. The Company will exercise reasonable endeavours to have the Smart Contract System audited and approved by technical experts with regard to both accuracy and security of the underlying code.

13.2. Notwithstanding the clause 13.1, smart contract technology is still in an early stage of development and its application is currently of an experimental nature, which carries significant operational, technological, financial, regulatory, reputational and other risks. Accordingly, while any audit conducted will raise the level of security and accuracy of the Smart Contract System, you acknowledge, understand and accept that the audit does not amount to any form of warranty, representation or assurance (in each case whether express or implied) that the Smart Contract System and ELI tokens are fit for a particular purpose or that they are free from any defects, weaknesses, vulnerabilities, viruses or bugs which could cause, inter alia, the complete loss of your ETH and/or ELI tokens.

14. Security

You are responsible for implementing all reasonable and appropriate measures for securing the wallet, vault or other storage mechanism you use to send a contribution to the Company and to receive and store ELI tokens that are issued to you by the Smart Contract System, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If your private key(s) or other access credentials are lost, you may lose access to your ELI tokens. The Company will not be responsible for any security measures relating to your receipt, possession, storage, transfer or potential future use of ELI tokens nor will we be under any obligation to recover or return any ELI tokens and we hereby exclude (to the fullest extent permitted under applicable law) any and all liability for any security breaches or other acts or omissions which result in your loss of (including your loss of access to) ELI tokens issued to you during the Token Sale.

15. Intellectual Property

15.1. The Company has valid, unrestricted and exclusive ownership of rights to use the patents, trademarks, trademark registrations, trade names, designs, copyrights, know-how, technology and other intellectual property necessary to the conduct of selling of the ELI tokens, developing and enabling the Eligma Platform, Website and the Company's activities generally ("**IPR**").

15.2. The Company retains all IPR. These materials are protected by Slovenian and international copyright laws and other intellectual property right laws. These Terms of Sale will not be understood and interpreted in a way that they would mean assignment of copyright or other intellectual property rights, unless it is explicitly defined so in these Terms of Sale.

15.3. There are no implied licenses under this agreement, and any rights not expressly granted to you hereunder are reserved by the Company.

15.4. The Company will own exclusive rights, including all IPR, to any feedback including, but not limited to, suggestions, ideas or other information or materials regarding Eligma Platform, Website, Token Sale or related products that you provide, whether by email, posting through Website, other communication channels or otherwise and you irrevocably and exclusively assign any and all intellectual property rights on such feedback unlimited in time, scope and territory (to the extent permitted by applicable laws) so that the Company has the right to dispose with them without any limitations, including their transfer to any third party without seeking your consent. Any feedback you submit is non-confidential and will become the sole property of the Company. The Company will be



entitled to the unrestricted use, reproduction (including in electronic form), modification (whereby you will not retain any rights on your original feedback), or dissemination of such feedback for any purpose, commercial or otherwise, without acknowledgment or compensation to you. You waive any rights you may have to the feedback (to the extent permitted by applicable laws).

16. Indemnification

16.1. To the fullest extent permitted by applicable law, you will indemnify, defend and hold harmless the Company and our respective past, present and future employees, officers, directors, contractors, consultants, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns ("**Company Indemnified Parties**") from and against all claims, demands, actions, damages, losses, liabilities, costs and expenses (including attorneys' fees) that arise from or relate to (i) any third-party claim concerning these Terms of Sale, (ii) your use of, or conduct in connection with the Token Sale and Eligma Platform, (iii) any feedback you provide, (iv) your purchase, acceptance or use of the ELI tokens, (v) your responsibilities or obligations under these Terms of Sale (vi) your violation of these Terms of Sale, (vii) or your violation of any rights of any other person or entity. If you are obligated to indemnify us, we will have the right, in our sole discretion, to control any action or proceeding (at our expense) and determine whether we wish to settle it. If we are 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.

16.2. The Company reserves the right to exercise sole control over the defence, at your expense, of any claim subject to indemnification under this Section 16. This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between you and the Company.

16.3. You will promptly notify us of any third-party claims, actions, or proceedings which you become aware of that involves the Company as a result of these Terms of Sale. The Company may participate with counsel of its own choosing in any proceedings describing above.

17. Disclaimers

17.1. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS OTHERWISE SPECIFIED IN A WRITING BY US, (A) THE ELI TOKENS ARE SOLD ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, AND WE EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES AS TO THE ELI TOKENS, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NONINFRINGEMENT, (B) WE DO NOT REPRESENT OR WARRANT THAT THE ELI TOKENS ARE RELIABLE, CURRENT OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN THE ELI TOKENS WILL BE CORRECTED, AND (C) WE CANNOT AND DO NOT REPRESENT OR WARRANT THAT THE ELI TOKENS OR THE DELIVERY MECHANISM FOR ELI TOKENS ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS.

17.2. Some jurisdictions do not allow the exclusion of certain warranties or disclaimer of implied terms in contracts with consumers, so some or all of the exclusions of warranties and disclaimers in this Section 17 may not apply to you.

17.3. Neither these Terms of Sale nor the Whitepaper constitute a prospectus, offering document or private placement memorandum of any sort and are not an offer to sell, nor the solicitation of an offer to buy any investment or financial instrument in any jurisdiction 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. The ELI tokens are not being structured or sold as securities or any other form of investment product.

17.4. ELI Token does not have the legal qualification as a security, since it does not give any rights on dividends or interest, any ownership right or stake share or equivalent rights or any right to receive future revenue shares, or any other form of participation in or relating to the Company, nor will ELI tokens holders have any influence or rights in the development or governance of the Company. ELI Token is not a share and does not give any right to participate in the general meetings of the Company.

17.5. ELI tokens should not be acquired for speculative or investment purposes with the expectation of making a profit on immediate or future re-sale. There are no guarantees regarding the value of the ELI Token and there is no reason to believe that ELI Token will increase in value, and they might also decrease in value or lose their value entirely.

17.6. No regulatory authority has examined or approved of any of the information set out in these Terms of Sale and / or the Whitepaper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of these Terms of Sale and / or the Whitepaper does not imply that applicable laws, regulatory requirements or rules have been complied with.

17.7. While every effort will be made by the Company to ensure that information contained on the Website or regarding the Eligma Platform is correct, the Company disclaims (to the extent permitted by applicable laws) all warranties regarding the accuracy, adequacy, correctness, completeness, reliability, timeliness, non-infringement, title, merchantability or fitness of any information on the Website and/or regarding the Eligma Platform.

18. Limitation of Liability

18.1. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW (I) IN NO EVENT WILL THE COMPANY OR ANY OF THE COMPANY INDEMNIFIED PARTIES BE LIABLE TO YOU OR ANYONE ELSE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES OF ANY KIND (INCLUDING, BUT NOT LIMITED TO, WHERE RELATED TO LOSS OF REVENUE, INCOME OR PROFITS, LOSS OF USE OR DATA, OR DAMAGES FOR BUSINESS INTERRUPTION) ARISING OUT OF OR IN ANY WAY RELATED TO THE SALE OR USE OF THE ELI TOKENS OR OTHERWISE RELATED TO THESE TERMS, REGARDLESS OF THE FORM OF ACTION, WHETHER BASED IN CONTRACT, TORT (INCLUDING, BUT NOT LIMITED TO, SIMPLE NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR ANY OTHER LEGAL OR EQUITABLE THEORY (EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE), AND (II) IN NO EVENT WILL THE AGGREGATE LIABILITY OF THE COMPANY AND THE COMPANY INDEMNIFIED PARTIES (JOINTLY), WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR OTHER THEORY, ARISING OUT OF OR RELATING TO THESE TERMS OR THE USE OF OR INABILITY TO USE THE ELI TOKENS, EXCEED THE AMOUNT YOU PAY TO US FOR THE ELI TOKENS.

18.2. THE LIMITATIONS SET FORTH IN SECTION 18 WILL NOT LIMIT OR EXCLUDE LIABILITY FOR THE GROSS NEGLIGENCE, FRAUD OR INTENTIONAL, WILLFUL OR RECKLESS MISCONDUCT OF THE COMPANY.

18.3. The Company or any of the Company Indemnified Parties will not be responsible for any compensation, reimbursement, or damages arising in connection with: (i) your inability to participate in the Token Sale, use the Eligma Platform, including without limitation as a result of any termination

Eligma

or suspension of the Website or these Terms of Sale, power outages, maintenance, defects, system failures, mistakes, omissions, errors, defects, viruses, delays in operation or transmission or any failure of performance, (ii) the cost of procurement of substitute goods or services, (iii) any your investments, expenditures, or commitments in connection with these Terms of Sale or your participation in the Token Sale or use of the Services, (iv) your reliance on any information obtained from the Company, (v) Force Majeure Event, communications failure, theft or other interruptions or (vi) any unauthorized access, alteration, deletion, destruction, damage, loss or failure to store any data, including records, private key or other credentials, associated with Token Sale, Eligma Platform, or Personal Information.

18.4. Token Sale and the information, products, and services included in or available through Website may include inaccuracies or typographical errors. Changes are periodically added to the information herein. The Company may make improvements or changes on the Website at any time. No information provided to you by the Company will be considered or construed as advice.

18.5. Some jurisdictions do not allow the limitation or exclusion of liability for incidental or consequential damages. Accordingly, some of the limitations of this Section 18 may not apply to you.

19. Taxation

19.1. You are solely responsible for determining whether your contribution to the Company for the purposes described hereunder, the creation, ownership, use, sale, transfer or liquidation of ELI tokens, the potential appreciation or depreciation in the value of ELI tokens over time (if any), the allocation of ELI tokens and/or any other action or transaction contemplated by these Terms of Sale or related to the Eligma Platform will give rise to any tax implications on your part.

19.2. You are also solely responsible for withholding, collecting, reporting, paying, settling and/or remitting any and all taxes to the appropriate tax authorities in such jurisdiction(s) in which you may be liable to pay tax. The Company will not be responsible for withholding, collecting, reporting, paying, settling and/or remitting any taxes (including, but not limited to, any income, capital gains, sales, value added or similar tax) which may arise from your contribution and acquisition of ELI tokens under or in connection with these Terms.

19.3. You agree not to hold the Company or any of the Company Indemnified Parties liable for any tax liability associated with or arising from the creation, ownership, use or liquidation of ELI tokens or any other action or transaction related to the Eligma Platform or the Token Sale.

20. Release

To the fullest extent permitted by applicable law, you release the Company and the other Company Indemnified Parties from responsibility, liability, claims, demands and/or damages (actual and consequential) of every kind and nature, known and unknown (including, but not limited to, claims of negligence), arising out of or related to disputes between the Parties or participants in the Token Sale and the acts or omissions of any third parties. You expressly waive any rights you may have under any relevant law or legal principle that would otherwise limit the coverage of this release to include only those claims which you may know or suspect to exist in your favour at the time of agreeing to this release.

21. Dispute Resolution and Governing Law

21.1. All questions concerning the construction, validity, enforcement and interpretation of this agreement and all issues related to ELI tokens will be governed by and construed and enforced in

Eligma

accordance with the laws of Slovenia, without regard to its conflict of law provisions or principles that would cause the application of the laws of any other jurisdiction, with exclusive venue for any litigation or other dispute resolution proceeding to be held before the courts of Slovenia.

21.2. The place of fulfilment for any of the rights and obligations of you and the Company under these Terms of Sale will be Ljubljana, Slovenia.

21.3. To resolve any dispute, controversy or claim between them arising out of or relating to this agreement, or the breach thereof, the Parties agree first to negotiate in good faith for a period of not less than sixty (60) days following written notification of such controversy or claim to the other Party.

21.4. If the negotiations do not resolve the dispute, controversy or claim to the reasonable satisfaction of all Parties during such period, then the Parties irrevocably and unconditionally submit to the exclusive jurisdiction and venue of Slovenian courts to resolve the dispute.

22. Communication and support

22.1. You agree and consent to receive electronically all communications, agreements, documents, receipts, notices and disclosures that the Company provides in connection with use of the Website, Token Sale or these Terms of Sale. You agree that Company may provide these communications to you by posting them via the Website or by emailing them to you at the email address you provide. Any email communication will be considered to be received by you within 24 hours after we email it to you and communication via our Website will be effective upon posting. You should maintain copies of electronic communications by printing a paper copy or saving an electronic copy.

22.2. It is your responsibility to keep your email address updated so that your current email address is communicated to the Company and the Company can communicate with you electronically. You understand and agree that if the Company sends you an electronic communication but you do not receive it because your email address is incorrect, out of date, blocked by your service provider, or you are otherwise unable to receive electronic communications, it will be deemed that you have been provided with the communication. You can update your Personal Information (including email) any time by sending an email to info@eligma.io.

22.3. You may give the Company a notice under these Terms by sending an email to info@eligma.io or contact the Company through support located on the Website. All communication and notices pursuant to these Terms must be given in English language.

23. Severability

If any term, provision, covenant, restriction, clause or provision of these Terms is held to be invalid, illegal, unlawful, void or unenforceable, the remainder of the terms, provisions, covenants, restrictions, clauses or provisions set forth herein will remain in full force and effect and will in no way be affected, impaired or invalidated, and the Parties hereto will use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant, restriction, clause or provision. It is hereby stipulated and declared to be the intention of the Parties that they would have executed the remaining terms, provisions, covenants, restrictions, clauses or provisions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

24. Miscellaneous

24.1. These Terms of Sale and all terms incorporated herein by reference constitute the entire agreement between you and the Company with respect to the subject matter hereof and substitutes and supersedes any and all previous written or oral statements between you and the Company. No provision of the Terms of Sale will be considered waived unless such waiver is in writing and signed by the Party that benefits from the enforcement of such provision. No waiver of any provision in the Terms of Sale, however, will be deemed a waiver of a subsequent breach of such provision or a waiver of a similar provision. In addition, a waiver of any breach or a failure to exercise or enforce any right or provision of these Terms of Sale will not in any way affect, limit, or waive a Party's rights hereunder at any time to enforce strict compliance thereafter with every term and condition hereof.

24.2. The Company may, at its sole discretion, assign its rights and/or delegate its duties under these Terms of Sale. You may not assign your rights or delegate your duties, and any assignment or delegation without the written consent of the Company, which the Company may withhold at its sole discretion, will be void.

24.3. Purchasing ELI tokens from us does not create any form of partnership, joint venture or any other similar relationship between you and us.

24.4. Except as otherwise provided in herein, these Terms of Sale are intended solely for the benefit of you and us and are not intended to confer third-party beneficiary rights upon any other person or entity.

24.5. Parts of these Terms of Sale will be automatically executed by the Smart Contract System. In the event of any inconsistency, the Terms of Sale are the original source of the rights and obligations and the Smart Contract System serves only for the automatic execution of these Terms of Sale. Then in case of conflict between the Terms of Sale and Smart Contract System, the Terms of Sale will prevail and will therefore be the binding version for both parties.

24.6. The Company reserves the right to make changes, amendments, supplementations or modifications to these Terms of Sale all terms incorporated herein by reference at any time in its sole discretion and for any reason. We suggest that you review these Terms of Sale periodically for changes. If we make changes to these Terms of Sale, we will provide you with notice of such changes, such as by either sending an email, providing notice on the Website or by posting the amended Terms of Sale on the Website and updating the date at the top of these Terms of Sale. The amended Terms of Sale will be deemed effective immediately upon posting for any new Contributors for participating in the Token Sale and purchasing ELI tokens. In all other cases, the amended Terms of Sale will become effective for pre-existing Contributors upon the earlier of either: (i) the date Contributor receives the notice on the Website or their email address, or (ii) continued participation in the Token Sale 15 days after the Company publishes notice of such changes. Any amended Terms of Sale will apply prospectively to the Token Sale after such changes become effective.

24.7. The notice of change of these Terms of Sale is considered as notice of termination of all rights and obligations between you and the Company derived from these Terms of Sale, if you do not accept the amended Terms of Sale. If you do not agree to any amended Terms of Sale and you communicate your disagreement to the Company, the agreement between you and the Company is terminated by expiry of 15 days period which starts after (i) the Company provides you a notice of change of these Terms of Sale or the Company publishes notice of such changes and (ii) you communicated your disagreement with the changes. If you do not inform us regarding your disagreement within the 15



days period after the Company provides you a notice of change of these Terms of Sale or the Company publishes notice of such changes, we will deem that you agree with the changed Terms of Sale.

24.8. These Terms of Sale are not boilerplate. If you disagree with any of them, believe that any should not apply to you, or wish to negotiate these Terms of Sale, please contact the Company and immediately navigate away from the Website. Do not use the Website or other related services and participate in Token Sale or purchase ELI tokens until you and the Company have agreed upon new terms of sale.

24.9. The rights and remedies conferred on the Company by, or pursuant to, these Terms of Sale are cumulative and are in addition, and without prejudice, to all other rights and remedies otherwise available to the Company at law.



SCHEDULE 1

INTENDED FUNCTIONALITY OF ELI TOKENS ON THE ELIGMA PLATFORM

We have designed our ELI token as a true utility token that will enable the use of some of the platform functions and act as a value holder in our loyalty programs. For these reasons, we are trying to divide tokens to as broad of a community as possible, as it will enable a healthy economy to develop on our platform.

Token use can be divided into two categories:

PLATFORM FEATURE USE

- *Product hunt*
When a user orders a product hunt, a certain balance of his ELI tokens will be locked. If Eligma discovers a product that fulfills the user's requirements, tokens will be released to Eligma and returned to the user otherwise.
- *Second-hand listings*
Users will have the option to push an item in their inventory to all the second-hand online stores, connected to our platform. They will have to utilize the service with ELI tokens.
- *Escrow fees*
When a seller creates a listing and selects Escrow service as an additional safety feature to complete the sale, he will be required to utilize ELI tokens for the service.
- *Decentralized Item Sale*
When a seller and a buyer decide to complete the item sale in a decentralized way, they will have to utilize a certain amount of ELI tokens to the Smart Contract as a motivation to successfully fulfil contract obligations.
- *Advertising*
ELI tokens will be utilized to use advertisement space on the platform.
- *Other Eligma solutions*
ELI tokens will be used for other Eligma's solutions in both the offline and online worlds. First such solutions will be the POS systems and the marketplace for our partner company BTC.
- *Eligma's cryptocurrency payment gateway*
Until cryptocurrencies are generally accepted, Eligma will offer a service, where users can make purchases with cryptocurrencies even in stores that have not enabled this option yet. ELI tokens will be used to execute the service.

LOYALTY PROGRAM

Merchant to user

- *Every purchase is rewarded*
When customers purchase items, merchants can give away ELI tokens as a "cashback" reward. This option is possible for either online or offline purchases.

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- *Backtrack rewarding*
As the Eligma system is already gathering information about users' purchases, merchants will be able to decide they want to reward everyone, who bought a certain item from them in the past.
- *Product rewards*
Merchants can announce that every purchase of an item during a certain time period will result in an ELI token reward for the customer.

Eligma to user

- *Purchases on the Eligma platform*
Eligma will reward ELI tokens for purchases through the platform.
- *Adding items to the inventory*
Users will be awarded ELI tokens for manually adding items to their inventory.
- *Uploading receipts*
Users will be rewarded with ELI tokens when they upload receipts through Eligma's mobile app or platform.
- *Registering on the Eligma platform*
Users will receive a welcome reward in ELI tokens for registering on the platform.
- *Detailed profile information*
When users add additional information, Eligma will reward them with additional ELI tokens.
- *Referrals*
Referral rewards will be awarded for referring new users to the platform. For each rewarded action that a friend carries out, the user who referred him will get an additional reward.
- *User's online store referral*
When a user referral results in a connection of an online store with the platform and this online store makes its first sale through Eligma, the user is rewarded with ELI tokens.

User actions rewarding other users

- *Wishlists resulting in sales*
When a wishlist that a user created results in a direct sale, the user who published the wishlist will be rewarded with ELI tokens.
- *Social media actions*
When a social media share or a post results in a direct sale, the user who created the post will be rewarded with ELI tokens.

Please note that the above stated options do not constitute a complete list. With time, merchants and creators of the Eligma platform will be able to find new and innovative ways of using ELI tokens.

Using smart contracts, we will establish a function that will release a fixed amount of ELI tokens daily, which will be distributed through the Eligma's reward plans. Rewards will be adjusted to correspond to the distributed percentage.



POSSIBILITY OF CHANGE TO THE FUNCTIONALITY OF ELI

PLEASE NOTE THAT WE ARE IN THE PROCESS OF UNDERTAKING A LEGAL AND REGULATORY ANALYSIS OF THE FUNCTIONALITY OF ELI TOKENS. FOLLOWING THE CONCLUSION OF THIS ANALYSIS, WE MAY UNILATERALLY DECIDE TO AMEND THE INTENDED FUNCTIONALITY OF ELI TOKENS IN ORDER TO ENSURE COMPLIANCE WITH ANY LEGAL OR REGULATORY REQUIREMENTS TO WHICH WE ARE SUBJECT. WE WILL PUBLISH A NOTICE ON THE COMPANY'S WEBSITE OF ANY CHANGES THAT WE DECIDE TO MAKE TO THE FUNCTIONALITY OF ELI TOKENS AND IT IS YOUR RESPONSIBILITY TO REGULARLY CHECK THE COMPANY'S WEBSITE FOR ANY SUCH NOTICES. FOLLOWING THE CONCLUSION OF THIS ANALYSIS, WE WILL DECIDE WHETHER OR NOT TO CHANGE THE FUNCTIONALITY OF ELI TOKENS.



SCHEDULE 2 ELI TOKEN SALE

ELI token (symbol: ELI) is a Ethereum utility token that will confirm to the ERC-20 standard. It will be controlled by a Smart Contract System and deployed on Ethereum blockchain. ELI tokens will initially be available in exchange for Ether (ETH) contributions during the Token Sale.

MAIN TOKEN DETAILS:

- Symbol: **ELI**
- Role of ELI token: **Utility**
- Blockchain: **Ethereum**
- Token standard: **ERC-20**
- Total ELI token supply (100%): **500,000,000 ELI**
- Total ELI token supply for sale (60%): **300,000,000 ELI**
- ELI decimals: **18**
- Initial ELI token price: **0.1 USD**

In total, 500 million non-minable ELI tokens will be generated on Token Generation Event (TGE) during the Token Sale. This is a total number of ELI tokens in existence and Eligma will never issue additional ones.

CROWDSALE STAGES:

- Private Pre-sale Stage
- Public Pre-sale Stage
- Public Crowdsale Stage

CONTRIBUTORS:

Every Contributor is welcome to participate in any phase of the public sale, while private phase is reserved for early supporters. The contributors must be approved in our KYC Procedure. KYC Procedure will be conducted on following link: <https://kyc.eligma.io> or other link provided by the Company.

Contributors will not contribute ETH directly from online exchanges. All contributors must contribute ETH from their Ethereum wallets.

PRESALE STAGE DETAILS:

- Pre-Sale dates: 20 March 2018 (12:00 UTC) – 10 April 2018 (11:00 UTC) or until targeted sum is reached.
- Bonus: 15% of additional ELI tokens.
- Target sum of contributions: 16 million USD
- Target amount of distributed ELI tokens: 188 million ELI
- Minimum contribution: 0.1 ETH
- Any unsold tokens are transferred to the next stage.

PUBLIC CROWDSALE:

- Dates: 17 April 2018 (11:00 UTC) – 8 May 2018 (11:00 UTC) or until the hard cap is reached.
- Bonus: 8% of additional ELI tokens for the first 20 million ELI tokens, 6% for the second 20 million ELI tokens, 4% for the third 20 million ELI tokens, 2% for the fourth 20 million ELI tokens and 0% for the remaining ELI tokens.
- Target sum of contributions: 8 million USD or until final hard cap is reached.
- Target amount of distributed ELI tokens: 84 million ELI + possible unsold tokens from the Pre-Sale Stage.

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- Minimum contribution: 0.1 ETH.
- Maximum contribution will be declared based on community requests a minimum of two days prior to the Crowdsale Stage.
- Unsold tokens are transferred to a fund dedicated to reward Eligma platform users.

Excess contributions in ETH, received after the individual phase targeted sum or hard cap is reached, will be bounced or returned to the contributing Ethereum address, reduced for the transactional costs (gas).

The minimum target (soft cap) for the Crowdsale Stage is set to ETH equivalent of 3 million USD. If contributions through all phases collectively will not reach the minimum target, Eligma will not be able to access these funds and all contributors will get a refund on their Ethereum addresses.

The maximum target (hard cap) is set to ETH equivalent 24 million USD, based on estimations on how much funds are needed to accomplish defined goals. Eligma believes that any project should ask only for the amount needed to reach the goals, therefore it does not support uncapped token crowdsales.

The exact amount of ELI tokens received in exchange will be calculated and determined in accordance with ETH value on 17 April 2018 at 11:00 UTC. The ETH/USD exchange rate will be locked based on Coinmarketcap (<https://coinmarketcap.com/>) ETH/USD exchange rate. This value will remain valid for the entire time of the Token Sale. Therefore, the hard cap is only an approximation that can vary due to fluctuation of ETH/USD exchange ratio and the fact that unsold tokens in Pre-Sale Phase are transferred to the Crowdsale Stage with a different bonus.

The Smart Contract System will generate ELI tokens immediately upon receiving ETH at its address. Once the Crowdsale Stage reaches its hard cap or closes on 8 May 2018 at 11:00 UTC if the hard cap is not reached, the ELI tokens will be distributed to the contributors and locked (non-transferable) in due time. After successful validation of the crowdsale process, tokens will be unlocked and become transferable.

ELI TOKEN DISTRIBUTION:

Out of 500,000,000 ELI tokens:

- up to 300,000,000 ELI tokens (60%) will be distributed to the contributors in the ELI token sale;
- up to 95,000,000 ELI tokens (19%) will be distributed to Eligma team;
- up to 60,000,000 ELI tokens (12%) are intended for rewarding Eligma platform users;
- up to 25,000,000 ELI tokens (5%) will be distributed to the Advisors and
- up to 20,000,000 ELI tokens (4%) are reserved for future partners.

ELI TOKEN VESTING PERIODS:

- Tokens allocated to the team will have a vesting period of 2 years;
- Tokens allocated to the advisors will have a vesting period of 2 years;
- Tokens allocated to the future partners will have a vesting period of 3 years;
- Tokens allocated to the community and user growth will not have a vesting period.



SCHEDULE 3 YOUR REPRESENTATIONS AND WARRANTIES

By making a purchasing ELI tokens and accepting these Terms of Sale, you hereby represent and warrant that:

1. you have read and understood these Terms of Sale (including all the Schedules hereto);
2. you have the necessary authority and consent to accept these Terms of Sale, to enter into a binding agreement with the Company and to perform the obligations set out herein;
3. the acceptance of these Terms of Sale and the entry into a binding agreement with the Company will not result in any breach of, be in conflict with, or constitute a material default under: (i) any provision of the Contributor's constitutional or organisational documents (in the case of a corporate entity including, without limitation, any company or partnership); (ii) any provision of any judgment, decree or order imposed on the Contributor by any court or governmental or regulatory authority; and/or (iii) any material agreement, obligation, duty or commitment to which the Contributor is a party or by which the Contributor is bound;
4. you have sufficient understanding of the functionality, usage, storage, transmission mechanisms and intricacies associated with cryptographic tokens (like ETH), token storage facilities (including digital token wallets), blockchain technology and blockchain-based software systems;
5. you have obtained sufficient information about the potential future use and functionality of ELI tokens to make an informed decision to participate in the Token Sale pursuant to these Terms of Sale;
6. you understand that ELI tokens confer only a limited potential future right or expectation to use and interact with the Eligma Platform, and that ELI tokens confer no other rights of any kind with respect to the Company and/or the Eligma Platform, including, but not limited to, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property rights), or other financial or legal rights;
7. if you are an individual (i.e. a natural person), you are at least 18 years of age, you have sufficient legal capacity according to your residency country laws to accept these Terms of Sale and to enter into a binding agreement with the Company on the terms set out herein;
8. if you are making a contribution for the purchase of ELI tokens as a corporate entity including, without limitation, any company or partnership (or other type of legal entity that is not a natural person), such entity is duly incorporated, registered and validly existing under the applicable laws of the jurisdiction in which the entity is established;
9. if you are making a contribution for the purchase of ELI tokens for or on behalf of an entity or person, you are authorized to accept these Terms of Sale and enter into a binding agreement with the Company on such entity's or person's behalf (and in such circumstances, references in these Terms of Sale to "Contributor", "your" or "you" will be a reference to the entity or person on whose behalf you are authorised to make a contribution);
10. you are making a contribution for the purchase of ELI tokens to support the development, testing, deployment and operation of the Eligma Platform and to potentially use and interact with the Eligma Platform at a future point in time. You are not making a contribution under these Terms of Sale for

Eligma

any other uses or purposes, including, but not limited to, any investment, speculative or other financial purposes;

11. any contribution to be made by you for the purchase of ELI token is not derived from or related to any unlawful activities, including but not limited to money laundering or terrorist financing activities;

12. you will not use ELI token to finance, engage in, or otherwise support any unlawful activities;

13. you will use ELI token as intended on the Eligma Platform;

14. in the case of a contribution made in ETH, the contribution will be transferred to the Company from an Ethereum Wallet and/or address, respectively, that: (i) is registered in your name and under your sole control or registered in the name and under the sole control of a person who is duly authorised by you to send a contribution on your behalf to the Company; and (ii) is not located in or that is not registered in the name of a person located in or resident of any country or territory of Restricted Areas;

15. making a contribution and receiving ELI token under these Terms of Sale is not unlawful or prohibited under the laws of your jurisdiction or under the laws of any other jurisdiction to which you may be subject and any contribution will be made in full compliance with applicable laws (including, but not limited to, in compliance with any tax obligations to which you may be subject in any relevant jurisdiction);

16. you are not a citizen of or resident or domiciled in Restricted Areas or making a contribution for the purchase of ELI token from a location in Restricted Areas, nor are you an entity (including, but not limited to, any company or partnership) incorporated, established or registered in or under the laws of Restricted Areas, nor are you making a contribution for the purchase of ELI token for or on behalf of any such person or entity;

17. you are not the subject of any sanctions administered or enforced by any country, government or international authority nor are you resident or established (in the case of a corporate entity) in a country or territory that is the subject of a country-wide or territory-wide sanction imposed by any country or government or international authority;

18. you will comply with any applicable tax obligations in your jurisdiction arising from your acquisition, storage, sale or transfer of ELI token;

19. you will provide us with details of an Ethereum Wallet that supports the ERC-20 token standard (i.e. technically supports the receipt, storage, holding and transfer of tokens such as ELI token);

20. you engage or expect to engage in a meaningful number of cryptocurrency or other transactions, such as e-commerce businesses, involving token exchanges or traditional financial institutions, and you understand and accept the risks of participating in token sales relating to early stage blockchain start-up businesses and acknowledge that these risks are substantial. You further warrant and represent that your contribution does not represent a meaningful or substantial proportion of your wealth or net worth, and that you are willing to accept the risk of loss associated with the contribution made under these Terms of Sale;

21. you understand that ELI token are solely rights to access and use services and products on the Eligma Platform, and do not have any attribute that provides the holder with equity, creditor or similar rights. ELI token should not be considered investments of any type, including but not limited to, any

Eligma

form of currency or security, and the Contributor should not expect profits of any type from acquiring ELI token nor acquire ELI token for any type of investment purposes;

22. you acknowledge you fully understand the contents of the Project Documentation provided by Eligma and are participating in the Token Sale with the intention of fully accepting the risk of the failure of the Eligma Platform;

23. you have carefully reviewed the code of the Smart Contract located on the Ethereum blockchain and fully understand and accept the functions as further described in the Project Documentation;

24. you are making a contribution primarily to support the development, testing, deployment and operation of Eligma Platform, being aware of the risks associated with it (as further described in Schedule 4 to these Terms), and are not contributing to the Company for any speculative, investment or other financial purposes;

25. you will waive the right to participate in a class action lawsuit or a class-wide arbitration against Eligma, its founders and team members or any entity or individual involved in Eligma project;

26. you understand that you do not have any right against Eligma, its founders and team members or any other party to request any refund of your contribution provided during the Token Sale;

27. you understand that you bear the sole responsibility to determine if your contribution and obtainment of ELI token, use of ELI token and the potential appreciation or depreciation in the value of ELI token over time, the sale and purchase of ELI token and/or any other action or transaction related to ELI token, Eligma or the Eligma Platform have tax implications for you;

28. all of the above representations and warranties are true, complete, accurate and non-misleading from the time of your access to and/or acceptance of possession of these Terms of Sale.

SCHEDULE 4 RISK FACTORS

1. Risk of software weaknesses: because ELI tokens, the Smart Contract System and the Eligma Platform are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on ELI tokens, the Smart Contract System and/or the Eligma Platform. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the ELI tokens (including the utility of ELI tokens for obtaining services), the Smart Contract System and/or the Eligma Platform, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol. 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. There is no warranty or assurance that the process for creating ELI tokens will be uninterrupted or error-free and why there is an inherent risk that the software could contain defects, weaknesses, vulnerabilities, viruses or bugs causing, inter alia, the complete loss of contributions and/or ELI tokens.

2. Regulatory risk: blockchain technology allows new forms of interaction and 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 to the Smart Contract System and/or the Eligma Platform, including its termination and the loss of ELI tokens for the Contributor. Additionally, regulation of proposed activities of the Eligma Platform is currently uncertain. It is not known what regulatory framework the proposed Eligma Platform and associated activities will be subject to, the nature and obligations that will be imposed on the Company in order to comply with any such regulatory framework or when/if the Company will even be able to apply to be regulated, or successfully obtain the necessary licences so that it may lawfully carry out its proposed business activities.

3. Risks associated with uncertain regulations and enforcement actions: the regulatory status of ELI tokens and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory authorities may apply existing regulation with respect to such technology and its applications, including specifically (but without limitation to) the Eligma Platform and ELI tokens. It is likewise difficult to predict how or whether any legislative or regulatory authorities may implement changes to law and regulation affecting distributed ledger technology and its applications, including specifically (but without limitation to) the Eligma Platform and ELI tokens. Regulatory actions could negatively impact the Eligma Platform and ELI tokens in various ways, including, for purposes of illustration only, through a determination that ELI tokens are a regulated financial instrument that requires registration or licensing. The Company may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

4. Risk of abandonment / lack of success: the creation and issue of ELI tokens and the development of the Eligma Platform 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). There is no assurance that, even if any such Eligma Platform is partially or fully developed and launched, you will receive any benefits through ELI tokens that you hold.

5. Risks associated with markets for ELI tokens: the Company may choose not to enable or otherwise facilitate any secondary speculative trading or any such external valuation of ELI tokens. This may restrict the contemplated avenues for using ELI tokens to the token functionality described

Eligma

in Schedule 1 to these Terms of Sale and could therefore create illiquidity risk with respect to any ELI tokens you own. Even if secondary trading of ELI tokens is facilitated by third-party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to fraud or manipulation. Furthermore, to the extent that any third party ascribes an external exchange value to ELI tokens (e.g. as denominated in a crypto or fiat currency), such value may be extremely volatile and diminish to zero. If you are purchasing the ELI tokens as a form of investment on a speculative basis or otherwise, or for a financial purpose, with the expectation or desire that their inherent, intrinsic or cash-equivalent value may increase with time, you assume all risks associated with such speculation or actions, and any errors associated therewith, and accept that the ELI tokens are not offered by the Company or its affiliates on an investment basis. You further acknowledge that any contribution that you make under these Terms of Sale (or you consider to be invested in the Company) will not be protected, guaranteed or reimbursed by any governmental, regulatory or other entity, and will not, for instance be guaranteed by the Slovenian Deposit Guarantee Scheme and is unlikely to be protected by any equivalent scheme in a jurisdiction outside of Slovenia.

6. Risk of losing access to tokens due to loss of private key(s), custodial error or your error:

ELI tokens can only be accessed by using an Ethereum Wallet with a combination of the Contributor's account information (address), private key and password. The private key is encrypted with a password. You acknowledge, understand and accept that if your private key or password gets lost or stolen, the obtained ELI tokens associated with your Ethereum Wallet may be unrecoverable and permanently lost. Additionally, any third party that gains access to your private key, including by gaining access to the login credentials relating to your Ethereum Wallet, may be able to misappropriate your ELI tokens. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive and store ELI tokens, including your own failure to properly maintain or use such digital wallet or vault, may also result in the loss of your ELI tokens.

7. Risk of theft: 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 including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Any such successful attacks could result in theft or loss of contributions or ELI tokens, adversely impacting the ability to develop the Eligma Platform and derive any usage or functionality from ELI tokens. Furthermore, because the Eligma Platform is based on opensource software, there is a risk that a third party or a member of the Company's team may intentionally or unintentionally introduce weaknesses or defects into the core infrastructure of the Eligma Platform, which could negatively affect the Eligma Platform and ELI tokens.

8. Risk of Ethereum mining attacks: 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, "selfishmining" attacks, and rare condition attacks. Any successful attacks present a risk to the Smart Contract System, expected proper execution and sequencing of token transactions, and expected proper execution and sequencing of contract computations. You understand and accept that the network of miners will ultimately be in control of the delivery of the ELI tokens via the Smart Contract System, and that a majority of miners could agree at any point to make changes, updates, modifications to, or effect a deletion or destruction of the Smart Contract System, and that such a scenario could lead to the ELI tokens losing intrinsic value and/or functionality.

9. Risk of incompatible wallet service: the wallet or wallet service provider used to receive ELI tokens must conform to the ERC-20 token standard in order to be technically compatible with ELI tokens. The failure to ensure such conformity may have the result that you will not gain access to your ELI tokens.

10. Risk of hard-fork: the Eligma Platform will need to go through substantial development works as part of which it may become the subject of significant conceptual, technical and commercial changes before release. As part of the development, an upgrade to ELI tokens may be required (hard-fork of ELI tokens) and that, if you decide not to participate in such upgrade, you may no longer be able to use your ELI tokens and any non-upgraded ELI tokens may lose its functionality in full.

11. Risk of uninsured losses: unlike bank accounts or accounts at some other financial institutions, ELI tokens are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer or private insurance arranged by us, to offer recourse to you.

12. Risks arising from taxation: the tax characterization of ELI tokens is uncertain. You must seek your own tax advice in connection with acquisition, storage, transfer and use of ELI tokens, which may result in adverse tax consequences to you, including, without limitation, withholding taxes, transfer taxes, value added taxes, income taxes and similar taxes, levies, duties or other charges and tax reporting requirements.

13. Risk of an unfavourable fluctuation of Ethereum and other currency value: The Company intends to use the contributions received to fund the development of ELI tokens, the Eligma Platform and various other operating expenses. The contributions received will be denominated in ETH, and may be converted into other cryptographic and fiat currencies. If the value of ETH or other currencies fluctuates unfavourably during or after the Token Sale, the Company may not be able to fund the development of, or may not be able to maintain, the Eligma Platform in the manner that it intended.

14. Risk of dissolution of the Company or network: it is possible that, due to any number of reasons, including, but not limited to, an unfavourable fluctuation in the value of ETH (or other cryptographic and fiat currencies), decrease in ELI tokens utility due to negative adoption of the Eligma Platform, the failure of commercial relationships, or intellectual property ownership challenges, the Eligma Platform may no longer be viable to operate and the Company may dissolve and may not be able to continue the development of the Eligma Platform.

15. Risks arising from lack of governance rights: because ELI tokens confer no governance rights of any kind with respect to the Eligma Platform or the Company; all decisions involving the Company (including to sell or liquidate the Company) will be made by the Company acting in its sole and absolute discretion, and all decisions involving the Eligma Platform including, but not limited to, decisions to discontinue the Eligma Platform, to create and issue more ELI tokens, will be made by the Company. These decisions could adversely affect the Eligma Platform and / or ELI tokens you might hold.

16. Risks arising from the market in which the Eligma Platform operates: the retail market and by extension the Eligma Platform, is subject to a variety of state, municipal and international laws and regulations, including those with respect to consumer protection, competition, KYC / AML and customer due diligence procedures, privacy and data protection, data security, and others. These laws and regulations, and the interpretation or application of these laws and regulations, could change. In addition, new laws or regulations affecting the Eligma Platform could be enacted, which could impact the utility of ELI tokens in the Eligma Platform. Additionally, Eligma Platform users are subject to or may be adversely affected by industry specific laws and regulations or licensing requirements. If any of these parties fails to comply with any of these licensing requirements or other applicable laws or regulations, or if such laws and regulations or licensing requirements become more stringent or are otherwise expanded, it could adversely impact the Eligma Platform and the ELI tokens, including its functionality to obtain or provide services within the Eligma Platform.

17. Risks associated with the development and maintenance of the Eligma Platform: the Eligma Platform is still under development and may undergo significant changes over time. Although we intend for the ELI tokens and Eligma Platform to function as described in Schedule 1 to these Terms of Sale, and intend to take commercially reasonable steps towards those ends, we may have to make changes to the specifications of the ELI tokens or the Eligma Platform for any number of legitimate reasons. Moreover, we may not be able to retain full and effective control over how other participants will use the Eligma Platform, what products or services will be offered through the Eligma Platform by third parties, or how third-party products and services will utilize ELI tokens (if at all). This could create the risk that the ELI tokens or Eligma Platform, as further developed and maintained, may not meet your expectations at the time of purchase. Furthermore, despite our good faith efforts to develop and participate in the Eligma Platform, it is still possible that the Eligma Platform will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Eligma Platform and ELI tokens, and the potential utility of the ELI tokens, including the utility of the ELI tokens for obtaining services and/or offering rewards and/or being used in the manner intended at the time of the Token Sale.

18. Risk of Competing Platforms: It is possible that alternative platforms could be established that utilize the same open source code and protocol underlying the Eligma Platform and attempt to facilitate services that are materially similar to the services offered by or within the Eligma Platform. The Eligma Platform may compete with these alternatives, which could negatively impact the Eligma Platform and ELI tokens, including the utility of the ELI tokens for obtaining services offered by or within the Eligma Platform.

19. Unanticipated Risks: cryptographic tokens such as ELI tokens are a new and untested technology. In addition to the risks set out in this Schedule 4 to these Terms of Sale, there are other risks associated with your acquisition, storage, transfer and use of ELI tokens, including those that the Company may not be able to anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks set out in this Schedule 4 to these Terms of Sale.