



Rate3

A DECENTRALISED DUAL PROTOCOL FOR CROSS-BORDER PAYMENT
& CREDIT SCORING

Powered by **Stellar** and **Ethereum**

WHITEPAPER V2.1

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INTRODUCTION

A financial infrastructure that can support the Internet economy as it continues to grow is necessary. We observed a strong organic growth and unparalleled innovation from the Internet back in 1990s. However, established financial institutions hampered innovation and growth in exchange for ensuring integrity of financial transactions. There is a demand for new and innovative players, a void to be filled by blockchain technology. We need a new fair and just financial system.

Today's e-commerce system is imperfect with high processing fees, poor exchange rates, chargeback risks and frauds, opaque consumer reward schemes and a poor credit assessment for those who need it the most.

We can make it better, through tokenization. The Rate3 Dual Protocol is a decentralized protocol for cross-border payment and credit scoring. By introducing a native token (the RTE token), it will help to align the incentives of all participants. Through carefully designed token economic mechanisms, it is a self-sustaining and growing system.

A protocol without data and adoption is futile. We propose a novel Cross-Border Payment Protocol (CPP) that simultaneously fuel transactions between consumers and merchants, while collecting the requisite transaction data to bootstrap the Credit Scoring Protocol (CSP). The Credit Scoring Protocol, in turn, helps to create more credit loans and drive more transactions as a result. Building open protocols also allow for other adjacent decentralized apps (dApps) to be built on top of our protocols.

By building this protocol layer for global cross-border e-commerce, we foresee various adjacent dApps to be built on top of the Rate3 Dual Protocol: offline cross-border payments, e-commerce insurance dApps, all kinds of credit loan products and even supply chain dApps in the future.

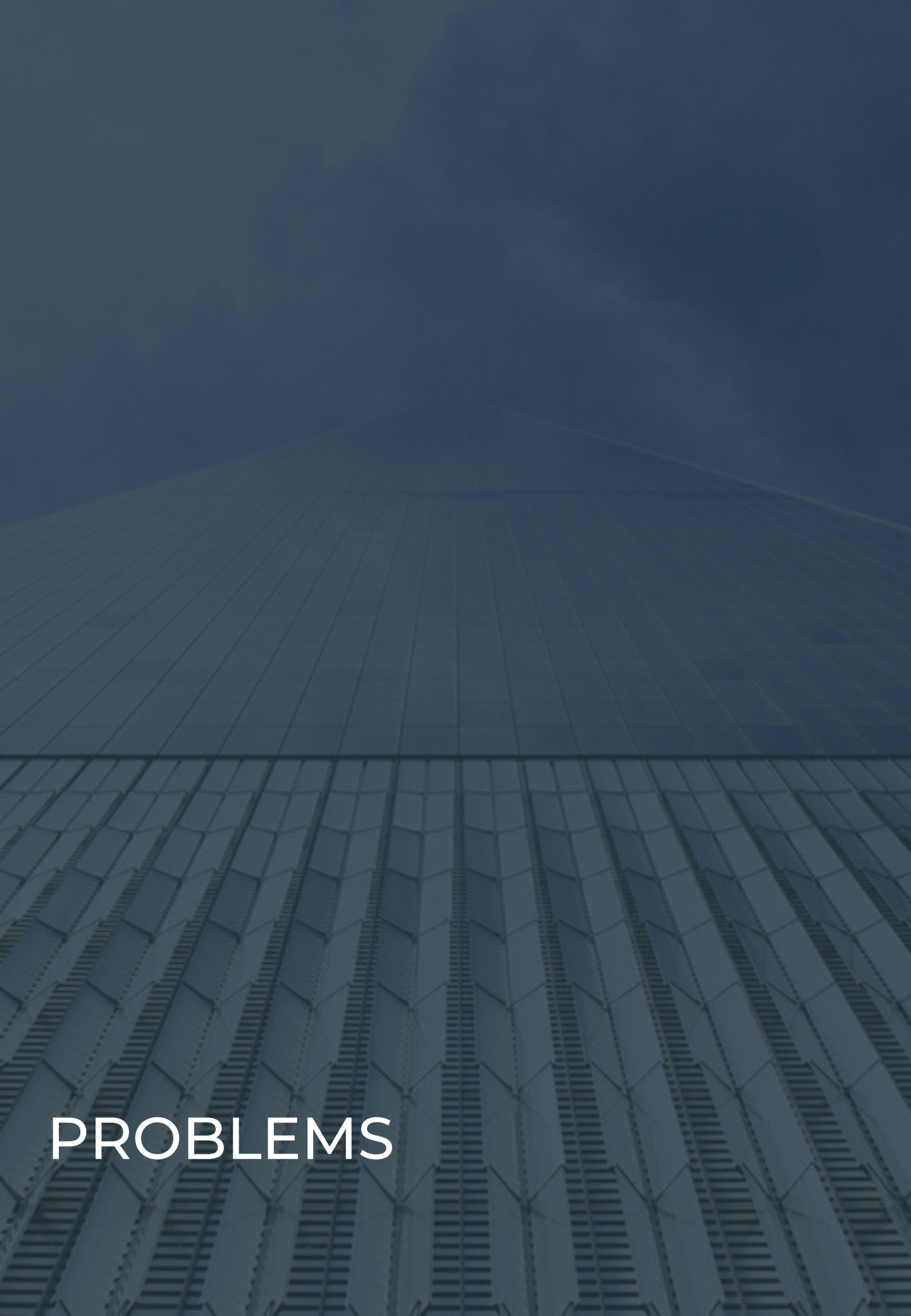


MARKET

1. MARKET

The global cross-border e-commerce market in 2015 accounted for USD 300 billion GMV, about 15% of e-commerce overall. This rapid growth, however, has just begun and will continue: the cross-border market is expected to grow by about 25% annually until 2020 – nearly twice the rate of domestic e-commerce and a growth rate that most traditional retail markets would dream of achieving. In 2020, it is expected to account for about USD 900 billion GMV, translating into a roughly 22% share of the global e-commerce market. This growth momentum yields unrivaled opportunity for both merchants and manufacturers:





PROBLEMS

2 PROBLEMS

Despite the immense potential of global cross-border e-commerce, several key problems still exist within:

- High transaction processing fees
- Poor exchange rates
- Chargeback risks for merchants
- Delayed cashback for consumers
- Challenges with credit for both merchants and consumers

2.1 HIGH TRANSACTION PROCESSING FEES

A standard domestic transaction includes five players: the consumer, the consumer's issuing bank, the processing network, the merchant's acquiring bank and the merchant. However, cross-border payments include many other players.

Cross-border payments are thus especially challenging, given more intermediaries and risks involved.

Merchants also pay a processing fee for receiving payments from consumers. Transactional fees stand somewhere between 2 - 5% per transaction plus a fixed fee of between USD 0.1 and USD 0.7.

For example: every time someone makes a transaction for USD 10, the merchant on average pays USD 0.8 for banks, credit card associations, payment gateways and processors.

On top of transactional fees, some merchants might have to pay for incidental fees that include Address Verification Service (AVS), Voice Authorization Fees (VAF), Batch Fees, and Non-Sufficient Fund Fees (NFS) for cross-border purchases.

An existing example would be that of PayPal: PayPal charges the merchant a transaction fee of 4.4% + a currency - dependent fixed fee for any cross-border transaction, instead of the usual 2.9% for domestic transactions.

2.2 POOR CROSS-BORDER EXCHANGE RATES

One of the primary hurdles to accomplishing an electronic payment is the need for trust between the parties. Two parties directly transacting often lack a means of verifying each other's identities or of ensuring that the transaction is carried out as agreed upon. When parties lack a direct relationship of trust, this uncertainty can serve as an insurmountable roadblock. Consequently, the various mechanisms for executing payments, both domestic and international, all revolve around providing a trusted intermediary to mitigate this uncertainty.

Banks most traditionally serve as the trusted intermediary. However, cross-border payments have a higher number of intermediaries involved. Given the complexity in exchange rates, banks often charge an unfavorable exchange rate for such payments:

- **Dynamic Currency Conversion** (1-5% additionally on the mid-market rate)
- **Foreign Currency Conversion Processing fees** (3-5% additionally)

2.3 CHARGEBACK RISKS FOR MERCHANTS

A chargeback (also known as a reversal) is a form of customer protection provided by the issuing banks, which allows cardholders to file a complaint regarding fraudulent transactions on their statement. Once the cardholder files a dispute, the issuing bank makes an investigation into the complaint.

In 2016 alone, e-commerce merchants suffered an estimate loss of \$6.7 billion in revenue due to chargebacks, with \$4.8 billion attributed to chargeback fraud.

The cost of chargebacks does not result only in financial losses. Racking up chargebacks has even worse consequences on the part of the merchant. During online transactions, merchants are solely responsible. Having too many cases of chargebacks will lead to steeper chargeback fees, as merchants will become labelled by the credit card institution as a high-risk merchant.

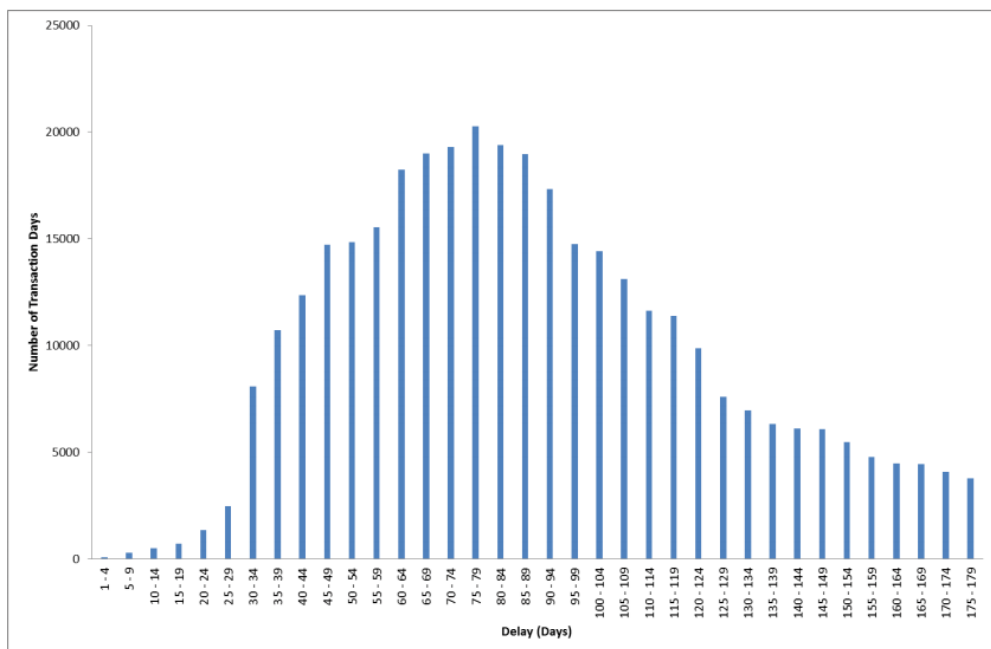
2.4 CASHBACK DELAY FOR CONSUMERS

Cashback shopping is a form of price promotion online where consumers initiate purchases at the website of a cashback company and after a significant delay, receive the savings promised to them. Cashback shopping is a relatively young but increasingly popular alternative. For example, Ebates, the leading cashback company in the United States, has processed cashback payments of over \$800 million to more than 10 million consumers since its founding in 1998. In the United Kingdom, Quidco processed more than \$64 million of cashback payments to its seven million registered users in 2016 alone, and facilitated sales of about \$1 billion for 4,300 retailers—a figure that represents 1% of all electronic commerce in the country for that year.

The cashback company make cashback payments directly into the bank accounts of individual consumers. Importantly, the temporal delay between a purchase and the corresponding payment is significant: **a minimum of 30 days, but often as much as four months.**

This cashback delay is a result of the manual way the merchant's acquiring bank reconciles with the consumer's issuing bank. Both parties have to verify that the transaction is successfully made, before the acquiring bank will release the cashback payments. This is another issue that a distributed ledger will not face

Figure 1: DELAY BETWEEN PURCHASE AND CASHBACK PAYMENT



2.5 EXISTING CHALLENGES WITH CREDIT

Commercial lenders have made it difficult for small businesses to secure a loan – whether fixed or working capital. This is where alternative lending comes into play to support the finances of such businesses. The business financing options swooped in to fulfill the requirements of the companies. It is believed that every 1 in 5 small business loans will be offered by an alternative lender by 2020. The alternative lending market, as of today, stands at \$5 billion, which is expected to reach \$52 billion by that time.

Merchants need access to capital and loans to buy more inventories and expand their businesses with new products but however, their business model is difficult for traditional lenders to provide them a proper score.

Amazon issued US\$1B in loans in 2017 to merchants selling on its marketplace. The data points from more than 2 million merchants on its platform help identify those it deem credit worthy. Transaction processing companies PayPal Holdings Inc and Square Inc offer similar credit options using data from their payments businesses, creating new financing options for small merchants that could have trouble securing loans from banks. PayPal in May announced it has issued more than US\$3 billion in loans to more than 115,000 businesses globally through its PayPal Working Capital program launched in 2013. Square said it has provided more than US\$1.5 billion in loans and merchant cash advances since launching in 2014, including US\$251 million in the first quarter.

Shopify created Shopify Capital, a merchant cash advance product to help entrepreneurs secure financing and accelerate their business growth. Shopify tailors cash advances to each merchant's needs based on data processed through the Shopify platform. Since its launch in April 2016, Shopify Capital has issued nearly \$100 million in merchant cash advances and is being used by thousands of entrepreneurs to purchase equipment and inventory, launch new products, hire more employees, and add new sales channels.

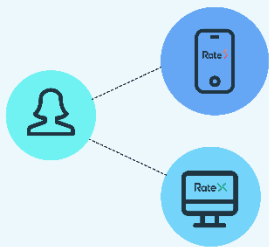


SOLUTIONS

2. SOLUTIONS

2.1 CROSS-BORDER SETTLEMENTS: MID-MARKET, NO FEES

HOW CONSUMERS PAY IN THE FUTURE



01 Downloads RateX Extension or RateS Mobile App for Free

STEP 1:

Consumers download RateX browser extension or RateS mobile app for free.

These Rate products will be the main gateway for consumers, with a key focus on accessibility, user experience and performance.

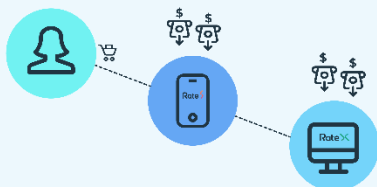


02 Shops Normally on Partner Overseas Merchants

STEP 2:

Consumers shop normally on overseas partner merchants.

Currently, we are live on the biggest merchants such as Amazon, eBay, Taobao, Rakuten, ASOS, Expedia, Agoda, Hotels.com and others.



03 Pays through Desktop or Mobile in fiat-asset with our Partner Processors

STEP 3:

Upon check-out, consumers pay through our partner payment processors.

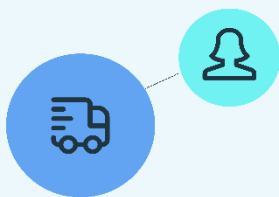
Just like any normal check-out, consumers will pay in fiat-assets and choose either bank transfers or debit/credit card options.



04 Rate3 Payment Protocol converts the currencies through Stellar for Merchant Settlement



05 Merchant receives settlement in Rate Merchant interface



06 Consumer receives goods successfully

STEP 4:

Rate3 Payment Protocol will convert the consumer's fiat currencies to the merchant's domestic currency

This is achieved through asset-hopping on the Stellar networking.

The Rate3 Payment Protocol will find the best currency pair, using RTE tokens as an liquidity asset. Two currency hops could happen: USD will first be converted to RTE, whilst RTE is then converted to Pounds.

STEP 5:

Merchant receives the payment in their domestic fiat currency successfully.

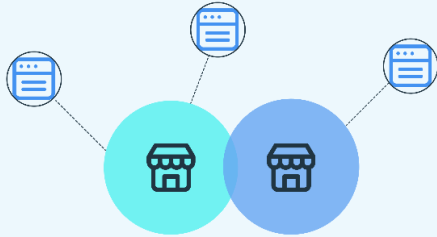
Payment is received instantly by the merchant, instead of the current delay before the payments actually reach their bank accounts.

STEP 6:

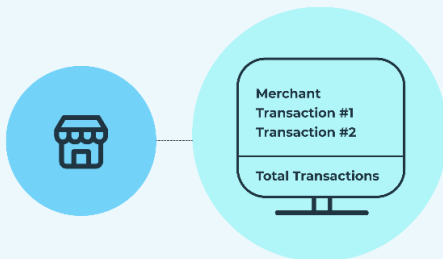
Merchant sends the goods to consumers successfully.

Having received payment by the consumers successfully, the merchants will ship the goods to consumers.

HOW MERCHANTS ACCEPT PAYMENTS WITH RATE3



01 Merchant have to integrate Rate3 payment SDKs to accept card and crypto payments via decentralized immutable ledger at ~4000 tps with mct of 3-5 seconds



02 Rate3 merchant dashboard allows Merchants to view and download comprehensive reports, configure settlement currencies and deposit accounts



03 Captured payments will be deposited according to configured settlement currency and bank account in batches.

STEP 1:

Merchant integrate the Rate3 Merchant SDK to accept both card and crypto payments, through Rate3 API.

This allows them to accept up to 4,000 transactions per second (tps) with a median confirmation time of 2 - 5 seconds on a decentralized immutable ledger. Merchants do the front-end integration through a Javascript SDK and back-end integration through a Server SDK, with a RESTful API.

STEP 2:

Rate3 merchant dashboard allows merchants to view and download comprehensive reports, configure settlement currencies and deposit accounts.

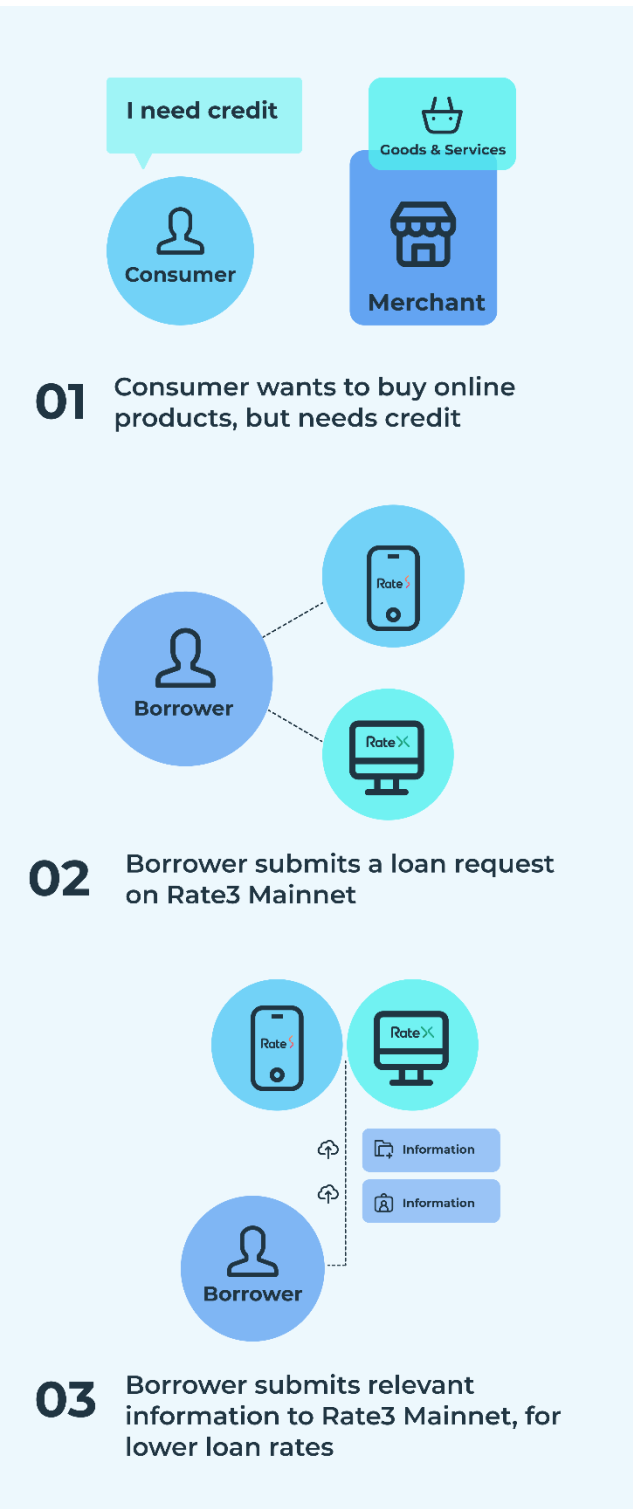
Merchant will be able to accept multiple supported currencies and receive assets in their preferred settlement currency. This is powered by multi-asset feature in Stellar with native distributed decentralized exchange. Payment history can be retrieved from the blockchain. Likewise, refunds can be triggered as another cross asset payment instantly.

STEP 3:

Captured payments will be deposited according to merchant's configured settlement currency and sent to their fiat bank account in batches.

Deposits to merchant's appointed bank accounts are reconciled daily.

2.2 ALTERNATIVE CREDIT & TRUST SCORING



STEP 1:

Borrower wants to acquire a credit loan.

Borrowers could either be consumers who want to obtain a fast product financing loan, or merchants who want to solve the cash flow gap often faced in the industry. Merchant loans could be either cash advances, small business loans, working capital loans.

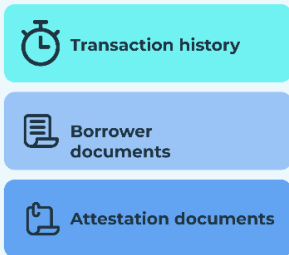
STEP 2:

Borrower submits a loan request on Rate3 Mainnet.

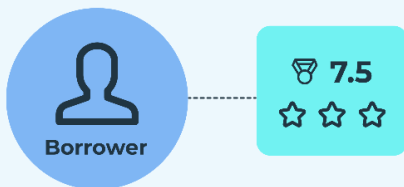
STEP3:

Borrower submits relevant information to Rate3 Mainnet, in return for lower loan repayments.

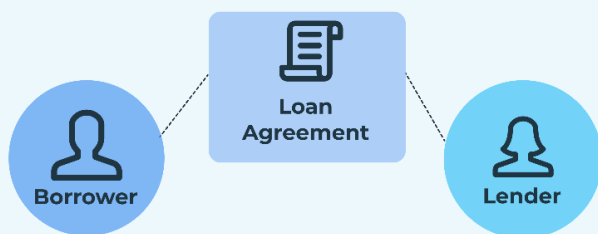
Rate3 CSP uses a tiered system of the borrower's Proof of Transactions, Proof of Identity and other attestation documents.



04 Borrower's Proof of Transaction, Proof of Identity and other attestation documents are assessed



05 Credit Scoring Protocol issues borrower a score for traditional liquidity providers



06 Borrower enters into a smart contract loan agreement with lender

STEP 4:

Borrower's Proof of Transactions, Proof of Identity and other attestation documents on the Rate3 Mainnet are assessed.

This relates to the different tiers of information submitted by the borrowers. Borrowers are incentivized to submit more relevant and better-quality information.

STEP 5:

Credit Scoring Protocol issues the borrower a score that is easily understandable and actionable for traditional liquidity providers.

The score provides a bridge for traditional liquidity providers to gain access to a wider pool of borrowers. These borrowers would have otherwise not been able to gain proper access to credit.

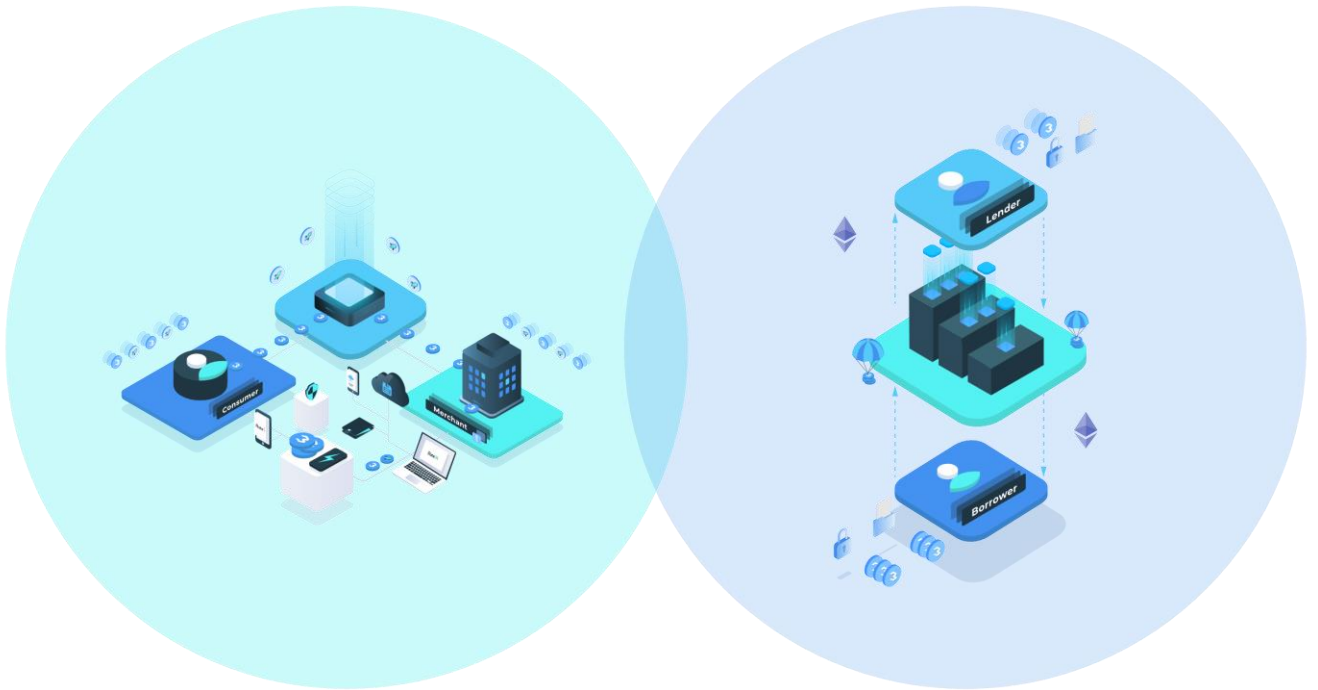
STEP 6:

No Intermediaries between borrowers and lenders through the use of smart contracts

Both borrowers and lenders eliminate the need of any 3rd parties to deal with each other. They can simply interact through their wallets using the platform as the monitoring intermediary.

RATE3 DUAL PROTOCOL

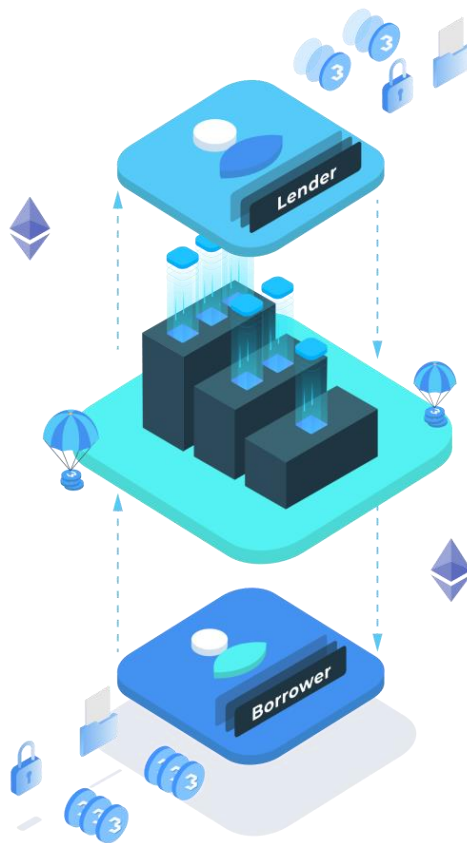
4 RATE3 DUAL-PROTOCOL



Rate3 is a decentralized dual protocol for cross-border payment and credit scoring.

The primary challenge facing any protocol is adoption. This challenge is similar to one that many marketplaces face early on: a marketplace is said to have “network effects” if it grows in value over time, but there remains the question of how the early users of the network will be enlisted: the “*adoption problem*”. Our solution is to introduce a killer solution, one that provides an inherent utility to users of the platform, even in the absence of the strong network effects early in the life of the platform.

The initial adoption solution is the Rate3 Cross-Border Payment Protocol (CPP), with the Credit Scoring Protocol (CSP) as the subsequent growth solution.



The Engineering Design for Rate3 Dual Protocol

The Rate3 Dual Protocol follows the best engineering practices to ensure they are interoperable, cost efficient, seamless and trustless:

- **Generic** - The Rate3 Dual Protocol is designed to be useful and reusable in order to be interpolated for further sharing economy and marketplace dApps such as insurance, supply chain, offline payments
- **Cost Efficient** - Protocols are given the option to utilize cheaper alternatives for expensive on-chain transactions, by offloading heavy and complex computations to traditional cloud-based solutions. This introduces centralization and is a reasonable stopgap solution while looking for a long term scalable blockchain solution.
- **Seamless** – The Rate3 Dual Protocol is designed with a key focus of being seamless, user-friendly, whilst providing an easy layer for other dApp developers to built on top of the protocol layer
- **Trustless** - Transactions sent are immutable, and there is no single trust required from any single actor in the system. The transactions live on the Stellar Blockchain, and anyone can access them

4.1 RATE3 CROSS-BORDER PAYMENT PROTOCOL

The **Rate3 Cross-Border Payment Protocol (CSP)** is the core pillar that enables both consumers and merchants to enjoy zero transaction fees and mid-market exchange rates. The protocol provides a compelling, unique value proposition to buyers and sellers alike, while seeding the entire network with valuable transaction data. The seeded transaction data will, in turn, help to fuel the Credit Scoring Protocol (CSP).

Using a decentralized ledger helps to ensure integrity over every transaction. More importantly, it provides the mechanism for consumers to make cross-border payments to merchants with no transaction fees, perfect mid-market exchange rates and more importantly, enjoy instant cashback in the form of RTE tokens upon each successful transaction.

Likewise, for merchants, they do not have to pay any fee to any intermediary payment processor, the card network and their acquiring bank, greatly reducing their entire cost structure.



4.1.1 BENEFITS FOR BUYERS

NO TRANSACTION FEES

The CPP simply charges 0% transaction fees to both consumers and merchants, due to smart contracts automating transactions that bypass commission-based platforms, financial institutions, and currency denominations. As the RTE token is used as a medium of exchange for all transactions, this ensures that there are no intermediaries in the process to take a cut of the transaction, leaving all savings passed back to the consumers and merchants.

MID-MARKET RATE

The amount needed to pay is converted to the selected Stellar-based token from traditional currency in real-time. Money arrives in the merchant's smart contract wallet almost instantaneously. The amount of Stellar-based currency received is exchanged to a merchant's preferred fiat currency according to the merchant's preference of crypto exchange API. Through Stellar's network of anchors, the RTE received can be easily converted to the merchant's preferred fiat or crypto-currency through pathfinding algorithms and network. At the same time, when merchants use the Rate merchant interface, they have the option to choose the frequency at which crypto tokens are converted to fiat, the local currency to exchange to, time of sending money to their bank account, and many other options.

Since cross-asset payments are so simple with Rate3, users can keep their money in whatever asset they prefer to hold. This is how the Rate3 Network creates a very flexible and open system.

INSTANT CASHBACK

As a consumer making cross-border payments with Rate3 Network, they will automatically be rewarded with a 3% instant cashback in the form of RTE tokens for every successful transaction. This instant cashback mechanism is automatically triggered upon a successful transaction, through a smart contract.

Consumers can access their RTE token balance directly from their RateX or RateS wallet. With these RTE tokens, they can spend it on other goods by sending these RTE tokens directly to supported merchants. Alternatively, they can simply convert it to other fiat currencies through the Mainnet.

Combining perfect mid-market exchange rates and instant cashback could potentially bring the savings on a single transaction to 15-20% for consumers. Given the decentralized and trustless nature of these transactions, there are no additional intermediaries to assert control and draw a fee from the transactions.

More importantly, the CPP does not benefit the consumer alone. The token has to incentivize other participants as well and this includes the merchants too.

4.1.2 BENEFITS FOR MERCHANTS

NO PROCESSING FEES

The CPP helps to power a payment infrastructure which is decentralised, interoperable, fungible and secure. More importantly, the CPP allows for cross-asset transfers to be completed directly from consumer to merchant, without any intermediaries like payment processors, merchant acquiring banks and card networks. By cutting away these additional intermediaries who draw fees upon every transaction, the Payment Protocol helps merchants to achieve no processing fees, unlike the traditional 3 - 5% fee.

Instead, there is only a small 0.5% gas fee, and this fee will be contributed to the Rate3 Redistribution Pool. More will be explained in the Rate3 Redistribution Pool.

MID-MARKET EXCHANGE RATES

Payment intermediaries charge extra percentage fee on top of their exchange when merchants want to accept foreign currencies and settle payments in their preferred currency. The CPP does not charge fees for converting captured payments to settlement currency, as it is powered by Stellar's native distributed decentralized exchange.

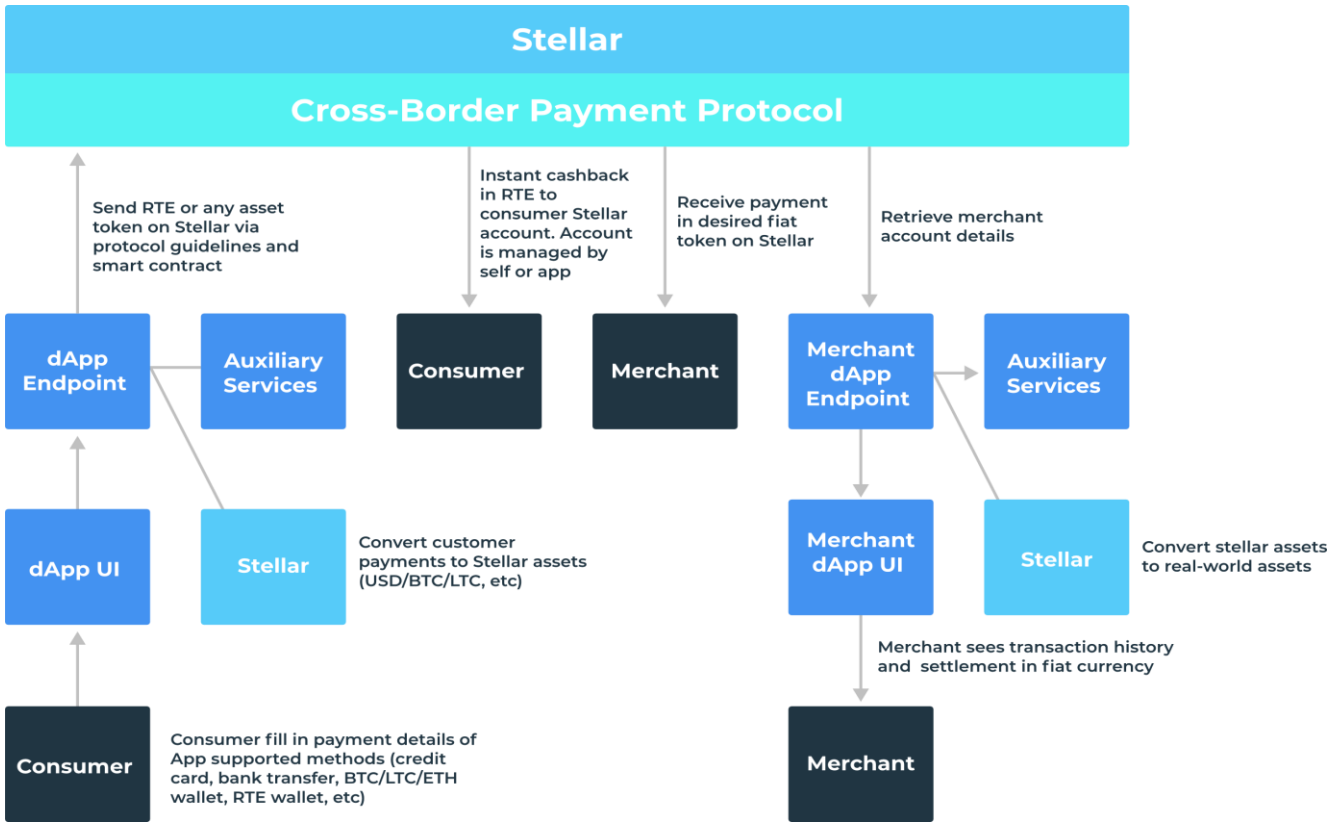
NO CHARGEBACK RISKS

In a traditional credit card transaction, merchants pull sensitive data from a customer's card to complete a sale. During that transfer, consumers are at risk of having personal data hacked, stolen and used by fraudsters. However, the blockchain structure behind bitcoins is virtually immune to hacking risks, merchants never have to worry that payments are fraudulent.

This protection extends even after a blockchain transaction. When a customer files a credit card chargeback, the card issuer immediately refunds the purchaser's money while the chargeback is reviewed (rarely ending in a favorable ruling for the merchant). But making a purchase with bitcoins virtually eliminates chargeback risks for merchants. There are no dispute procedures and no third party with which a consumer can file complaints.

When a purchase is made through a credit card and then is chargeback not only does the money from the transaction get taken from the merchant and given back to the customer, merchants also get costly chargeback fees. All blockchain transactions are protected by the bitcoin network which mean merchants can accept payments without worrying about the threat of fraud or chargebacks.

4.3 TECHNICAL ARCHITECTURE FOR CPP



The CPP will be implemented on Rate3 MainNet as Stellar Smart Contracts (SSC) on the Stellar blockchain. As such, consumers and merchants are required to have Stellar accounts. They must also be able to sign Stellar transactions directly or indirectly (managed by dApp).

Stellar contracts works different from Ethereum - they have to be chained, signed and submitted as a network transaction instead of the smart contract code being deployed on-chain. Once the transaction is filled out, all the needed signatures must be collected and added to the transaction envelope. Thereafter, the transaction can be submitted and applied to the ledger via Stellar Consensus Protocol.

CONSUMERS: SENDING CROSS-BORDER PAYMENTS

Real world assets such as dollars, euros, bitcoin, stocks, gold, or even physical goods like bananas can be tokenized on the Stellar network. The Stellar distributed network can then be used to track, hold and transfer these Stellar asset tokens (henceforth referred as assets for brevity).

As such, the Rate3 MainNet will theoretically be able to support consumer payment in any desired assets as long as they are tokenized on the Stellar network.

1. Issuer: Tokenize any assets they wish to support but not found in the network. (Issuer)

For example, if a dApp would like to support payments in “The Best Dollar”, they will have to issue TBD assets on the Stellar network . A more interesting example would be if a dApp would like support payments using their ERC-20 utility token “DCoin”. It will have to take on the role of an anchor in Stellar network and issue DCoin Stellar tokens. (Note: the dApp would have to implement atomic-swap between Stellar and Ethereum Dcoin tokens)

2. Anchor: Perform capture of non-Stellar assets and issue credits into the network

dApps may use auxillary services to capture and liquidate assets from consumers. In the case where a consumer is paying USD with their credit cards, dApps would have to process the credit card using a card processor. Once the payment is captured, USD asset should be issued to consumer's Stellar account. dApps do not have to be confined to fiat currencies – crypto-assets can be accepted as payments which have to be then converted or issued on the Stellar network. dApps may also choose to liquidate the crypto-assets at an exchange for USD and credit USD to consumers' accounts.

Asset conversions in Rate3 MainNet are powered by Stellar's native decentralized distributed exchange, which contains offers and orderbooks. When the need arises to do complicated asset conversion, pathfinding involves looking at current orderbooks and finding which series of conversions gives you the best rate. These paths of asset conversion can contain up to 6 hops, but the whole payment is atomic—it will either succeed or fail. The payment sender will never be left holding an unwanted asset.

RTE will be used as a medium-of-exchange for all payments and hence the pathfinding must include RTE i.e. USD -> RTE -> SGD or SGD -> RTE -> SGD or USD -> ... -> RTE -> ... -> SGD. There can only be a maximum of 6 hops.

In Stellar, asset transactions, including pathfinding, are considered network operations. A contract transaction is made up of multiple network operations. A transaction median confirmation time in Stellar is 3-5 seconds. This means that on Rate3 MainNet, the entire process of issuing new assets to consumer account, pathfinding and asset arriving at destination account is confirmed within 3-5 seconds.

INSTANT CASHBACK

Cashback will be credited to consumers' accounts instantly from Rate3 MainNet Redistribution pool account. The cashback will be in the form of RTE tokens. This will be reflected as one of the operations in the payment contract transaction aforementioned. More details on how instant cashback forms one part of the incentive mechanism can be found in the token economics section, detailed behind.

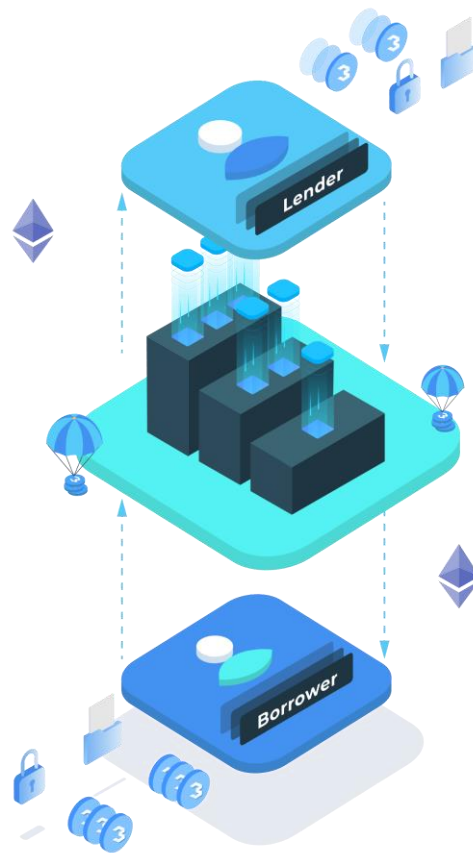
MERCHANTS: RECEIVING CROSS-BORDER PAYMENTS

Merchants will receive instant payment in desired settlement currency. 0.5% gas fee will be deducted from settled payment amount and currency and converted to RTE via pathfinding to be deposited to the redistribution pool account. Again, these are dictated in the single payment contract transaction.

VIEWING PAST TRANSACTIONS

Retrieving past transactions data on Rate3 MainNet will be reading immutable transaction data from the distributed ledger. The ledger data will be additionally processed and formatted accordingly in Rate3 context.

4.2 RATE3 CREDIT SCORE PROTOCOL



The Rate3 CPP solves initial adoption problem, but the Credit Score Protocol (CSP) is the subsequent growth solution to grow the ecosystem further. The Rate3 Network addresses the existing limitations in lending by moving credit scoring and risk assessment to the blockchain. Rate3 Network is a standardized, programmable ecosystem to facilitate on-demand, secure, and global access to credit services. Rate3 helps increase competition to lower fees and improve both the borrower and lender experience at every layer of the credit issuance process.

We present solutions to

(1) Cross-border credit scoring: Allows for credit scoring to move across borders. They are previously tied onto their countries, and are forced to rebuild and re-establish their credit score from scratch whenever they relocate

(2) Current uncompetitive ecosystem for credit scoring: Credit data is centralized. In most markets, a single provider scores credit, resulting in an uncompetitive ecosystem for evaluating credit risk.

The CSP is a dynamic indicator of an individual's likelihood to pay debts that adapts to the maturity of a user's credit history (or lack thereof). By splitting a user's credit scoring mechanism into multiple funnels that take into account different data points with varying weights, the Rate3 credit score produces a score that is conducive to building credit from the ground up while helping creditors differentiate the credit risk of consumers in markets and communities with sparse data.

The foundation of a decentralized credit system is a securely established and verified identity. In order to prevent against common network attacks (such as Sybil attacks), each participant's identity must be adequately established with a high cost of attempting to create new, false identities that appear authentic.

4.2.1 PROOF OF TRANSACTIONS, IDENTITY & ATTESTATION

Credit scoring and risk assessment is complicated. The Rate3 CSP provides a open-source solution to achieve this, through a thorough assessment of a potential borrower's Proof-of-Transactions, Proof-of-Identity and Proof-of-Attestation on the Rate3 Mainnet.

For consumer loans:

Proof-of-Transaction	Proof-of-Identity	Proof-of-Attestation
Past Transaction History on Rate3 Network	Government Photo ID	Lease agreements, pay stubs
Past loan and repayment history	Cable, water, waste management, local utility bills	Mobile payment transactions, homeowner or renter insurance

For merchant loans:

Proof-of-Transaction	Proof-of-Identity	Proof-of-Attestation
Past Transaction History on Rate3 Network	Incorporation documents	Financial History, Revenue Statements
Past loan and repayment history	Business licenses, permits & approvals	Personal & Business Tax Returns

4.2.1 BENEFITS FOR BORROWERS

ALIGNED INCENTIVES

Borrowers are incentivized to submit relevant information, in return for a discount on their loan repayments. In traditional centralized credit marketplaces, borrowers often have to subscribe to the guidelines dictated by that marketplace. However, it might not be suitable for different borrowers. Having a tiered system of information submission helps to align the borrower's incentives.

ACCESS TO CREDIT

Many participants – including both consumers and smaller merchants – are often excluded from the current credit system. The CSP uses an alternative scoring mechanism to gauge and assess potential borrowers, who would otherwise not have access to credit for products or sustain their business.

FULL CONTROL & TRANSPARENCY

Borrowers have full control over the kind of information they want to upload, so long as they deem it relevant and appropriate.

4.2.2 BENEFITS FOR LENDERS

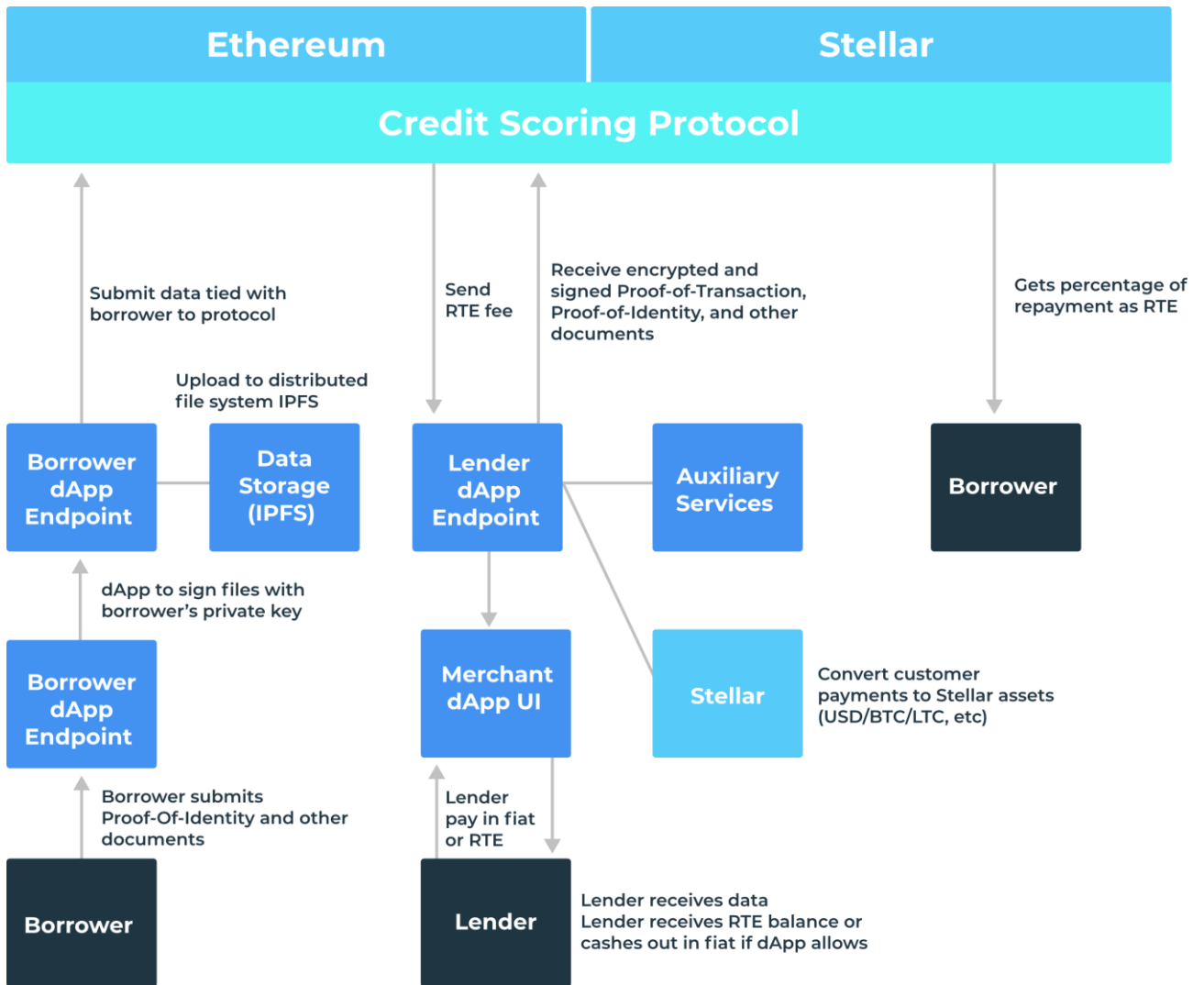
ACCESS TO A NEW GLOBAL POOL OF BORROWERS

The Rate3 Network is designed to be transnational, borderless, immutable and transparent with Stellar and Ethereum as its core. Given the global nature, traditional capital providers and financial institutions will have access to new borrowers, all of whom they are unable to access previously.

BETTER PERFORMING LOANS

Borrowers have an added incentive to upload more relevant documents, given the discount they will get back on repayments. In turn, this helps to add more certainty to borrower documents and loan requests, creating better performing loans.

4.2.1 TECHNICAL ARCHITECTURE FOR CSP



CSP will be implemented on Rate3 MainNet as smart contracts deployed on the Ethereum blockchain. As such, borrowers and lenders are required to have Ethereum accounts. They must also be able to sign Ethereum transactions directly or indirectly (managed by dApp). Once transactions are signed and submitted, they will be validated via Ethereum Proof-of-Work consensus mechanism.

BORROWER: SUBMISSION OF PROOFS

A borrower will need to upload documents to Rate3 Mainnet in order to establish their Proof-of-Identity and Proof-of-Attestation. These files should be digitally signed by borrower private key to ensure non-repudiation and integrity of the documents. Should there be concerns of privacy, the documents can also be encrypted with agreed lender's public key so that only the lender is able to decrypt and view the documents. The borrower should then host the documents on IPFS and pass the file hash link and lender public key to Rate3 MainNet.

DISCOUNT ON LOAN REPAYMENTS

The discount on loan repayments will be issued to borrower in the form of RTE tokens. More details on how loan repayment discounts form a critical part of the incentive mechanism can be found in the subsequent token economics section.

LENDER: ACCESS TO PROOFS

Lenders will pay fees – in the form of RTE tokens - to Rate3 MainNet and receive the following signed and encrypted data:

- Borrower's Proof-of-Transaction
- Borrower's Proof-of-Identity
- Borrower's Proof-of-Attestation

The background of the page is a dark, muted blue-grey color. In the lower right quadrant, there are several stacks of coins, likely gold or silver, which are heavily blurred to create a bokeh effect. The coins are stacked in varying heights, with some appearing as distinct rings and others as soft, glowing halos. The overall aesthetic is clean, modern, and professional, suggesting a focus on finance and technology.

TOKENOMICS

5.1 WHY TOKENIZE?

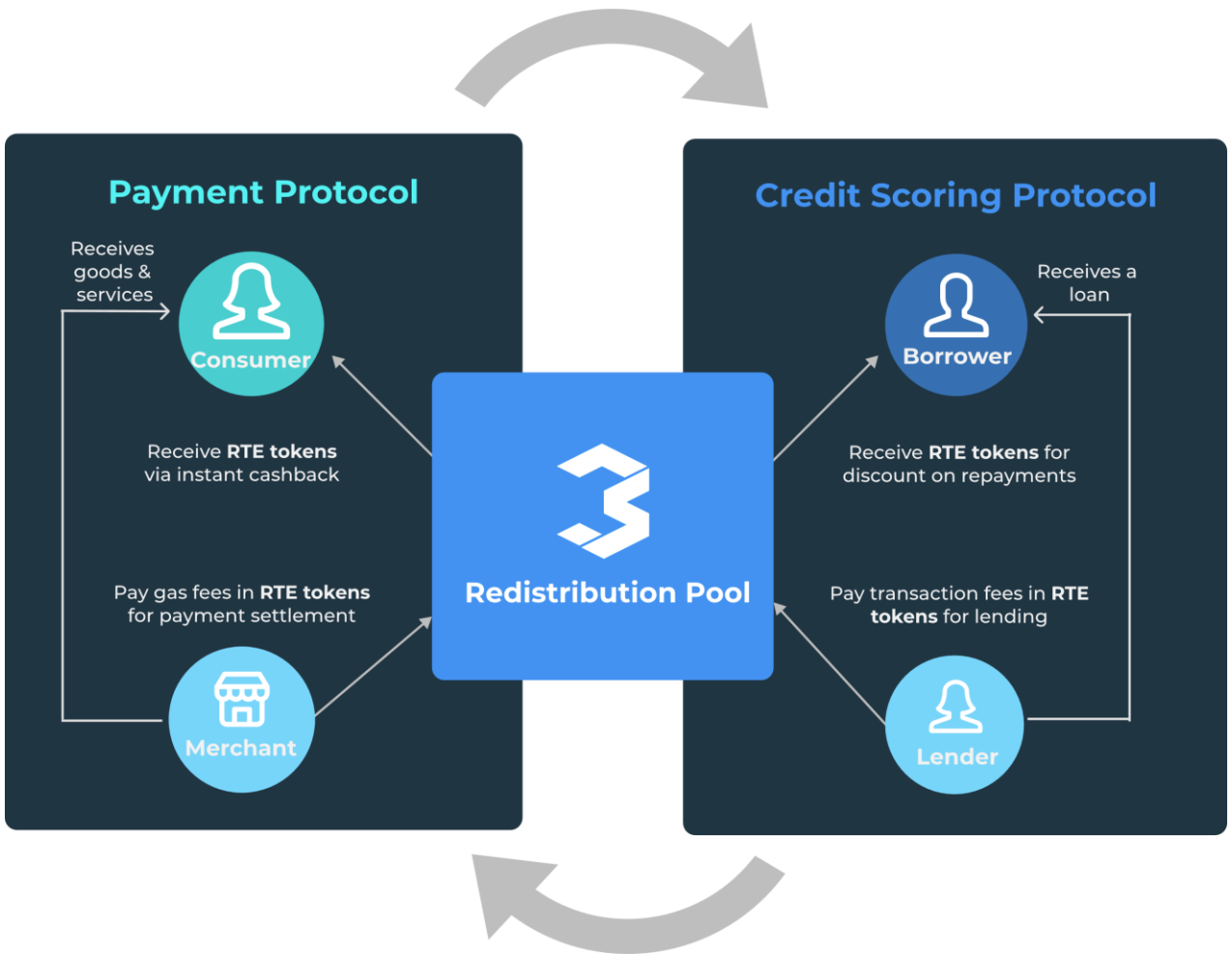
A well-designed token network carefully manages the distribution of tokens and incentives across all groups of network participants (buyers, sellers, borrowers, lenders and other financial institutions).

A native RTE Token that interacts with the Rate platform allows the network to have aligned goals and incentives, prepares a platform to be agnostic to a singular cryptocurrency or digital token, and allows better management of the side chain.

The native RTE token is not simply a medium of exchange in this ecosystem, but a store of value that aligns the incentives of all participants.

The RTE token is used not only as a means of exchange or payment on the Rate3 network but also as a means to account for, judge, verify and incentivize ecosystem participation. The RTE token is the native fuel that facilitates interactions on the Rate3 network.

5.2 RATE3 REDISTRIBUTION POOL



UTILITY FUNCTION 1: INSTANT 3% CASHBACK FOR CONSUMERS UPON EACH SUCCESSFUL TRANSACTION

CPP: As captured in the smart contracts, consumers will receive an instant cashback of 3%, in the form of RTE tokens when they complete a successful purchase. It is instant because there is no need for the merchant's acquiring banks and the consumer's issuing banks to finish settlements on both ends. Likewise, the % on cashback can be adjusted to incentivize consumers more. For instance, if merchants want to reward consumers more, they can do so as well.

UTILITY FUNCTION 2: PAYMENT OF NETWORK FEES BY MERCHANTS

CPP: merchants only pay a minimal network fee in the form of RTE tokens, upon a successful transaction. This network fee is immediately paid to the Redistribution pool after every successful transaction.

UTILITY FUNCTION 3: DISCOUNT ON REPAYMENT INTEREST RATE FOR BORROWERS

CSP: Borrowers receive a discount on loan repayments in the form of RTE tokens if they submit more relevant information. This discount is instantly activated in the term repayments as written in the Ethereum smart contracts.

UTILITY FUNCTION 4: PAYMENT TO ACCESS

CSP: Lenders pay fees in the form of RTE tokens to access borrower's credit score, Proof-of-Transactions, Proof-of-Identity and other attestation documents.

5.3 ALIGNING OF INCENTIVES FOR ALL PARTICIPANTS

With the use of a single token, RTE aligns the incentives for all groups of participants:

FOR CONSUMERS:

- Consumers save up to 20% through our CPP: zero transaction fees, perfect mid-market exchange rates and cashback
- Enjoy instant cashback because it is written into smart contracts, as compared to the current 30 - 60 days wait for cashback settlements to reach bank accounts
- Benefit from absolute transparency since every transactions are recorded on an immutable ledger

FOR MERCHANTS:

- Pay network fees, in RTE tokens to accept transactions
- Save up to 10% fees on processing transactions, as compared to current payment processors
- Benefit from reduced chargeback risks and frauds

FOR BORROWERS:

- Incentivized to submit more information to enjoy a greater discount on repayment interest rates

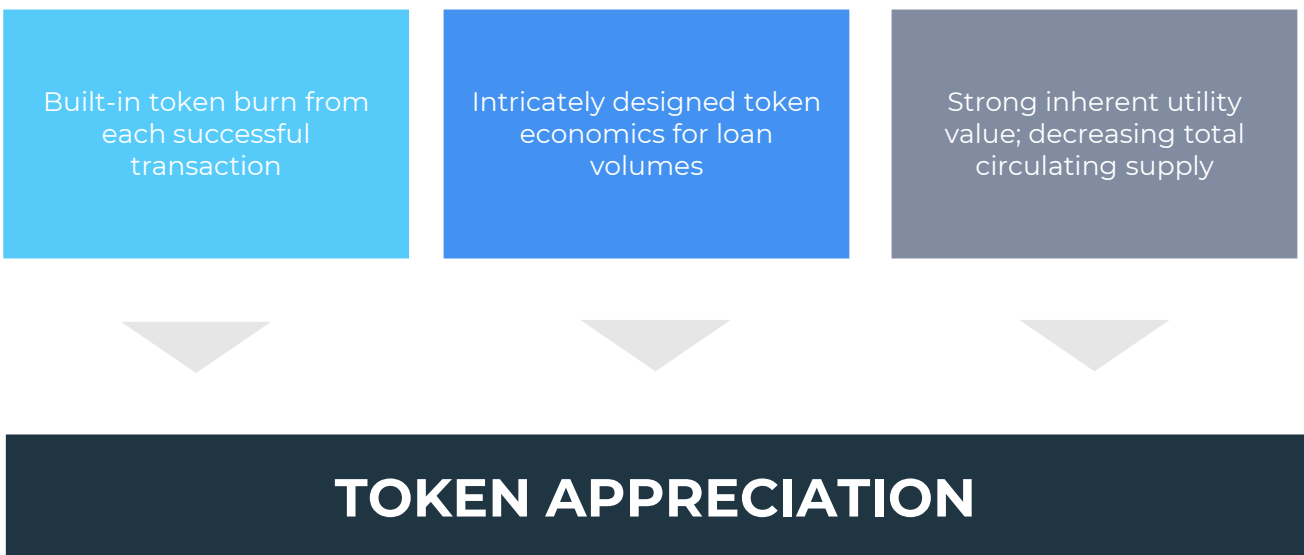
FOR LENDERS:

- Pay fees in RTE tokens, to access borrowers' credit score and borrowers' Proof-of-Transactions, Proof-of-Identity and additional relevant attestation documents

5.3 RISE IN TOKEN VALUE AND APPRECIATION

As the number of participants (consumers, merchants, borrowers, lenders) increase, the transaction volume and loan volume increases as well. Given the delay between lenders paying fees in RTE tokens and borrowers receiving a discount in their delayed repayments, this increases the amount of RTE tokens in the Redistribution Pool. The number of RTE tokens in circulation (not staked in the Redistribution Pool) goes down with user adoption and increased volume, thereby decreasing total circulating supply.

- 1. Increase in Transaction Volume:** a % of transactions will be allocated back to the redistribution pool and taken out of total circulating supply
- 2. Increase in Loan Volume:** there is a delay between lenders paying RTE tokens and borrowers receiving a discount in RTE tokens on the discount rate. When there is a higher loan volume, the more tokens get taken out of the total circulating supply.



6 NETWORK RISKS

6.1 SYBIL ATTACKS

In the context of a lending protocol, a Sybil attack involves generating a large number of fraudulent identities, taking on multiple unsecured debts at a time, and defaulting on all at once with little consequence. Largely, defending against Sybil attacks falls within the purview of an underwriter's responsibilities -- if an underwriter's identification and KYC procedures are not robust enough to detect Sybil behavior, the empirical performance of debts they've attested to will reflect it. However, Sybil attackers could ostensibly solicit debt orders from several underwriters at a time, meaning that data sharing amongst underwriters operating in similar debt verticals would likely become a pertinent need.

To reiterate - the Lender must do their own due diligence on top of utilizing our credit score protocol, to make sure that they know who they are lending to enough.

6.2 DISTRIBUTED DENIAL OF SERVICE

A network service can be disrupted if there is a coordinated flood of network operations from multiple sources intended to overwhelm the network. This is known as distributed denial of service (DDoS). Disruption of time-sensitive service such as payments will be detrimental to network participants' confidence and satisfaction, which is critical for a payment network to thrive. Cross-Border Payment Protocol mitigates this risk by having RDP costs to deter any DDoS attempt. In the event a DDoS is in process, although some users will be affected.

Credit Score Protocol is powered by Ethereum and the gas fees acts as the deterrence for planned DDoS. Given that Stellar and Ethereum are decentralized networks, a DDoS attack on Rate3 would mean a DDoS attack on respective blockchains.

6.3 Fraudulent Underwriters

Underwriters operating in a fraudulent manner can deceive investors into believing that they are originating prime debt from borrowers, when in reality they are in fact acting as borrowers themselves. Conceivably, a fraudulent underwriter could build up an extremely positive on-chain attestation performance by lending to themselves using many assumed public keys, and then execute a large exit scam by deceiving creditors into investing in Debt Orders they've attested to in which they are the actual borrower and defaulting entirely on those debts.

Solution: None. This will cause us to be NOT TRUSTLESS. It is for this reason that we emphasize that Rate 3 Credit Score Protocol is not a fully trustless protocol -- borrowing and lending under this scheme is only safe insofar as underwriters are known, trusted entities, and not pseudonymized public keys.

7 FUTURE USE CASES

Rate3 is partnering with BrahmaOS for offline cross-border payments

Rate3 Payment Protocol uses blockchain technologies to ensure the best cross-border rates

Rate3 is designing a stable-coin with a price stabiling mechanism

Rate3 is partnering with insurance companies to provide credit scores for new insurance use cases

WHAT CAN RATE3 DO FOR YOU?

PAYMENT PROTOCOL

CREDIT SCORING PROTOCOL

You want to go overseas and shop offline, at the best rates

You are worried that cross-border taxes and restrictions will get higher in the future

You want to use crypto-currencies for goods & services, but worry that it is too volatile

You are an insurance company that wants to expand insurance products into e-commerce

Eg. Chinese consumer who goes to South Korea for cosmetic surgery and wants to pay in RMB

Eg. U.S consumer who worries about the increasing import taxes of goods into U.S, but love the quality of goods overseas

Eg. Merchant based in Brazil, who wants to purchase supplies from China because it is cheaper

Eg. Mid-tier insurance firm that is unsure of how to assess smaller companies' risks clearly

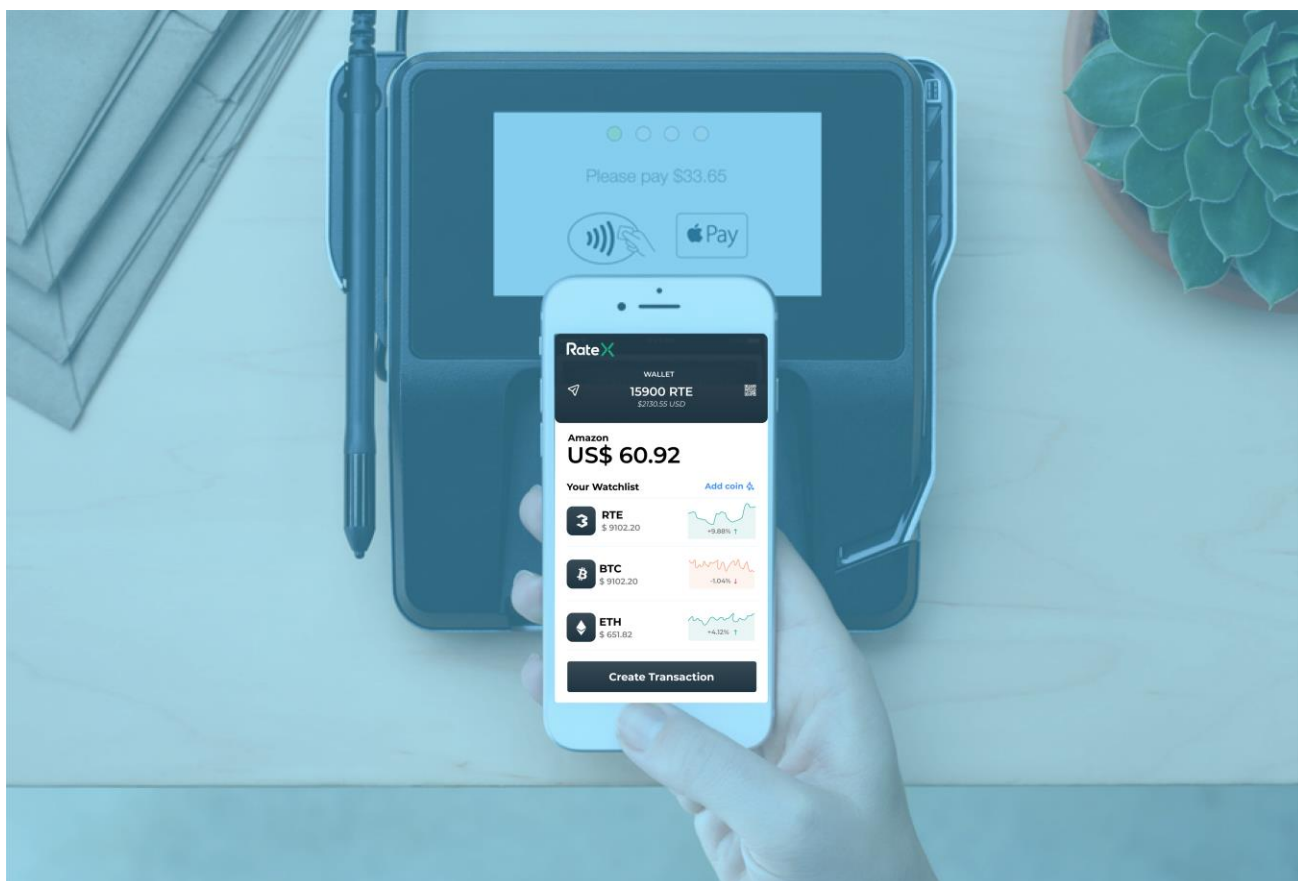
7.1 OFFLINE CROSS-BORDER PAYMENTS

RATE3 X BRAHMAOS: THE FUTURE OF OFFLINE CROSS-BORDER PAYMENTS

This upcoming partnership allows Rate3 users to pay for offline purchases through the Rate3 mobile wallet, with absolutely zero transaction fees and exchange rate mark up. This is similar to how Rate3 helps to facilitate online payments [here](#). An analogous example is that of WeChat Pay and Line Pay being used by Chinese and Thailand tourists, when they shop in other countries.

Imagine this scenario: Tommy is a tourist from Indonesia, who is travelling in Vietnam. For his purchases in Vietnam, he can either pay with Vietnamese dong, his debit/credit card or through Rate3. With his Rate3 mobile wallet at supported merchants, Rate3 will use the Stellar network to convert his Indonesian rupiah in his bank account to Vietnamese dong at the merchant's POS. Transactions are fast, seamless and there is no additional mark-up on the exchange rate between IDR and VND.

Merchants that partner with us will be accepting Rate3 offline payments and benefit from an increased volume of offline tourists. Likewise, for tourists, they benefit from an easier mode of payment (through their mobile phone) and much cheaper exchange rate fees.



7.2 STABLECOIN

One of the problems with using and accepting cryptocurrency for payment of goods and services is that prices of cryptocurrency is volatile. Although price volatility does not matter if the cryptocurrency is used in medium of transfer (like RTE), there should be a cryptocurrency with a stable price to facilitate direct blockchain payments and confidence of stable value to hold for future purchases.

A cryptocurrency with a price stabling mechanism to peg its value with another stable asset like gold or US dollar is known as a stablecoin. Stablecoins allow merchants to accept cryptocurrency as payment without exposure to crypto-market risks. From the consumer point of view, they can also decide the point in time to convert their volatile cryptoassets to stablecoins and hold them for future purchases denominated in fiat.

Consider the following scenario:

- Alice has some Bitcoin and price of Bitcoin increased over 10% in a week
- Alice decided to trade some Bitcoin for a stablecoins.
- Price of Bitcoin crash 20% the following week
- Alice is still able to make the same value of purchase using stablecoins before the price drop for Bitcoin

After reaching certain level of network maturity, Rate3 will issue a stablecoin to scale the network further. RTE will remain as an utility token.

7.3 CROSS-CHAIN PARTNERSHIPS: ZILLIQA

ZILLIQA is a high-throughput public blockchain platform designed to scale to thousands of transactions per second. Zilliqa is linearly scalable as more miners nodes participate, the more transactions the network can process at an almost linear rate.

For most blockchains the rate of return from network decrease the larger the network gets. In Ethereum, a new miner has to receive transactions before being conformed. This means when more miners join the network, each data about a block has to travel a lot more before being part of the blockchain. This makes the network slower just as distribution information to many people is slower than to a small number of people. This is why many solutions to accelerate transaction throughput rely on restricting the number of nodes (e.g. permissioned blockchains)

Zilliqa's linear scalability is made possible by using optimized practical Byzantine Fault Tolerant protocol for consensus and blockchain network sharding. Rate3 will build CSP on Zilliqa to scale beyond Ethereum network in terms of transaction speed and gas fee.

8 CROSS-CHAIN ARCHITECTURE

Initially, all RTE tokens distributed through the token sale exists as ERC-20 tokens on the network. We will be able to leverage on the smart contracts on the Ethereum ecosystem. However, we also want to deploy RTE as a Stellar asset to take advantage of the quick transaction speeds and ease of asset exchanges on the Stellar network.

To be able to take advantage of the different benefits of being on different networks, our RTE token can be on both the Ethereum and Stellar network through cross-chain atomic swaps through a hashed time-lock contract. Users would be able to swap their RTE ERC-20 token on their Ethereum wallet for a Stellar asset RTE token on their Stellar wallet. This swap is done without needing a third party through smart contract.

This means that the total supply of RTE tokens will be spread across both networks. Only one version of the token exist at any given point of time.

By having two versions of RTE tokens on different blockchains, we will be able to utilize the RTE token much more effectively depending on the use case. For more complicated smart contracts that requires the Turing-complete nature of the of Ethereum, the ERC-20 version will be required. For regular transactions and payments, the Stellar version of token is more applicable.

Besides being able to increase the potential utility of the RTE token, by being on multiple networks would mean increased liquidity for RTE, since there are now more ways to obtain RTE tokens. RTE can now be on both Ethereum and Stellar decentralized exchanges, in addition to centralized exchanges.

In the future, we will be able to expand our cross-chain architecture to include other blockchains that support token creation.

9 ROADMAP & ADOPTION

PHASE 1: RTE PAYMENT PROTOCOL

Phase 1 will allow consumers and merchants to send and receive RTE as payment. Merchant has to price its goods and services in RTE and the users have to obtain RTE either through token sale, exchanges, or intermediaries. The goal is to set up protocol infrastructure and integration interfaces required by dApps in the future. Internal prototypes for future phases will also be carried out so that the protocol API design accounts for future integrations. This prevents drastic core design changes in the protocol API and also speed up development in future phases.

RateX will integrate with CPP to accept RTE as payment for its current services. Developers and companies are free to integrate CPP

DEVELOPMENT OUTLINE:

Q2 2018

- Private TestNet
- Early TestNet API
- PoC integration with early prototypes of Rate3 interface platform for CSP and CPP
 - Payment gateway platform
 - Credit score platform
 - Universal Wallet (fiat and crypto-assets) for consumers as an easier means of payment compared to payment forms
- Gather feedback from PoC integrations with strategic partners and community
- Release TestNet to public

Q3 2018

- MainNet
- CPP API with RTE payment only
- Support RTE tokens atomic swaps between Stellar and Ethereum
- Universal Wallet to facilitate token swap

PHASE 2: MULTI-ASSET PAYMENT WITH RTE AS MEDIUM OF EXCHANGE

Once CPP matures in Phase 1, multi-asset payment will be introduced with limited basket of currencies. Implementation of multi-asset payments will start with same currency payments with RTE as medium of transfer e.g USD -> RTE -> USD, followed by another major currency in the network e.g SGD -> RTE -> SGD. Additional currency pairs will be added as network liquidity increases.

RateX will launch payment gateway service powered by CPP.

Q3 2018

- Complete TestNet integration
- Payment gateway platform
 - Merchant dashboard
 - Merchant Server API and SDK
 - Payment form SDK to collect payment from consumers
 - Merchant Server API
 - Payment form SDK to collect payment from consumers
 - Customers' Proof-of-Transaction score

Q4 2018

- Complete MainNet integration
- Launch of payment gateway platform powered by CPP

PHASE 3: CREDIT SCORING PROTOCOL

Phase 3 will deploy a platform where borrowers can submit Proof-of-Identity and other documents and share with lenders. Lenders have to pay RTE to receive borrower's Proof-of-Transaction, Proof-of-Identity and other documents

Q4 2018

- TestNet
- CSP API
- CSP interface platform for borrowers and lenders
 - Borrowers to submit Proof-of-Identity and other documents to protocol and share with lenders
 - Allow lenders to pay RTE to receive borrower's Proof-of-Transaction, Proof-of-Identity and other documents
- MainNet
- CSP API
- Launch of CSP interface platform

PHASE 4: NETWORK STABILITY

Phase 4 is where Rate3 will work on technologies that can help scale adoption rate of the network. Rate3 will expand CPP to offline payments via official dApp on Brahma OS. To further improve throughput and reduce gas of CSP, Rate3 will move CSP to the more scalable Zilliqa blockchain.

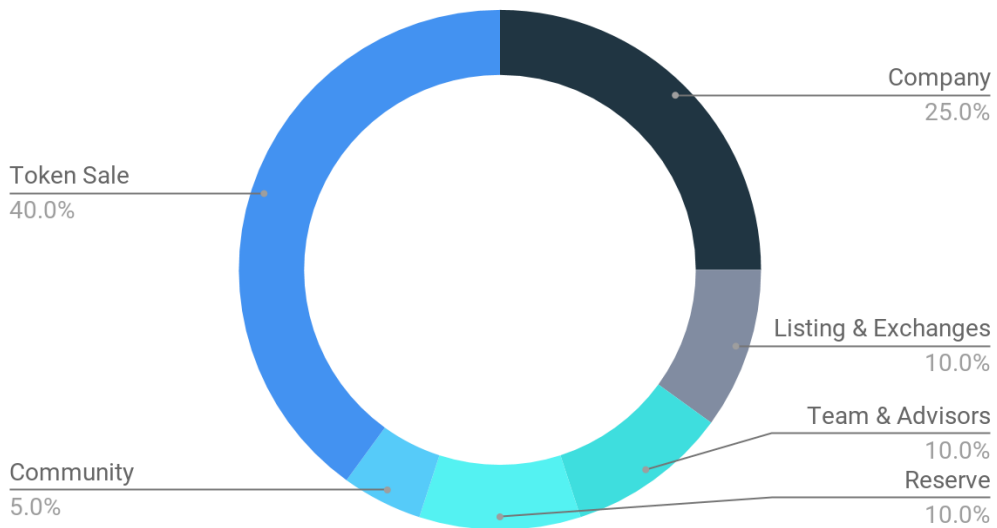
Q2 2019 and beyond

- Roadmap for
 - Offline payments: Brahma OS
 - Blockchain scalability: Zilliqa
 - Payments stability: Stablecoin

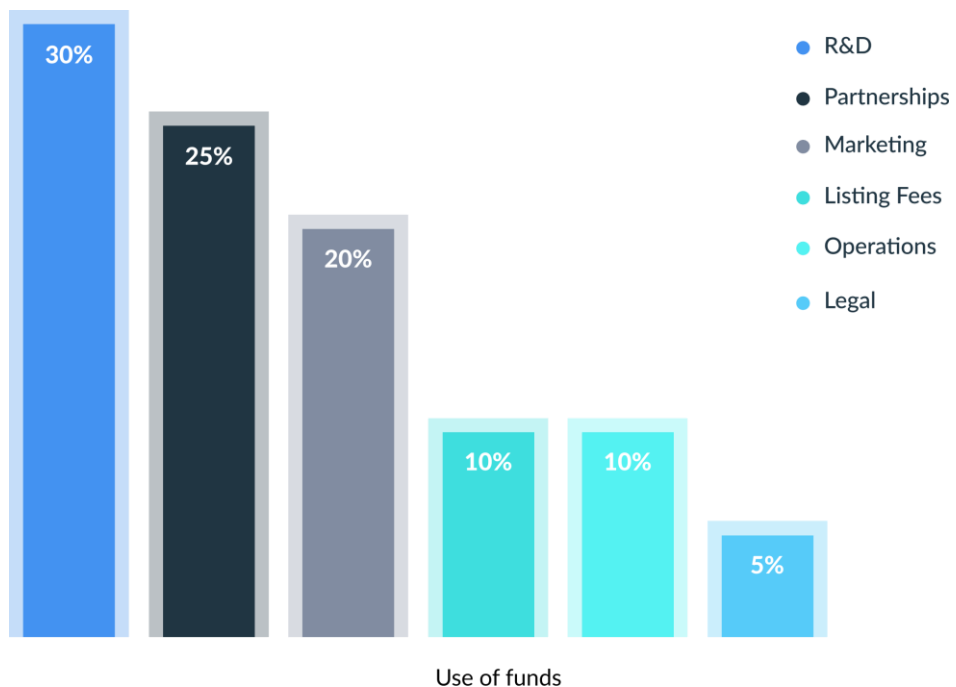
10 TOKEN SALE DETAILS

- Soft cap: **20,000 ETH**
- Hard cap: **25,000 ETH**
- Pre-Sale Start Date: **16 April 2018, 2PM SGT (GMT +8)**
- Pre-Sale End Date: **31 May 2018, 10PM SGT (GMT +8) – or until pre-sale cap is reached, whichever earlier**
- Pre-Sale Cap: **5,000 ETH (or 96,000,000 RTE tokens)**
- Ratio – **1 ETH: 16,000 RTE**
- Min Allocation: **0.5 ETH**
- Max Allocation: **No limit (on a first-come-first-serve basis)**
- Pre-Sale Bonus: **20%**
- Tokens sent immediately to participant's sending address after ETH contribution
- 50% bonus available when pre-sale ends. Remaining 50% bonus locked up for 6 months after token sale ends
- All tokens (including bonus tokens) are by default non-transferrable, until unlocked by Rate3
- Check out the live progress once you are logged into the portal
- Recommended gas price: **1 – 5 Gwei**
- Recommended gas limit: **250,000**
- Rate3 token is ERC-20, so participants' wallet must be ERC-20 compatible
- Token sale lock-up period: **10 – 14 days after token sale ends**
- There is no more crowd-sale after this pre-sale concludes
- Exclusion: **Citizens/Residents of United States of America (USA), People's Republic of China (PRC) and South Korea**

Token Allocation



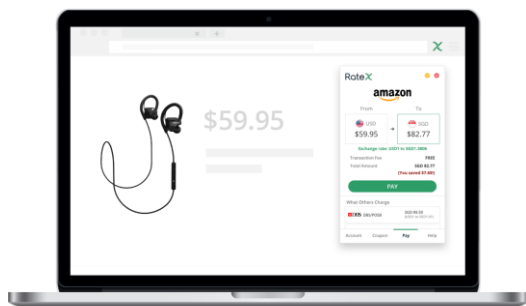
- Bonus lock-up period (all bonus tokens): **50% immediate after sale, 50% distributed 6 months after**
- Lock-up period for team & advisors: **Vesting period over 2 years, released quarterly according to roadmap**
- Lock-up period for Company, Exchanges, Reserve and Community: **All to be locked up. Public announcement of at least 1 month before tokens are released.**



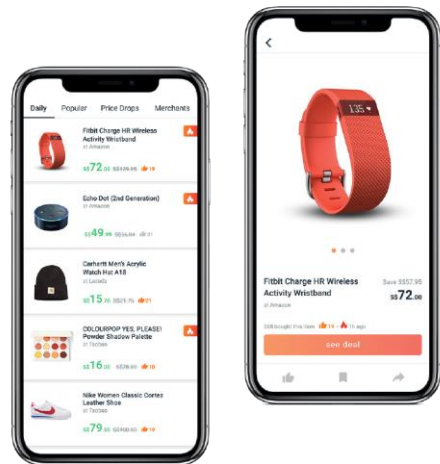
SUPPORTED MERCHANTS



EXISTING PRODUCTS



Rate X



Rate S

We have saved users ~**250,000 USD** to date

11 TEAM



Jake Goh
Co-Founder, CEO



Davis Gay
Co-Founder, CTO



Lim Jing Rong
Co-Founder, CTO



Waihon Chee
Senior Blockchain Lead



Albert Ho
Country Manager



Adarrel Ho
Lead Designer



Eunice Er
UI/UX Designer



Dewi
Software Engineer



Wei Yin
Software Engineer



Wu Di
Software Engineer



Andre Khong
Software Engineer



Daniel Olivan
Marketing Manager



11 ADVISORS & INVESTORS



Fei Ding'an
Warburg Pincus



Yinglan Tan
Insignia Ventures



Aaron Tan
CEO, Carro



Koh Waikit
Pavilion Capital



Quek Siu Rui
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Jeffrey Joe
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Will Ongkowitz
Alpha JWC



Khoo Lay Seng
Khazanah Nasional



Li Jianwei
Zhencheng Investments



Chandra Tjan
Alpha JWC



Reynold Wijaya
Modalku



David Su
Matrix Partners



Loi Luu
KyberNetwork



Shi Yi
Avazu

TERMS & CONDITIONS

TERMS AND CONDITIONS (THESE “TERMS”) OF RATE3 NETWORK TOKEN SALE

IN THESE TERMS, WORDS AND EXPRESSIONS NOT OTHERWISE DEFINED SHALL, WHERE NOT INCONSISTENT WITH THE CONTEXT, HAVE THE MEANINGS RESPECTIVELY ASCRIBED THERETO IN ANNEX 1 TO THESE TERMS.

The following Terms govern the Token Sale between the Token Vendor and you, for your intended purchase of the Tokens from the Token Vendor, during the Sale Period. Each of you and the Token Vendor shall hereinafter be referred to as a “**Party**”, and collectively, you and the Token Vendor shall hereinafter be referred to as the “**Parties**”.

Please read the terms set out herein carefully. The Tokens are not intended to constitute securities of any form, units in a business trust, units in a collective investment scheme or any other form of regulated investment or investment product in any jurisdiction. This document and these Terms do not constitute a prospectus or offer document of any sort and are not intended to constitute an offer of securities of any form, units in a business trust, units in a collective investment scheme or any other form of regulated investment or investment product, or a solicitation for any form of regulated investment or investment product in any jurisdiction. No regulatory authority has examined or approved of these Terms. No such action has been or will be taken by the Token Vendor to obtain such approval under the laws, regulatory requirements or rules of any jurisdiction. The provision of these Terms to you does not imply that the applicable laws, regulatory requirements or rules have been complied with.

Please note that you are not eligible and you are not to purchase any Tokens in the Token Sale if (a) you are located in the People’s Republic of China or if you are a citizen or resident (tax or otherwise) of, or domiciled in, the People’s Republic of China; (b) you are located in the Republic of Korea or if you are a citizen or resident (tax or otherwise) of, or domiciled in, the Republic of Korea; (c) you are located in the United States of America or if you are a citizen, resident (tax or otherwise) or green card holder of, or domiciled in, the United States of America; or (d) such Token Sale is prohibited, restricted or unauthorized in any form or manner whether in full or in part under the laws, regulatory requirements or rules in any jurisdiction applicable to you, at the time of your intended purchase of the Tokens in the Token Sale.

By accepting these Terms and purchasing Tokens, you agree to be legally bound by these Terms (including the Annexes hereto) and you expressly acknowledge and represent that you have carefully reviewed these Terms and fully understand the risks, costs, and benefits of purchasing Tokens.

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). IF YOU DO NOT AGREE TO THESE TERMS, PLEASE DO NOT ACCEPT THESE TERMS OR PURCHASE ANY TOKENS.

The headings in these Terms are included for convenience only and shall not be taken into account in construing these Terms. References to “**Paragraphs**” and “**Annex**” are to be construed as references to the paragraphs of and the annexes to these Terms.

The Parties **HEREBY AGREE** as follows:

1. INTRODUCTION

1.1 Unless otherwise stated herein, these Terms including the Annexes hereto shall govern your purchase of Tokens from the Token Vendor in the Token Sale during the Sale Period.

1.2 The Token Vendor is a private company limited by shares incorporated in the Republic of Singapore with the company registration number 201808808G.

1.3 The Token Sale is conducted only during the Sale Period.

1.4 The proceeds from the Token Sale will be deployed ongoing to support development and growth of the Rate3 Ecosystem, business development, marketing and compliance activities.

1.5 No information contained in or on, and no part of the following:

(a) the finalised, published and adopted version or draft of the Whitepaper, or any other documents uploaded on the Website, the Token Vendor’s Telegram channel which is accessible on <https://t.me/OfficialRate3>, the Token Vendor’s blog which is accessible on <https://medium.com/@officialrate3/> and/or the Token Vendor’s Twitter account (@OfficialRate3) (collectively, the “**Channels**”);

(a) the Channels;

(b) any website or other social media channels directly or indirectly linked to the Whitepaper or the Channels; or

(c) any other information or document,

shall constitute part of these Terms, and no representations, warranties or undertakings are or are intended or purported to be given by the Token Vendor in respect of any information contained in or on, or any part of, the items as stated in Paragraphs 1.5(a) to (d) above.

2. ELIGIBILITY TO PURCHASE TOKENS

Eligibility to participate

2.1 You shall not participate in the Token Sale if there are applicable legal restrictions in your country of residence or domicile. It is your sole responsibility to ensure that your participation in the Token Sale is not prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected in any way by any applicable law, regulation or rule in your country of residence or domicile.

2.2 You are not eligible and you are not to purchase any Tokens in the Token Sale if:

(a) you are located in the People's Republic of China or if you are a citizen or resident (tax or otherwise) of, or domiciled in, the People's Republic of China;

(b) you are located in the Republic of Korea or if you are a citizen or resident (tax or otherwise) of, or domiciled in, the Republic of Korea;

(c) you are located in the United States of America or if you are a citizen, resident (tax or otherwise) or green card holder of, or domiciled in, the United States of America; or

(d) such Token Sale is prohibited, restricted or unauthorized in any form or manner whether in full or in part under the laws, regulatory requirements or rules in any jurisdiction applicable to you, at the time of your intended purchase of the Tokens in the Token Sale,

collectively, the "**Disqualified Persons**".

Whitelisting

2.3 You have been granted access to view these Terms because you have agreed to and accepted the Whitelisting Terms. Your participation in the Token Sale and the purchase of Tokens in the Token Sale is subject to the Whitelisting Terms. Only participants who have been successfully whitelisted by the Token Vendor to its sole and absolute satisfaction for the Token Sale shall be eligible to purchase Tokens in the Token Sale.

3. SALE PERIOD AND TARGET AGGREGATE AMOUNT

3.1 The Token Sale comprises the following tranches (the "**Tranches**" and each, a "**Tranche**"):

Name of Tranche	Start date and time	End date and time
Pre-sale Tranche ("Pre-Sale Tranche")	2:00 pm (GMT +8), on 16 April 2018 (the "Commencement Time")	10:00 pm (GMT +8), on 31 May 2018 (the "Closing Time"), or till Pre-sale Cap is reached.

3.2 The Token Sale is undertaken during the period (the "**Sale Period**"):

(a) commencing on the Commencement Time; and

(a) ending on the Sale Expiry Time.

Please note that Paragraph 3.6 will be applicable to any attempted purchase of Tokens after the Sale Expiry Time. The Pre-Sale Tranche Closure Time and the Sale Expiry Time will be announced by the Token Vendor as soon as practicable thereafter on the Channels or such other channels of communication as may be determined by the Token Vendor.

The Pre-Sale Tranche will be closed by the Token Vendor at the time (the "**Pre-Sale Tranche Closure Time**") that the aggregate payments in ETH for all confirmed purchases of Tokens in the Pre-Sale Tranche are of a value equal to or in excess of 5,000 ETH.

3.3 The Public Sale Tranche will be closed by the Token Vendor at the date and time ("**Sale Expiry Time**") that the aggregate payments in ETH for all confirmed purchases of Tokens in the sale of Tokens by the Token Vendor (comprising all private sales conducted by the Token Vendor, the Pre-Sale Tranche and the Public Sale Tranche) are of a value equal to **25,000 ETH** (the "**Token Sale Target Aggregate Amount**"). The Token Vendor will announce the Sale Expiry Time as soon as practicable after the Sale Expiry Time on the Channels or such other channels of communication as may be determined by the Token Vendor.

3.4 The Token Vendor may, in its sole and absolute discretion, determine that the Sale Expiry Time shall be such time other than as set out in Paragraph 3.4, or that the Pre-Sale Tranche Target Aggregate Amount or the Token Sale Target Aggregate Amount shall be such amounts other than as set out in Paragraphs 3.3 and 3.4 respectively.

3.5 In the event that you attempt to make a purchase of Tokens after the Sale Expiry Time and you have made any transfers of ETH for such attempted purchase of Tokens, you acknowledge and agree that:

(a) provided that your transfer of ETH to the Designated Address as payment for such attempted purchase of Tokens is validated and verified on the Ethereum blockchain as successful and complete and notwithstanding any provision in these Terms, the Token Vendor may, subject to Paragraph 3.6(b) and at its sole and absolute discretion, provide a refund of such transfer in full or in part without interest and net of all administrative and/or third party charges and/or other transaction fees (if any) that may be incurred in connection with such refund, in which case such administrative and/or third party charges and/or other transaction fees (if any) incurred in connection with such refund shall be borne by you;

(b) the Token Vendor shall have no obligations in any form or manner whatsoever to you in respect of such attempted purchase; and

(c) you hereby waive all rights, claims and/or courses of action (present or future) under law (including any tortious claims) or contract against the Token Vendor and the Indemnified Persons in connection with or arising from such attempted purchase, and shall further hold harmless, the Token Vendor and the Indemnified Persons from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by you in connection with or arising from such attempted purchase.

4. ACCEPTED CRYPTOCURRENCIES, PURCHASE CONSIDERATION, MINIMUM PURCHASE AMOUNTS, AND TRANSFER PROCEDURE

Purchases only through the Designated Web Address

4.1 You may only purchase Tokens in the Token Sale through the Designated Web Address and no other website or place. In the event that you purport to purchase Tokens through any website or place other than the Designated Web Address, you acknowledge and agree that:

(a) the Token Vendor shall have no obligation to deliver, and you shall have no right to receive, any Tokens;

(b) the Token Vendor shall have no obligation to provide, and you shall have no right to receive, any refund for any part of the Purchase Consideration transferred by you through such other website or place; and

(c) the Token Vendor shall have no obligations to you in any manner or form in respect of such purported purchase.

Accepted cryptocurrencies for purchase

4.2 The Token Vendor shall accept, as payment for the purchase of Tokens, only ETH. No legal tender, fiat currencies, cryptocurrencies, blockchain assets or tokens other than ETH shall be accepted as payment for purchase of Tokens. Subject to the provisions of these Terms, your purchase of Tokens under these Terms shall be deemed to be a confirmed purchase only upon validation and verification on the Ethereum Blockchain that your transfer of ETH to the Designated Address, as payment for your intended purchase of Tokens, is successful and complete.

Purchase Consideration

4.3 The consideration for the purchase of Tokens (the "**Purchase Consideration**") in the Token Sale shall be as follows:

(a) in the Pre-Sale Tranche, **1 ETH** for **19,200 Tokens**; and

(b) in the Public Tranche, **1 ETH** for **16,000 Tokens**.

Any fractional number of Tokens which you are entitled to receive for a confirmed purchase of Tokens (to the extent not rejected by the Token Vendor in accordance with these Terms), determined based on the amount of ETH for such confirmed purchase at the Purchase Consideration as received at the Designated Address in ETH, shall be rounded down to the nearest 2th decimal place of a Token.

Notwithstanding the foregoing of this Paragraph 4.3, the Token Vendor reserves the right to adjust, in its sole and absolute discretion, the Purchase Consideration at any time during the Sale Period.

Minimum Purchase Amount

4.4 The minimum Purchase Consideration for each purchase of Tokens is **0.5 ETH** (excluding all administrative and/or third party charges and/or other transaction fees (if any) that may be incurred by you in connection with such transfer of ETH) (the "**Minimum Purchase Amount**").

4.5 In the event that you attempt to purchase Tokens of an amount less than the Minimum Purchase Amount, you acknowledge and agree that:

(a) provided that your transfer of ETH to the Designated Address as payment for such attempted purchase of Tokens is validated and verified on the Ethereum blockchain as successful and complete and notwithstanding any provision in these Terms, the Token Vendor may, at its sole and absolute discretion, provide a refund of such transfer in full or in part without interest and net of all administrative and/or third party charges and/or other transaction fees (if any) that may be incurred in connection with such refund, in which case such administrative and/or third party charges and/or other transaction fees (if any) incurred in connection with such refund shall be borne by you;

(b) save for any refund that the Token Vendor may elect to provide under Paragraph 4.5(a), the Token Vendor shall have no obligations in any form or manner whatsoever to you in respect of such attempted purchase; and

(c) save for your right to such refund under Paragraph 4.5(a), you hereby waive all rights, claims and/or courses of action (present or future) under law (including any tortious claims) or contract against the Token Vendor and the Indemnified Persons in connection with or arising from such attempted purchase, and shall further hold harmless, the Token Vendor and the Indemnified Persons from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by you in connection with or arising from such attempted purchase.

4.6 The Purchase Consideration shall be exclusive of all administrative and/or third party charges and/or other transaction fees (if any) that may be incurred in connection with your transfer of the Purchase Consideration for your intended purchase of Tokens. Any such administrative and/or third party charges and/or other transaction fees (if any) incurred in connection with your transfer of the Purchase Consideration for your intended purchase of Tokens shall be borne by you.

4.7 It shall be your sole responsibility to ensure that the amount of transaction fees paid by you to miners in connection with your transfer of ETH, as payment for your intended purchase of Tokens, is sufficient for your transfer to be validated and verified on the Ethereum Blockchain as a successful and complete transfer prior to the Sale Expiry Time.

4.8 Any amount(s) of transaction fees recommended by the Token Vendor through the Channels or any other public or private communication channel is only indicative, and may not be representative or reflective of the actual amount(s) of transaction fees required for your transfer to be validated and verified on the Ethereum Blockchain as a successful and complete transfer prior to the Sale Expiry Time. Accordingly, there is no assurance that any amount(s) of transaction fees recommended by the Token Vendor through the Channels or any other public or private communication channel will be sufficient for your transfer to be validated and verified on the Ethereum Blockchain as a successful and complete transfer prior to the Sale Expiry Time.

Address for directing transfers of Purchase Consideration and holding of accepted Purchase Consideration in escrow until delivery of Tokens

4.9 You shall transfer ETH as Purchase Consideration for your intended purchase of Tokens to the Designated Address as may be provided to you by the Token Vendor within the Transfer Period.

4.10 Any transfer of ETH as Purchase Consideration for your intended purchase of Tokens under Paragraph 4.9 shall be made from the address of the Ethereum Wallet which you have notified to the Token Vendor at the time of your Registration and which is **not** an account or wallet established and maintained with any Centralised Exchange. In the case where you transfer ETH to the Designated Address from the address of an account or wallet established and maintained with any Centralised Exchange, regardless of whether such transfer is validated and verified on the Ethereum Blockchain as successful and complete, you acknowledge and agree that:

(a) the Token Vendor shall not be under any obligation to deliver any Tokens to you;

(b) the Token Vendor shall not have any obligation to provide any refund for any part of such transfers of ETH to the Designated Address to you;

(c) the Token Vendor shall not have any obligation in any form or manner whatsoever to you in respect of such attempted purchase; and

(d) you hereby waive all rights, claims and/or courses of action (present or future) under law (including any tortious claims) or contract against the Token Vendor and the Indemnified Persons in connection with or arising from such attempted purchase, and shall further hold harmless, the Token Vendor and the Indemnified Persons from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by you in connection with or arising from such attempted purchase.

Attempts to double spend and purchases in violation of laws

4.11 In the event that the Token Vendor discovers, at any time after your acceptance of these Terms and prior to the delivery of Tokens in accordance with Paragraph 6, any attempt by you to double spend ETH in the transfer of ETH as Purchase Consideration for your attempted purchase, or that your purchase of Tokens is determined to be in violation of any applicable laws, regulations or rules and you have made any transfers of ETH for such attempted purchase or such attempted purchase is in violation of any applicable laws, regulations or rules, you acknowledge and agree, regardless of whether such transfers of ETH as Purchase Consideration are reflected as validated and verified on the Ethereum Blockchain, that the attempted purchase of Tokens will be regarded as invalid and/or void *ab initio*, and:

(a) the Token Vendor shall have no obligation to provide, and you shall have no right to receive, any refund for any transfers of ETH made by you whether such transfer was made to the Designated Address and validated and verified on the Ethereum Blockchain as successful and complete or otherwise;

(b) the Token Vendor shall not be obliged to deliver any Tokens to you and shall have no obligations in any form or manner whatsoever to you in respect of such attempted purchase; and

(c) you hereby waive all rights, claims and/or courses of action (present or future) under law (including any tortious claims) or contract against the Token Vendor and the Indemnified Persons in connection with or arising from such attempted purchase, and shall further hold harmless, the Token Vendor and the Indemnified Persons from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by you in connection with or arising from such attempted purchase.

IT IS YOUR SOLE RESPONSIBILITY TO ENSURE THAT THERE IS NO ATTEMPT TO DOUBLE SPEND AND THAT YOUR TRANSFER OF ETH AS PURCHASE CONSIDERATION FOR THE PURCHASE OF TOKENS IS NOT IN VIOLATION OF ANY APPLICABLE LAWS, REGULATIONS OR RULES IF YOUR INTENTION IS NOT FOR PARAGRAPH 4.11 TO APPLY TO YOUR PURCHASE OF TOKENS.

5. RESPONSIBILITY TO ESTABLISH AND MAINTAIN CRYPTOCURRENCY WALLET AND ADDRESS

5.1 For purposes of your transfer of ETH as Purchase Consideration and receipt of any refund (where applicable) in the Token Sale, you shall have the sole responsibility to establish, and maintain, in fully operational, secure and valid status, access to an Ethereum Wallet which shall adhere to and support the ERC20 Token Standard and maintain, in your fully secure possession, the credentials for accessing such Ethereum Wallet and the private key of such Ethereum Wallet;

5.2 For purposes of your receipt of Tokens, you shall have the sole responsibility to establish and/or maintain, in fully operational, secure and valid status, access to an Ethereum Wallet as may be provided by you to the Token Vendor and maintain, in your fully secure possession, the credentials for accessing such Ethereum Wallet and the private key of such Ethereum Wallet.

5.3 You shall also provide to the Token Vendor through the Designated Web Address at the time when making transfers of ETH as Purchase Consideration for your purchase of Tokens or such other time as required by the Token Vendor:

(a) for purposes of your receipt of Tokens, the address of the Ethereum Wallet as referred to in Paragraph 5.2; and

(b) for purposes of your receipt of refunds (if any), the address of the Ethereum Wallet as referred to in Paragraph 5.1.

5.4 In the event of any loss, hack or theft of cryptocurrencies from any of the cryptocurrency wallets referred to in Paragraphs 5.1 and 5.2, you acknowledge and confirm that you shall have no right(s), claim(s) or causes of action in any way whatsoever against the Token Vendor.

5.5 Any obligation of the Token Vendor to deliver any Tokens to you or provide you with any refund under these Terms shall be subject to your compliance with the provisions of Paragraphs 5.1 to 5.3. In the event that the Token Vendor is unable to deliver any Tokens to you or provide you with any refund under these Terms due to your Ethereum Wallet not being initialised, valid or operational, the Token Vendor may, at its sole and absolute discretion, hold such Tokens or refund in escrow or do such other acts as it may determine and shall not be obliged to deliver any Tokens to you or provide you with any refund.

6. DELIVERY OF TOKENS AND RIGHTS OF TOKEN HOLDERS

6.1 Subject to the validation and verification on the Ethereum Blockchain of transfers of ETH as Purchase Consideration in respect of confirmed purchases of Tokens from the Token Vendor as successful and complete, the Token Vendor shall on a best endeavours basis deliver the Tokens for such confirmed purchases to such address of the Ethereum Wallet as may be provided by you to the Token Vendor in accordance with Paragraph 5.3(a) on such date(s) as follows:

(a) for Tokens purchased in the Pre-Sale Tranche:

- (i) Tokens representing 91.67% of the number of Tokens purchased by you within 10 – 14 calendar days of the Sale Expiry Date (“**Token Delivery Date**”); and
- (ii) the remainder of the Tokens purchased by you which are not delivered by the Token Delivery Date, on or about the date falling 183 days after the Sale Expiry Date; and

(b) for Tokens purchased in the Public Sale Tranche, by the Token Delivery Date.

Tokens shall be deemed to be received by you upon validation and verification of receipt of Tokens in such Ethereum Wallet as may be provided by you to the Token Vendor in accordance with Paragraph 5.3(a).

6.2 The delivery of Tokens to you in accordance with Paragraph 6.1 shall only be made on satisfaction of all of the following:

- (a) receipt in full of the Purchase Consideration for your purchase of Tokens at the Designated Address in accordance with Paragraph 4;
- (b) the Ethereum Wallet provided to you by the Token Vendor in accordance with Paragraph 5.3(a) being maintained in fully operational, secure and valid status; and
- (c) validation and verification of transfers of ETH as Purchase Consideration on the Ethereum Blockchain as successful and complete.

6.3 In the case where Tokens have been delivered by the Token Vendor in accordance with Paragraph 6.1, but where the Ethereum Wallet provided by you to the Token Vendor in accordance with Paragraph 5.3(a) is an account or wallet established and maintained with any Centralised Exchange, you acknowledge and agree that:

- (a) the Token Vendor shall not have any obligation to ensure your receipt of any Tokens so delivered;
- (b) the Token Vendor shall not have any obligation in any form or manner whatsoever to you in respect of your attempted purchase of Tokens; and
- (c) you hereby waive all rights, claims and/or courses of action (present or future) under law (including any tortious claims) or contract against the Token Vendor and the Indemnified Persons in connection with or arising from such delivery of Tokens, and shall further hold harmless, the Token Vendor and the Indemnified Persons from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by you in connection with or arising from such delivery of Tokens.

6.4 Tokens shall be delivered to and accepted by you on an “as is” basis without warranties of any kind by the Token Vendor. The Token Vendor hereby expressly disclaims all express and implied warranties in relation to Tokens and the delivery thereof.

6.5 Any availability, transferability or tradability of Tokens on any cryptocurrency exchange shall not be construed, interpreted or deemed by you as an indication of the merits of the Token Vendor, the Rate3 Ecosystem, the Whitepaper, the Channels, the Token Sale or the Tokens.

6.6 Save for such right as may be granted by the Token Vendor, in its sole and absolute discretion, to holders of Tokens to use and access certain functions within the Rate3 Ecosystem as described in the Whitepaper (with the terms and conditions, and extent, of any such granted right also being determined by the Token Vendor in its sole and absolute discretion), ownership and holding of Tokens shall carry no other rights, express or implied, in relation to you, the Token Vendor or any other person.

6.7 To the extent that the Token Vendor determines, in its sole discretion, that it is necessary to obtain certain information about you in order to comply with applicable laws or regulations in connection with the purchase of Tokens, you shall provide such information promptly upon such request in such form or manner as the Token Vendor may require, and you acknowledge and accept that the Token Vendor may refuse to sell or withhold delivery of Tokens to you until such requested information has been provided to the satisfaction of the Token Vendor.

7 WITHDRAWALS, CANCELLATIONS, REJECTIONS OF PURCHASES AND ABORTION OF TOKEN SALE

7.1 Upon validation and verification of transfers of ETH as Purchase Consideration for the purchase of Tokens from the Token Vendor on the Ethereum Blockchain as successful and complete, save as provided for under these Terms:

- (a) such transfer shall be deemed to be final; and
- (b) unless otherwise required by the applicable laws, regulations or rules, you shall not be entitled to any withdrawals or cancellations of transfers or purchases, or any refunds.

7.2 The Token Vendor reserves the right, in its sole and absolute discretion, to reject any purchases of Tokens or abort the Token Sale at any time after your acceptance of these Terms and prior to the delivery of Tokens in accordance with Paragraph 6. The Token Vendor further reserves the right, in its sole and absolute discretion, to treat the Token Sale and any purchase of Tokens therein as being invalid, notwithstanding any delivery of Tokens which may have been effected in accordance with Paragraph 6, in the case where there is any change in any applicable law, regulation or rule after such delivery which prohibits, restricts, curtails, hinders, impairs or otherwise adversely affects the Token Sale to any extent.

7.3 The Token Vendor reserves the right, in its sole and absolute discretion, to reject any purchases of Tokens by any participant at any time after your acceptance of these Terms and prior to the delivery of Tokens in accordance with Paragraph 6 in the event that you are not successfully Whitelisted to the Token Vendor's sole and absolute satisfaction.

7.4 In the event of any such rejection of your purchase of Tokens, abortion of the Token Sale or the completed Token Sale being treated as invalid, where you have made any transfer of ETH as Purchase Consideration for such rejected purchase of Tokens or such purchase of Tokens which is the subject of the aborted Token Sale or the completed Token Sale being treated as invalid (as the case may be), you acknowledge and agree that:

(a) provided that your transfer of ETH to the Designated Address as payment for such intended purchase of Tokens is validated and verified on the Ethereum Blockchain as successful and complete and notwithstanding any provision in these Terms, the Token Vendor may, notwithstanding any provision in these Terms, elect in its sole and absolute discretion to provide a refund of such Purchase Consideration in full or in part without interest and net of all administrative and/or third party charges and/or other transaction fees (if any) that may be incurred in connection with such refund, in which case such administrative and/or third party charges and/or other transaction fees (if any) incurred in connection with such refund shall be borne by you;

(b) save for any refund that the Token Vendor may elect to provide under Paragraph 7.4(a), the Token Vendor shall have no obligations in any form or manner whatsoever to you in respect of such intended purchase; and

(c) save for your right to such refund under Paragraph 7.4(a), you hereby waive all rights, claims and/or courses of action (present or future) under law (including any tortious claims) or contract against the Token Vendor and the Indemnified Persons in connection with or arising from such intended purchase, and shall further hold harmless, the Token Vendor and the Indemnified Persons from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by you in connection with or arising from such intended purchase.

8. REFUND OF PURCHASE CONSIDERATION

8.1 You acknowledge, agree, and confirm that there shall be no refund of any transfers of ETH made by you to the Token Vendor in any form or manner unless clearly provided for under these Terms. All risks in relation to any refund of transfers of ETH made pursuant to these Terms shall be borne absolutely by you and none of the Token Vendor or any of the Indemnified Persons shall be liable for any such risks.

8.2 In each case where the Token Vendor elects, in accordance with these Terms, to provide a refund of any transfer of ETH as Purchase Consideration made by you for any intended purchase, the Token Vendor shall transfer such amount of ETH as may be equivalent to the amount refundable to the address of the Ethereum Wallet as may be provided by you to the Token Vendor in accordance with Paragraph 5.3(b).

8.3 Notwithstanding Paragraph 8.2, in the case where the Token Vendor elects, in accordance with these Terms, to provide a refund of any transfers of ETH made by you as Purchase Consideration for any intended purchase, but where the Ethereum Wallet as may be provided by you to the Token Vendor in accordance with Paragraph 5.3(b) is an account or wallet established and maintained with any Centralised Exchange, you acknowledge and agree that:

(a) the Token Vendor shall not have any obligation to ensure your receipt of any such refund;

(b) the Token Vendor shall not have any obligation in any form or manner whatsoever to you in respect of such refund; and

(c) you hereby waive all rights, claims and/or courses of action (present or future) under law (including any tortious claims) or contract against the Token Vendor and the Indemnified Persons in connection with or arising from such refund, and shall further hold harmless, the Token Vendor and the Indemnified Persons from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by you in connection with or arising from such refund.

9 REPRESENTATIONS AND WARRANTIES

9.1 By accepting these terms, you represent and warrant to the Token Vendor as follows:

(a) you acknowledge and agree that the Tokens are not intended to constitute securities of any form, units in a business trust, units in a collective investment scheme or any other form of regulated investment or investment product in any jurisdiction;

(b) you are not a citizen or resident of a country the laws of which prohibit or conflict with the Token Sale or your participation in the Token Sale;

(c) you acknowledge and agree that these Terms do not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities of any form, units in a business trust, units in a collective investment scheme or any other form of regulated investment or investment product in any jurisdiction or a solicitation for any form of investment in any jurisdiction;

(d) you acknowledge and agree that no Token is to be construed, interpreted, classified or treated as enabling, or according any opportunity to, you to participate in or receive profits, income, or other payments or returns arising from or in connection with the Rate3 Ecosystem, the Tokens or the proceeds of the Token Sale, or to receive sums paid out of such profits, income, or other payments or returns;

(e) you acknowledge and agree that no regulatory authority has examined or approved of these Terms, no such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction, and the provision of these Terms to you does not imply that the applicable laws, regulatory requirements or rules have been complied with;

(f) the provision of these Terms, any part thereof or any copy thereof, or acceptance of the same by you, is not prohibited or restricted by the applicable laws, regulations or rules in your jurisdiction, and where any restrictions in relation to possession are applicable, you have observed and complied with all such restrictions at your own expense and without liability to the Token Vendor;

(g) you have read and understood all of these Terms including the Annexes hereto;

(h) any Ethereum Wallet provided by you in accordance with Paragraph 5.3 is fully operational, secure and valid;

(i) you are not a Disqualified Person;

(j) you have full power and capacity to accept these Terms and perform all your obligations hereunder and in the case where you are accepting these Terms on behalf of a corporation:

(i) such corporation is duly incorporated and validly existing under the applicable laws; and

(ii) you are duly authorised to accept these Terms and procure the performance of obligations hereunder;

(k) if you are a natural person, you are of sufficient age and capacity under the applicable laws of the jurisdiction in which you reside and the jurisdiction of which you are a citizen to accept these Terms and perform all your obligations hereunder;

(l) you acknowledge and agree that the Tokens are not to be construed, interpreted, classified or treated as:

(i) any kind of currency other than cryptocurrency;

(ii) debentures, stocks or shares issued by the Token Vendor;

(iii) rights, options or derivatives in respect of such debentures, stocks or shares;

(iv) rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss;

(v) units in a collective investment scheme;

(vi) units in a business trust;

(vii) derivatives of units in a business trust; or

(viii) any other security, class of securities or form of investment (whether regulated or otherwise);

(m) you have a basic degree of understanding of the operation, functionality, usage, storage, transmission mechanisms, and other material characteristics of cryptocurrencies, blockchain assets, and tokens including Tokens, blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology;

(n) you are fully aware of, understand and agree to assume all the risks (including direct, indirect or ancillary risks) associated with the conduct of the Token Sale via the Designated Web Address, the Token Vendor, the Token Sale, the Tokens, your purchase of Tokens, any Ethereum Wallet referred to in Paragraph 5, your provision of the address of any Ethereum Wallet referred to in Paragraph 5, and the Rate3 Ecosystem, including but not limited to the risks set out in the Annex 2 hereto;

(o) these Terms constitute legal, valid, and binding obligations on you, enforceable in accordance with its terms and neither the purchase of, nor receipt, nor holding of Tokens is in breach or contravention of any applicable law, regulation or rule in your jurisdiction;

(p) you are not a citizen or resident of any jurisdiction in which either the purchase of, receipt, or holding of Tokens is prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any applicable law, regulation or rule;

(q) no consent, approval, order or authorisation of, or registration, qualification, designation, declaration or filing with, any regulatory authority in any jurisdiction (the "**Approvals**") is required on your part in connection with your purchase of Tokens, or where any Approvals are required, such Approvals have been obtained and remain valid and in full force and effect;

(r) the cryptocurrencies that you will use to purchase Tokens were not and are not directly or indirectly derived from any activities that in connection with anti-money laundering and/or terrorism financing laws or regulations or any other acts in breach or contravention of any applicable law, regulation or rule;

(s) none of you or (and in the case where you are accepting these Terms on behalf of a corporation) any of your related corporations (if any), any of your directors or officers nor, any of your employees, agents or any other person acting on behalf of your or any of your related corporations is an individual or entity that is, or is owned or controlled by an individual or entity that:

(i) is listed by the MAS as designated individuals or entities defined in the respective regulations promulgated under the Monetary Authority of Singapore Act (Chapter 186) of Singapore, the United Nations Act (Chapter 339) of Singapore or the Terrorism (Suppression of Financing) Act (Chapter 325) of Singapore or such other law, regulation or rule as may be prescribed by the MAS from time to time;

(ii) is currently the subject of any sanction administered by the OFAC or any other United States government authority, is not designated as a "Specially Designated National" or "Blocked Person" by OFAC or subject to any similar sanctions or measures imposed or administered by the United Nations Security Council, the European Union, Her Majesty's Treasury of the United Kingdom or similar sanctions administered or imposed by the government of Singapore or any other country (collectively, the "**Sanctions**");

(iii) is located, organised or resident in a country or territory that is the subject of such Sanctions (including, without limitation, the Democratic People's Republic of Korea, the Democratic Republic of Congo, Eritrea, Iran, Libya, Somalia, South Sudan, Sudan and Yemen); or

(iv) has engaged in and is not now engaged in any dealings or transactions with any government, person, entity or project targeted by, or located in any country or territory, that at the time of the dealing or transaction is or was the subject of any Sanctions;

(t) none of: (i) you; (ii) any person controlling or controlled by you; (iii) if you are a privately-held entity, any person having a beneficial interest in you; or (iv) any person for whom you are acting as agent or nominee in connection with your participation in the Token Sale is a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure, as such terms are defined below;

(u) if you are affiliated with a Foreign Bank, or if you receive deposits from, make payments on behalf of, or handle other financial transactions related to a Foreign Bank, you represent and warrant to the Token Vendor that: (i) the Foreign Bank has a fixed address, and not solely an electronic address, in a country in which the Foreign Bank is authorised to conduct banking activities; (ii) the Foreign Bank maintains operating records related to its banking activities; (iii) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct its banking activities; and (iv) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate;

(v) you have sufficient cryptocurrencies to fulfil your obligations under these Terms and the Token Sales in respect of any purchase of Tokens by you;

(w) the Tokens to be delivered to and received by you will not be used for any purpose in connection with money laundering, terrorism financing or any other acts in breach or contravention of any applicable law, regulation or rule;

(x) you are acquiring Tokens as principal and for your own benefit and you are not acting on the instructions of, or as nominee or agent for or on behalf of, any other person;

(y) you bear the sole responsibility to determine what tax implications your participation in the Token Sale and/or purchase of Tokens may have for you and agree not to hold the Token Vendor or any other person involved in the Token Sale liable for any tax liability associated with or arising therefrom;

(z) you agree and acknowledge that the Token Vendor is not liable for any direct, indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on these Terms or any part thereof by you;

(aa) you waive the right to participate in a class action lawsuit or a class wide arbitration against the Token Vendor and/or any person involved in the Token Sale and/or with the creation and distribution of the Tokens; and

(bb) all of the above representations and warranties are, and will continue to be, true, complete, accurate and non-misleading from the time of your acceptance of these Terms notwithstanding the receipt by you of all of the Tokens.

9.2 The Token Vendor does not make, and hereby disclaims, any representation or warranty in any form whatsoever, including any representation or warranty in relation to:

- (a) the information set out on the Whitepaper, the Channels or any other place;
- (b) the Token Vendor;
- (c) the Token Sale;
- (d) the Tokens;
- (e) your purchase of Tokens;
- (f) the Designated Address;
- (g) the Ethereum Wallet(s); and
- (h) the Rate3 Ecosystem.

10. DISCLAIMERS

10.1 To the maximum extent permitted by all applicable laws, regulations, and rules and except as otherwise provided in these Terms, the Token Vendor hereby expressly disclaims its liability and shall in no case be liable to you or any person for:

- (a) any sale or transfer of any Tokens acquired by you hereunder to any person at any time;
- (b) the cryptocurrencies used to purchase Tokens being obtained through any acts in connection with money laundering, terrorism financing or any other acts in breach or contravention of any applicable law, regulation or rule;
- (c) use of Tokens for any purpose in connection with money laundering, terrorism financing or any other acts in breach or contravention of any applicable law, regulation or rule;
- (d) rejection of purchases of Tokens or abortion of the Token Sale pursuant to Paragraph 7.2;
- (e) failure or delay in the delivery by the Token Vendor, and receipt by you, of Tokens in accordance with Paragraph 6;
- (f) failure, malfunction or breakdown of, or disruption to, the operation of the Token Vendor, the Tokens or any technology (including but not limited to smart contract technology) on which the Token Vendor, the Rate3 Ecosystem, the Tokens, the Designated Address, the Ethereum Wallet(s) or the Token Sale relies on, due to occurrences of hacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks and "selfish-mining" attacks), cyber-attacks, distributed denials of service, errors, vulnerabilities, defects, flaws in programming or source code or otherwise, regardless of when such failure, malfunction, breakdown, or disruption occurs;
- (g) failure, malfunction or breakdown of, or disruption to, the operation of any blockchain, any blockchain-based software systems or any blockchain technology in connection with the operations of the Token Vendor, the Rate3 Ecosystem, the Tokens, the Designated Address, the Ethereum Wallet(s) or the Token Sale, due to occurrences of hardforking, hacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks and "selfish-mining" attacks), cyber-attacks, distributed denials of service, errors, vulnerabilities, defects, flaws in programming or source code or otherwise, regardless of when such failure, malfunction, breakdown, or disruption occurs;
- (h) any virus, error, bug, flaw, defect or otherwise adversely affecting the operation, functionality, usage, storage, transmission mechanisms, transferability or tradeability (after Tokens have been made available for trading on a cryptocurrency exchange (if applicable)) and other material characteristics of Tokens;
- (i) decreases or volatility in traded prices or trading volume of Tokens (after Tokens have been made available for trading on a cryptocurrency exchange (if applicable));
- (j) failure or unfitness of Tokens for any specific purpose;
- (k) the manner of utilisation of the proceeds received by the Token Vendor from the Token Sale;

- (l) failure to disclose information relating to the progress of the Token Sale;
- (m) loss of possession of the credentials for accessing, or loss or destruction of the private keys of, any Ethereum Wallet referred to in Paragraph 5 in any manner and to any extent;
- (n) failure or delay in the availability of Tokens for trading on a cryptocurrency exchange (if applicable);
- (o) any rejection of trading of Tokens by a cryptocurrency exchange (if applicable);
- (p) any prohibition, restriction or regulation by any government or regulatory authority in any jurisdiction of the operation, functionality, usage, storage, transmission mechanisms, transferability or tradeability (after Tokens have been made available for trading on a cryptocurrency exchange (if applicable)) or other material characteristics of the Tokens;
- (q) any risks associated with the Whitepaper, the Channels, the Token Vendor, the Token Sale, Tokens, your purchase of Tokens, any Ethereum Wallet referred to in Paragraph 5, your provision of the Ethereum Wallet(s) referred to in Paragraph 5, the Designated Address and the Rate3 Ecosystem, including but not limited to the risks set out in Annex 2 hereto; and
- (r) all other risks, direct, indirect or ancillary, whether in relation to the Whitepaper, the Channels, the Token Vendor, the Token Sale, Tokens, your purchase of Tokens, any Ethereum Wallet referred to in Paragraph 5, your provision of the Ethereum Wallet(s) referred to in Paragraph 5, the Designated Address and the Rate3 Ecosystem which are not specifically or explicitly contained in or stated in these Terms or set out in Annex 2 hereto.

10.2 In the event of any loss, hack or theft of cryptocurrencies from the Receiving Address or any Ethereum Wallet referred to in Paragraph 5, you acknowledge and confirm that you shall have no right(s), claim(s) or causes of action in any way whatsoever against the Token Vendor.

11. LIMITATION OF LIABILITY AND INDEMNIFICATION

11.1 To the maximum extent permitted by the applicable laws, regulations and rules:

- (a) the Token Vendor and Indemnified Persons shall not be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with the purchase of, use, receipt or holding of Tokens by you;
- (b) the aggregate liability of the Token Vendor, in tort, contract or otherwise, arising out of or in connection with the purchase of, use, receipt or holding of Tokens by you shall be limited to the amount of ETH transferred by you as Purchase Consideration for your intended purchase hereunder; and
- (c) you hereby agree to waive all rights to assert any claims under the applicable laws, regulations and rules and you may make claims based only on these Terms.

11.2 To the maximum extent permitted by the applicable laws, regulations and rules, you shall indemnify, defend, and hold the Token Vendor and/or Indemnified Persons harmless from and against any and all claims, damages, losses, suits, actions, demands, proceedings, expenses, and/or liabilities (including but not limited to reasonable legal fees incurred and/or those necessary to successfully establish the right to indemnification) filed/incurred by you or any third party against any of the Token Vendor or the Indemnified Persons arising out of a breach of any warranty, representation, or obligation hereunder.

12. NO ASSIGNMENT

Subject to these Terms, only you and no other person shall have the right to any claim against the Token Vendor in connection with your purchase hereunder. You shall not assign, trade or transfer, or attempt to assign, trade or transfer, your right to any such claim. Any such assignment or transfer shall not impose any obligation or liability of the Token Vendor to the assignee or transferee.

13. INTELLECTUAL PROPERTY RIGHTS

13.1 These Terms shall not entitle you to any intellectual property rights, including the rights in relation to the use, for any purpose, of any information, image, user interface, logos, trademarks, trade names, Internet domain names or copyright in connection with the Whitepaper, the Channels, the Token Vendor, the Token Sale, the Tokens, your purchase of Tokens, and the Rate3 Ecosystem.

13.2 There are no implied licences under these Terms, and any rights not expressly granted to you hereunder are reserved by the Token Vendor.

14. SURVIVING TERMS

Notwithstanding the expiry of the Sale Period, any delivery of Tokens to you or any abortion of the Token Sale pursuant to these Terms, Paragraphs 9 to 16 and 18 to 21, and the Annexes hereto shall remain valid and in full force and effect.

15. NO WAIVER

Any failure of the Token Vendor to enforce these Terms or to assert any right(s), claim(s) or causes of action against you under these Terms shall not be construed as a waiver of the right of the Token Vendor to assert any right(s), claim(s) or causes of action against you.

16. ENTIRE AGREEMENT

16.1 These Terms contain the entire agreement and the understanding between the Parties and supersedes all prior agreements, understandings or arrangements (both oral and written) in relation to the Token Sale and your purchase of Tokens.

16.2 In the event that the Token Vendor discovers that you, in your participation in the Token Sale, have engaged in unfair, excessive or abusive usage or conduct, the Token Vendor reserves the right to take such actions as may be necessary, to the fullest extent possible under law, to protect the Token Vendor from losses, damages, harm or degradation of any form and manner.

17. TAXES

17.1 The Purchase Consideration that you transfer as payment for your purchase of Tokens shall be exclusive of all taxes that are applicable to your purchase of, receipt and holding of Tokens in any jurisdiction ("**Payable Tax**").

17.2 You shall be responsible for determining any Payable Tax and declaring, withholding, collecting, reporting and remitting the correct amount of Payable Tax to the appropriate tax authorities. You shall be solely liable for all penalties, claims, fines, punishments, or other liabilities arising from the non-fulfilment or non-performance to any extent of any of your obligations in relation to the Payable Tax.

17.3 The Token Vendor shall not be responsible for determining any Payable Tax and declaring, withholding, collecting, reporting and remitting the correct amount of Payable Tax to the appropriate tax authorities.

18. NOTICES

18.1 Any notice or other communication to be given under these Terms shall be in writing, and shall be deemed to have been duly served on, given to or made in relation to a Party if it is:

(a) left at the address of that Party or posted by pre-paid airmail/first-class/registered post addressed to that Party at such address, in which case such notice shall be deemed to have been delivered and received at the time of delivery; or

(b) transmitted by email or facsimile, in which case such notice shall be deemed to be delivered and received at the time of transmission in legible form.

PROVIDED that where, in the case of delivery by hand, the delivery occurs after 6.00 p.m. on a business day or on a day which is not a business day, receipt shall be deemed to occur at 9.00 a.m. on the next business day.

18.2 For the purposes of these Terms, the contact details of the Token Vendor shall be the contact details (including, if applicable, the details of the person for whose attention a notice or communication is to be addressed) as the Token Vendor may announce on the Channels or notify to you in writing from time to time in accordance with the requirements of this Paragraph 18.

18.3 For the purposes of these Terms, your contact details shall be such contact details as you may notify to the Token Vendor in writing from time to time in accordance with the requirements of this Paragraph 18.

19. GOVERNING LAW AND JURISDICTION

19.1 These Terms shall be governed by, and construed in accordance with, the laws of the Republic of Singapore.

19.2 Any Dispute shall be resolved in accordance with this Paragraph 19.

19.3 A Party shall give prompt written notice of any Dispute to the other Party (a "**Dispute Notice**"). Such Dispute Notice will include sufficient details of the Dispute to enable the other Party to consider its position in relation to the Dispute.

19.4 Each Party agrees to use its best endeavours to settle any Dispute amicably between the Parties within a period of 30 days from the date of the Dispute Notice given under Paragraph 19.3.

19.5 Only in the event that a Dispute is not settled in accordance with Paragraph 19.4 then either Party may, by notice in writing to the other Party, either refer the Dispute to arbitration pursuant to Paragraph 19.6.

19.6 In the event that either Party refers a Dispute, such Dispute shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre in accordance with the Arbitration Rules of the Singapore International Arbitration Centre for the time being in force which rules are deemed to be incorporated by reference in this Paragraph. The seat of the arbitration shall be in Singapore. The Tribunal shall consist of one (1) arbitrator to be nominated by the Token Vendor. The language of the arbitration shall be in English.

19.7 Notwithstanding any Dispute or reference of certain Disputes (or part of certain Disputes) for determination by arbitration pursuant to Paragraph 19.5, the Parties will continue to comply with their respective obligations under these Terms.

20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

20.1 Subject to Paragraph 20.2, the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore, as may be modified, amended or supplemented from time to time, shall apply to these Terms.

20.2 Save for the Token Vendor's affiliates who shall have rights to the extent accorded thereto under these Terms, a person who is not a Party shall not have any rights whatsoever under these Terms or to enforce these Terms.

21. SEVERANCE AND PARTIAL INVALIDITY

21.1 If any of these Terms is rendered void, illegal or unenforceable by any legislation to which it is subject, it shall be rendered void, illegal or unenforceable to that extent and no further and, for the avoidance of doubt, the rest of these Terms shall continue to be valid and in full force and effect and shall in no way be affected, impaired or invalidated, and the Parties hereto shall 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 or restriction. It is hereby stipulated and declared to be the intention of the Parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

21.2 The illegality, invalidity or unenforceability of any provision of these Terms under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

DEFINITIONS

1. In these Terms, the following words and expressions shall, where not inconsistent with the context, have the following meanings respectively:

“**Approvals**” has the meaning ascribed to it in Paragraph 9.1(q).

“**Centralised Exchange**” means any centralised web and API platform which provides services to allow users of the platform to convert certain cryptocurrencies, cryptographic tokens and blockchain assets.

“**Channels**” has the meaning ascribed to it in Paragraph 1.5(a).

“**close associate**” in relation to a senior foreign political figure means a person who is widely and publicly known to maintain an unusually close relationship with such senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of such senior foreign political figure.

“**Commencement Time**” has the meaning ascribed to it in Paragraph 3.1.

“**Company**” means Rate Network Pte. Ltd., a private company limited by shares incorporated in the Republic of Singapore with the company registration number 201808808G.

“**Designated Address**” means the blockchain address provided to you by the Token Vendor for purposes of transfer of ETH as Purchase Consideration for your purchase of Tokens.

“**Designated Web Address**” means <http://kyc.rate3.network>.

“**Dispute**” means any dispute between the Parties arising out of or in relation to these Terms.

“**Dispute Notice**” has the meaning ascribed to it in Paragraph 19.3.

“**Disqualified Persons**” has the meaning ascribed to it in Paragraph 2.2.

“**double spend**” means to undertake, or attempt to undertake, two (2) different transactions on the Ethereum Blockchain or any other cryptocurrency network and spend the same account balance on each of the transactions.

“**ERC20 Token Standard**” means the set of criteria, (including criteria in relation to functions and events) developed by the Ethereum community, which has to be met in a smart contract on a blockchain in order to enable inter-operability across multiple interfaces and distributed applications.

“**ETH**” means Ether, the cryptographic token native to the Ethereum network.

“**Ethereum Wallet**” means an address owned by you on the Ethereum Blockchain as provided by you to the Token Vendor at the time of your Registration.

“**Foreign Bank**” means a non-United States of America banking institution.

“**immediate family**” in relation to a senior foreign political figure includes such figure's parents, siblings, spouse, children and in-laws.

“**Indemnified Persons**” means the Token Vendor's subsidiaries, related companies, affiliates, directors, officers, employees, agents, successors, and permitted assignees.

“**MAS**” means the Monetary Authority of Singapore.

“**Minimum Purchase Amount**” has the meaning ascribed to it in Paragraph 4.4.

“**OFAC**” means the United States Office of Foreign Assets Control of the United States Department of the Treasury.

“**Payable Tax**” has the meaning ascribed to it in Paragraph 17.1.

“**Pre-Sale Tranche**” has the meaning ascribed to it in Paragraph 3.1.

“**Pre-Sale Tranche Closure Time**” has the meaning ascribed to it in Paragraph 3.3.

“**Pre-Sale Tranche Target Aggregate Amount**” has the meaning ascribed to it in Paragraph 3.3.

“**Public Sale Tranche**” has the meaning ascribed to it in Paragraph 3.1.

“**Purchase Consideration**” has the meaning ascribed to it in Paragraph 4.3.

“Rate3 Ecosystem” means the network built on the decentralised global e-commerce network to be developed by the Token Vendor on blockchain technology.

“Receiving Address” means the Designated Address(es) or address(es) on the relevant blockchain as the Token Vendor may transfer the proceeds from the Token Sale to.

“Registration” has the meaning ascribed to it in Paragraph 2.3.

“Sale Expiry Time” has the meaning ascribed to it in Paragraph 3.4.

“Sale Period” has the meaning ascribed to it in Paragraph 3.1.

“Sanctions” has the meaning ascribed to it in Paragraph 9.1(s)(ii).

“senior foreign political figure” means a senior official in the executive, legislative, administrative, military or judicial branch of a government (whether elected or not), a senior official of a major political party, or a senior executive of a foreign government-owned corporation. It includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

“Terms” means the terms and conditions contained in these *“Terms and Conditions of Rate3 Network Token Sale”*, as amended, supplemented, updated or substituted from time to time and includes the Annexes hereto.

“Token Sale” means the sale of Tokens to you in accordance with these Terms.

“Token Sale Target Aggregate Amount” has the meaning ascribed to it in Paragraph 3.4.

“Token Vendor” means the Company or an affiliate thereof as may be stated in the Token Sale Terms and/or notified to you via the Channels.

“Tokens” means the Rate Tokens (RTE), a native cryptographic token created and issued by the Token Vendor, and **“Token”** shall be construed accordingly.

“Tranche” and **“Tranches”** have the meaning ascribed to them in Paragraph 3.1.

“Transfer Period” means the period from such time that a purchase is made until the Sale Expiry Time.

“Website” means the website of the Token Vendor which is accessible at <https://www.rate3.network/>.

“Whitelisting Terms” means the *“Terms and Conditions for Registration of Interest to Participate in the Rate Network Token Sale”*, which was made available to you.

“Whitepaper” means the whitepaper entitled *“Rate3 – Payment Without Borders”* published by the Token Vendor on April 2018 and accessible on the Website.

2. In these Terms, a reference to:

the Token Vendor includes a reference to its duly authorised agents and/or delegates;

a person includes a reference to any individual, body corporate, unincorporated association or partnership;

an agreement or other document is a reference to that agreement or document as from time to time supplemented or amended;

the masculine gender includes the feminine and neuter genders and vice versa;

the singular includes the plural and vice versa; and

any law or regulation is a reference to that law or regulation as amended from time to time and, where the same has been repealed, to any re-enactment or replacement of the same.

12 RISKS & DISCLAIMERS

RISK FACTORS

You should carefully consider and evaluate each of the following risk factors and all other information contained in the Terms before deciding to participate in the Token Sale. To the best of the Token Vendor's knowledge and belief, all risk factors which are material to you in making an informed judgement to participate in the Token Sale have been set out below. If any of the following considerations, uncertainties or material risks develops into actual events, the business, financial position and/or results of operations of the Token Vendor and the development, maintenance and level of usage of the Rate3 Ecosystem could be materially and adversely affected. In such cases, the trading price of Tokens (in the case where they are listed on a cryptocurrency exchange) could decline due to any of these considerations, uncertainties or material risks, and you may lose all or part of your Tokens.

RISKS RELATING TO PARTICIPATION IN THE TOKEN SALE

Purchase of products, including but not limited to cryptocurrencies / cryptographic tokens, from start-ups such as the Token Vendor involve a high degree of risk

Financial and operating risks confronting start-ups are significant and the Token Vendor is not immune to these. Start-ups often experience unexpected problems in the areas of product development, marketing, financing, and general management, among others, which frequently cannot be solved.

The Token Vendor may be forced to cease operations

It is possible that, due to any number of reasons, including, but not limited to, an unfavourable fluctuation in the value of cryptographic and fiat currencies, the inability of the Token Vendor to establish the Rate3 Ecosystem or the Tokens' utility, the failure of commercial relationships, or intellectual property ownership challenges, the Token Vendor may no longer be viable to operate and the Token Vendor may dissolve or take actions that result in a dissolution of the Token Vendor.

These Terms may not be transferred without the consent of the Company

These Terms provide that you may not transfer or assign these Terms and any such assignment or transfer shall not impose any obligation or liability of the Token Vendor to the assignee or transferee.

There is no prior market for the Tokens and the Token Sale may not result in an active or liquid market for the Tokens

The Tokens are intended to be native tokens to be used on the Rate3 Ecosystem, and the Token Vendor has not and may not actively facilitate any secondary trading or external trading of Tokens. In addition, there is and has been no public market for the Tokens and the Tokens are not traded, whether on any cryptocurrency exchange or otherwise. In the event that the Tokens are traded on a cryptocurrency exchange, there is no assurance that an active or liquid trading market for the Tokens will develop or if developed, be sustained after the Tokens have been made available for trading on such cryptocurrency exchange. There is also no assurance that the market price of the Tokens will not decline below the value at which it was purchased for ("**Purchase Price**"). The Purchase Price may not be indicative of the market price of the Tokens after they have been made available for trading on a cryptocurrency exchange.

A Token is not a currency issued by any central bank or national, supra-national or quasi-national organisation, nor is it backed by any hard assets or other credit. The Token Vendor is not responsible for nor does it pursue the circulation and trading of the Tokens on the market. Trading of the Tokens merely depends on the consensus on its value between the relevant market participants, and no one is obliged to acquire any Token from any holder of the Token, including the purchasers of the Tokens in the Token Sale, nor does anyone guarantee the liquidity or market price of the Tokens to any extent at any time. Accordingly, the Token Vendor cannot ensure that there will be any demand or market for the Tokens, or that the Purchase Price is indicative of the market price of the Tokens after they have been made available for trading on a cryptocurrency exchange. Hence, there is a risk that a purchaser could lose his entire contribution amount. In the worst-case scenario, the Tokens could be rendered worthless.

The Token Vendor and the Indemnified Persons are not and shall not be responsible for or liable for the market value of the Tokens, the transferability and/or liquidity of the Tokens and/or the availability of any market for the Tokens through third parties or otherwise.

Future sales of the Tokens could materially and adversely affect the market price of Tokens

Any future sale of the Tokens (which were not available for sale in the Token Sale) would increase the supply of Tokens in the market and this may result in a downward price pressure on the Tokens. The sale or distribution of a significant number of Tokens outside of the Token Sale, or the perception that such further sales or issuance may occur, could adversely affect the trading price of the Tokens.

Negative publicity may materially and adversely affect the price of the Tokens

Negative publicity involving (a) the Token Vendor; (b) the Rate3 Ecosystem; (c) the Tokens; and/or (d) any of the key personnel of the Token Vendor, may materially and adversely affect the market perception or market price of the Tokens, whether or not such publicity is justified.

There is no assurance of any success of the Rate3 Ecosystem

The value of, and demand for, the Tokens hinges heavily on the performance of the Rate3 Ecosystem. There is no assurance that the Rate3 Ecosystem will gain traction after its launch and achieve any commercial success.

The Rate3 Ecosystem has not been fully developed, finalised and integrated and is subject to further changes, updates and adjustments prior to its launch. Such changes may result in unexpected and unforeseen effects on its projected appeal to users, and hence impact its success. There are no guarantees that the process for creating the Tokens will be uninterrupted or error-free.

While the Token Vendor has made every effort to provide a realistic estimate, there is also no assurance that the cryptocurrencies raised in the Token Sale will be sufficient for the development and integration of the Rate3 Ecosystem. For the foregoing or any other reason, the development and integration of the Rate3 Ecosystem may not be completed and there is no assurance that its systems, protocols or products will be launched at all. As such, distributed Tokens may hold little worth or value, and this would impact its trading price.

The Tokens may be non-refundable

Except as provided under these Terms or prescribed by applicable laws and regulations, the Token Vendor is not obliged to provide the purchasers with a refund of the Purchase Price. No promises of future performance or price are or will be made in respect to the Tokens, including promises of inherent value or continuing payments, and there is no guarantee that the Tokens will hold any particular value. Therefore, the recovery of the Purchase Price may be impossible or may be subject to applicable laws and regulations.

The trading price of the Tokens may fluctuate following the Token Sale

The prices of cryptographic tokens in general tend to be relatively volatile, and can fluctuate significantly over short periods of time. The demand for, and corresponding the market price of, the Tokens may fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond the control of the Token Vendor:

- (a) new technical innovations;
- (b) analysts' speculations, recommendations, perceptions or estimates of the Tokens' market price or the Token Vendor's financial and business performance;
- (c) changes in market valuations and token prices of entities with operations similar to that of the Token Vendor that may be made available for sale and purchase on the same cryptocurrency exchanges as the Tokens;
- (d) announcements by the Token Vendor of significant events, for example partnerships, sponsorships, new product developments;
- (e) fluctuations in market prices and trading volume of cryptocurrencies on cryptocurrency exchanges;
- (f) additions or departures of key personnel and/or advisors of the Token Vendor;
- (h) success or failure of the management of the Token Vendor in implementing business and growth strategies; and
- (i) changes in conditions affecting the blockchain or financial technology industry, the general economic conditions or market sentiments, or other events or factors.

The digital assets raised in the Token Sale are exposed to risks of theft

Whilst the Token Vendor will make every effort to ensure that digital assets (such as cryptocurrencies, blockchain assets and/or cryptographic tokens) received from the Token Sale are securely held at its Designated Address(es) or Receiving Address(es) through the implementation of security measures, there is no assurance that there will be no theft of the cryptocurrencies as a result of hacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks and "selfish-mining

RISKS RELATING TO THE TOKEN VENDOR

The Token Vendor may be materially and adversely affected if it fails to effectively manage its operations as its business develops and evolves, which would have a direct impact on its ability to maintain the Rate3 Ecosystem and consequently the trading price of the Tokens.

The financial technology and cryptocurrency industries and the markets in which the Token Vendor operates in have grown rapidly and continue to grow rapidly and evolve in response to new technological advances, changing business models and other factors. As a result of this constantly changing environment, the Token Vendor may face operational difficulties in adjusting to the changes, and the sustainability of the Token Vendor will depend on its ability to manage its operations, adapt to technological advances and market trends and ensure that it hires qualified and competent employees, and provide proper training for its personnel.

The ability of the senior management team of the Token Vendor which is responsible for maintaining competitive position of the Rate3 Ecosystem is dependent to a large degree on the ability of each member of that team. The loss or diminution in the services of members of respective senior management team or an inability to attract, retain and maintain additional senior management personnel could have a material adverse effect on the Rate3 Ecosystem. Competition for personnel with relevant expertise is intense due to the small number of qualified individuals, and this situation seriously affects the ability to retain its existing senior management and attract additional qualified senior management personnel, which could have a significant adverse impact on the growth and operations of the Rate3 Ecosystem.

As its business evolves, the Token Vendor must also expand and adapt its operational infrastructure. The Token Vendor's business relies on its blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology, and to manage technical support infrastructure for the Rate3 Ecosystem effectively, the Token Vendor will need to continue to upgrade and improve its data systems and other operational systems, procedures and controls. These upgrades and improvements will require a dedication of resources, are likely to be complex and increasingly rely on hosted computer services from third parties that the Token Vendor does not control. If the Token Vendor is unable to adapt its systems and organisation in a timely, efficient and cost-effective manner to accommodate changing circumstances, its business strategies, results of operations and prospectus may be adversely affected. If the third parties whom the Token Vendor relies on are subject to a security breach or otherwise suffer disruptions that impact the services the Token Vendor utilises, the integrity and availability of its internal information could be compromised, which may consequently cause the loss of confidential or proprietary information, and economic loss.

The loss of financial, labour or other resources, and any other adverse effect on the Token Vendor's business strategies, results of operations and prospects, would have a direct adverse effect on the Token Vendor's ability to maintain the Rate3 Ecosystem. As the Rate3 Ecosystem is the main product to which the Tokens relate, this may adversely impact the trading price of the Tokens.

There may be weaknesses, vulnerabilities or bugs in the protocols, systems and smart contract in connection with the Token Sale and/or the Rate3 Ecosystem

The Token Vendor will make reasonable efforts to ensure that the protocols, systems and smart contracts in connection with the Token Sale and/or the Rate3 Ecosystem are audited, tested and approved by technical experts. However, as smart contract technology is still in its early stage of development and its application of experimental nature carries significant operation, technological, financial, regulatory and reputational risks, there are inherent risks that such smart contracts could contain weaknesses, vulnerabilities or bugs.

Purchasers of the Tokens should understand and accept that there are no warranties that the Tokens are fit for a particular purpose or do not contain any weaknesses, vulnerabilities or bugs which would cause loss in their worth or value. In the event that any of the aforementioned risks materialises, the Token Vendor's business strategies, results of operations and outlook may also be adversely affected.

There may be conflicts of interest or risks related to invalidation of transactions

The Token Vendor may be engaged in transactions with related parties and other affiliates, and may continue to do so in the future. Conflicts of interest may arise as a result, potentially resulting in the undertaking of transactions on terms that are not on arms' length.

The Token Vendor may experience system failures, unplanned interruptions in its network or services, hardware or software defects, security breaches or other causes that could adversely affect the Token Vendor's infrastructure network, and/or the Rate3 Ecosystem

The Token Vendor is unable to anticipate when there would be occurrences of hacks, cyber-attacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks and "selfish-mining" attacks), distributed denials of service or errors, vulnerabilities or defects in the Rate3 Ecosystem, the Tokens, the Designated Address(es), the Receiving Address(es), the Ethereum Wallet or any technology (including but not limited to smart contract technology) on which the Token Vendor, the Rate3 Ecosystem, the Tokens, the Designated Address(es), the Receiving Address(es) and/or the Ethereum Wallet rely or on the Ethereum Blockchain or any other blockchain. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. The Token Vendor may not be able to detect such hacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks and "selfish-mining" attacks), cyber-attacks, distributed denials of service errors vulnerabilities or defects in a timely manner, and may not have sufficient resources to efficiently cope with multiple service incidents happening simultaneously or in rapid succession.

The Token Vendor's network or services, which would include the Rate3 Ecosystem, could be disrupted by numerous events, including natural disasters, equipment breakdown, network connectivity downtime, power losses, or even intentional disruptions of its services, such as disruptions caused by software viruses or attacks by unauthorised users, some of which are beyond the Token Vendor's control. Although the Token Vendor will be taking steps against malicious attacks on its appliances or its infrastructure, which are critical for the maintenance of the Rate3 Ecosystem and its other services, there can be no assurance that cyber-attacks, such as distributed denials of service, will not be attempted in the future, and that any of the Token Vendor's intended enhanced security measures will be effective. The Token Vendor may also be prone to attacks on its infrastructure intended to steal information about its technology, financial data or user information or take other actions that would be damaging to the Token Vendor and users of the Rate3 Ecosystem. Any significant breach of the Token Vendor's intended security measures or other disruptions resulting in a compromise of the usability, stability and security of the Token Vendor's network or services (including the Rate3 Ecosystem) may adversely affect the trading price of the Tokens.

The Token Vendor is dependent in part on the location and data centre facilities of third parties

The Token Vendor's infrastructure network will be in part established through servers that which it owns and houses at the location facilities of third parties, and servers that it rents at data centre facilities of third parties. If the Token Vendor is unable to renew its data facility lease on commercially reasonable terms or at all, the Token Vendor may be required to transfer its servers to a new data centre facility, and may incur significant costs and possible service interruption in connection with the relocation.

These facilities are also vulnerable to damage or interruption from, among others, natural disasters, arson, terrorist attacks, power losses, and telecommunication failures. Additionally, the third party providers of such facilities may suffer a breach of security as a result of third party action, employee error, malfeasance or otherwise, and a third party may obtain unauthorised access to the data in such servers. As techniques used to obtain unauthorised access to, or to sabotage systems change frequently and generally are not recognised until launched against a target, the Token Vendor and the providers of such facilities may be unable to anticipate these techniques or to implement adequate preventive measures. Any such security breaches or damages which occur which impact upon the Token Vendor's infrastructure network and/or the Rate3 Ecosystem may adversely impact the trading price of the Tokens.

Blockchains may face congestion and transactions may be delayed or lost

Most blockchains used for cryptocurrency transactions (e.g. Ethereum and Stellar) are prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the network in an attempt to gain an advantage in purchasing cryptographic tokens. This may result in a situation where block producers may not include the purchaser's transaction when the purchaser intends to transact, or the purchaser's transaction may not be included at all.

The digital wallet may be incompatible with the Tokens

The digital wallet or digital wallet service provider used for the acquisition and storage of the Tokens has to be technically compatible with the Tokens. The failure to assure this may result in that purchaser of the Tokens not being able to gain access to his Tokens.

The purchaser may be subject to adverse legal and/or tax implications as a result of the acquisition or transfer of the Tokens

The legal character of cryptocurrency and cryptographic assets remain uncertain. There is a risk that the Tokens may be considered securities in certain jurisdictions, or may be considered to be securities in certain jurisdictions in the future. The Token Vendor does not provide any warranty or guarantee as to how the Tokens will be classified, and each purchaser will bear all consequences of the Tokens being considered securities in their respective jurisdictions, and bear the responsibility of the legality, use and transfer of the Tokens in the relevant jurisdictions.

Further, the tax treatment of the acquisition or disposal of such cryptocurrency or cryptographic assets might depend on whether they are classified as securities, assets, currency or otherwise. As the tax characterisation of the Tokens remains indeterminate, purchasers must seek their own tax advice in connection with the purchase of the Tokens, which may result in adverse tax consequences or tax reporting requirements for the purchaser.

As the Tokens may be traded on third-party cryptocurrency exchanges in the future, purchasers may buy or sell the Tokens on such exchanges. Existing laws on the circulation or transaction of cryptocurrency or cryptographic tokens in certain jurisdictions may prohibit the transaction or sale of the Tokens in such jurisdictions or to residents of such jurisdictions. Purchasers must be aware of the restrictions on the secondary trading or external sale of the Tokens and seek their own legal advice in connection therewith.

RISKS RELATING TO THE DESIGNATED ADDRESS(ES) AND RECEIVING ADDRESS(ES)

The Designated Address(es) and Receiving Address(es) may be compromised and the cryptocurrencies may not be able to be disbursed

The Designated Address(es) and Receiving Address(es) are designed to be secure. However, in the event that the Designated Address(es) and Receiving Address(es) are, for any reason compromised (including but not limited to scenarios of the loss of keys to such Designated Address(es) and Receiving Address(es)), the funds held at the Designated Address(es) and Receiving Address(es) may not be able to be retrieved and disbursed, and may be permanently unrecoverable. In such event, even if the Token Sale is successful, the Token Vendor will not be able to receive the funds raised and the Token Vendor will not be able to utilise such funds for the development of the Rate3 Ecosystem, and the implementation of the Rate3 Ecosystem might be temporarily or permanently curtailed. As such, distributed Tokens may hold little worth or value, and this would impact their trading price.

The loss or compromise of information relating to your Ethereum Wallet may affect your access and possession of the Tokens

Your access to the Tokens in your Ethereum Wallet depends on, among other things, the safeguards to the information to such Ethereum Wallet, including but not limited to the user account information, address, private key and password. In the event that any of the foregoing is lost or compromised, your access to your Ethereum Wallet may be curtailed and thereby adversely affecting your access and possession to the Tokens, including such Tokens being unrecoverable and permanently lost.



Rate3

A DECENTRALISED DUAL PROTOCOL FOR CROSS-BORDER PAYMENT
& CREDIT SCORING

Powered by **Stellar** and **Ethereum**

<https://rate3.network>