

SALE TERMS OF RGE TOKENS

These Terms constitute a legally binding agreement between the Company and each of the Participants. Accepting these Terms and/or purchasing RGE Tokens means that you have carefully read and fully agreed to all the terms and conditions herein. If you have any questions regarding these Terms, please contact us at hello@rouge.network. Please note you may only purchase the RGE Tokens if you agree to these Terms.

IMPORTANT RESTRICTION: Citizens and residents of and persons located in People's Republic of China, and the United States of America are prohibited from participating in the TGE and purchasing and/or receiving the RGE Tokens. Representatives and individuals acting in the interests of legal entities registered in the jurisdictions referred to above, are prohibited from participating in the TGE and purchasing and/or receiving the RGE Tokens.

1 INTERPRETATION AND DEFINITIONS

As used in these Terms, including the preamble hereof, unless expressly otherwise stated or evident in the context, the following capitalised terms and expressions shall have the following meanings:

- 1.1 **Account** – a Participant's account on the Website, which is created through the Website and used to purchase the RGE Tokens.
- 1.2 **TGE or the Token Generation Event** – the public sale of the RGE Tokens arranged by the Company via the Website. The TGE starts on June 4th, 2018 at 18:00 UTC and ends on the July 8th, 2018 at 18:00 UTC, or when a total of 500 Million RGE Tokens have been sold, whichever occurs first.
- 1.3 **Company** – The Rouge Foundation OÜ, a private limited liability company incorporated under the laws of Republic of Estonia with the registry code 14426501, e-mail address foundation@rouge.network. References to “we”, “us” and “our” mean references to the Company.
- 1.4 **Website** – website located at rouge.network and all subdomains and other respective pages of such website, including rouge.network/tokensale.
- 1.5 **Rouge Network Platform** – The platform developed and made available by the Company and/or its affiliates, which provides application layer for creating and distributing coupons and provides supplementary services for the effective functioning of the Rouge Network ecosystem.
- 1.6 **Participant** – anyone who purchases the RGE Tokens during the TGE or at any time thereafter. References to “you” and “your” mean references to the Participant.
- 1.7 **Terms** – these sale terms of the RGE Tokens, governing the relationship between the Company and the Participant.
- 1.8 **RGE Tokens** – cryptographic tokens based on the ERC20 protocol issued by the Company giving their holders the rights specified in these Terms and the Whitepaper. In the Whitepaper and the Website also referred to as the Rouge Tokens.
- 1.9 **RGX Tokens** – cryptographic tokens based on the ERC20 protocol issued by the Company giving their holders the right to purchase RGE Token at a pre-determined discounted rate during the TGE.
- 1.10 **Whitepaper** – informational document issued by the Company highlighting the features of the RGE Tokens available at the Website.

The singular form (where appropriate) shall include the plural and vice versa, references to Sections shall mean the Sections of these Terms, and the term “including” or any similar term is not to be construed as providing any limitation and will be construed as “including but not limited to”.

2 Purpose and Use of RGE Tokens

- 2.1** As its key functionality RGE Tokens enable its holder to carry out transactions via the Rouge Network Platform, namely (i) rewarding digital content creators, publishers and other owners of digital platforms or websites for making available coupons via their platform; (ii) paying any applicable service fees to the Company; (iii) staking RGE Tokens as a collateral as required for the creation and distribution of the digital coupons created via the Rouge Network Platform. A detailed technical description and further overview of the functionalities of the RGE Tokens are provided in the Whitepaper.
- 2.2** Ownership of the RGE Tokens carries no rights, express or implied, other than as explicitly stated in these Terms or the Whitepaper. You hereby understand and accept that RGE Tokens do not represent or confer any ownership right or stake, share or security or equivalent rights, or any right to receive future revenue shares, intellectual property rights or any other form of participation in or relating to the Company and its corporate affiliates and/or service providers. Therefore, participating in the TGE, purchasing RGE Tokens, or receiving and holding RGE Tokens does not grant the Participant any ownership, dividend rights or decision-making power in the Company, including, but not limited to in relation to development, governance, or the role, conduct or performance of the Company. Additionally, the RGE Tokens do not carry any information, reporting, inspection or similar rights.
- 2.3** The RGE Tokens are not intended to function as a general-purpose currency, security, commodity or any other kind of financial instrument in any jurisdiction. These Terms and all other documents referred to in these Terms, including the Whitepaper, do not constitute a prospectus or offering document, and are not intended to constitute an offering of securities or any other form of investment in any jurisdiction. No regulatory authority has examined or approved these Terms or any other document referred to in these Terms, including the Whitepaper. No such action has been or will be taken under the laws of any jurisdiction. Furthermore, the RGE Tokens are not intended to be marketed, offered for sale, purchased, sold, or traded in any jurisdiction where they are prohibited by applicable laws or require further registration with any applicable governmental authorities.

3 Information Related to the Token Generation Event and the Reserve Pool

- 3.1** You may purchase RGE Tokens from the Company within the period of the TGE only through the Website. Once the TGE has ended the RGE Tokens may be bought and sold on one or several cryptocurrency exchanges, provided the RGE Tokens are listed on such secondary market. In each case the purchase of RGE Tokens is subject to these Terms.
- 3.2** To the extent that any third-party website or service, other than the Website, offers the RGE Tokens for sale during the TGE or facilitates the sale or transfer of the RGE Tokens in any way during the TGE, such third-party websites or services are not sanctioned or supported by the Company and have no relationship in any way with the Company. The Company prohibits the use of these third-party websites or services for the purchase of the RGE Tokens until the end of the TGE.
- 3.3** The total supply of RGE Tokens will be 1 (one) billion. In course of the TGE the Company will issue 500 (five hundred) million RGE Tokens. The remaining 500 (five hundred) million RGE Tokens will remain in a locked reserve pool and may issued to the public in the future as determined in section 3.5.
- 3.4** The RGE Tokens which are offered to the public in course of the TGE but remain unsold shall be transferred to the Reserve Y+2 (as defined in section 3.5).
- 3.5** The Company has created two reserve pools of RGE Tokens consisting of 300 million tokens and 200 million tokens respectively. The reserve pool consisting of 300 million RGE Tokens is locked for a period of one (1) year from the end of TGE (**Reserve Y+1**); the reserve pool consisting of 200 million RGE Tokens is locked for a period of two (2) years from the end of TGE (**Reserve Y+2**). The RGE Tokens in reserve pools cannot be issued in course of the above indicated lock-in periods but

may distributed at any time thereafter. After the end of the lock-in period, the Company has full discretion to (i) decide whether and when to distribute the reserved RGE Tokens to the public; or (ii) burn (destroy) the RGE Token of the reserve pools in full or in part.

- 3.6** The Company shall use the funds raised through the TGE for the development of the Company, its affiliates and/or the Rouge Network Platform, including, for example, to compensate technical and non-technical staff, cover marketing costs and operating expenses, develop technical infrastructure, etc. The funds received from the TGE shall be used for no other purpose than for the benefit of the Company, its affiliates and/or the Rouge Network Platform. The specific allocation of fees received in course of the TGE will be as follows:
- (a) 30 % will be allocated for research & development expenses related to Rouge Network;
 - (b) 28 % will be allocated for establishing partnerships and covering expenses and compensations related thereto;
 - (c) 22 % will be allocated for marketing of the Rouge Network;
 - (d) 13 % will be allocated for covering wages, compensation and expenses of the team of the Company and its affiliates;
 - (e) 7 % will be allocated for operational costs of the Company and its affiliates.

4 Token Sale Procedure and Fees

- 4.1** To purchase RGE Tokens in course of the TGE you must create an Account on the Website and follow the instructions as provided therein.
- 4.2** The purchase price of one (1) RGE Token in course of the TGE shall be \$0.076 (zero point zero and seventy-six USD). The Participants may purchase RGE Tokens only in Ether (ETH), based on the then-current exchange rate between Ether and USD as determined on Coinmarketcap.com as of the launch of the TGE.
- 4.3** Each Participant shall pay the purchase price for the desired amount of the RGE Tokens by sending the correct fee to the unique address displayed to the Participant on the Website in course of the token purchase. The purchase of the RGE Tokens shall not be guaranteed until the Company has received the full amount of the purchase price and the Participant has provided relevant information, documentation and adhered to other instructions as may be presented in these Terms or on the Website. Each Participant is obliged to send the correct fee from a wallet that is (i) compatible with ERC20 standard and (ii) a private wallet of the Participant.
- 4.4** In order to receive the RGE Tokens purchased, each Participant must withdraw the purchased RGE Tokens to their personal ERC20-compatible wallet after completion of the Verification (KYC) Procedure (as defined in section 5.). Please note that withdrawal of the RGE Tokens will be possible only until 31st December 2018.
- 4.5** The Purchasers owning RGX Tokens are entitled to purchase RGE Tokens at a discounted price based on the amount and the discount level of RGX Tokens owned. The discount provided by the RGX Tokens is applicable only for the RGE Tokens purchased in course of the TGE. In order to receive the discount, the Purchaser is obliged to use the Ethereum address storing the RGX Tokens for executing the purchase of the RGE Tokens. The Purchaser does not have a right to receive a discount on the purchase of RGE Tokens, if he/she does not use the Ethereum address holding the RGX Tokens for making the RGE Token purchase or otherwise fails to follow the pertinent instruction provided on the Website in course of purchasing RGE Tokens during the TGE. The Company shall not be liable for the Purchaser's failure to deploy the RGX Tokens in accordance with these Terms and the instruction provided on Website in order to receive the discount.
- 4.6** The Participant shall have the right to purchase an unlimited quantity of RGE Tokens on a first-come-first-serve basis, until the total amount of RGE Tokens available for the public is reached.

- 4.7 The minimum amount of RGE Tokens that can be purchased during the Token Generation Event by a Participant in one purchase is the number of RGE Tokens, which value equals to **0.001 ETH** (zero point zero zero one Ethers).
- 4.8 If the purchase price contributed by a Participant exceeds or fails to meet the price for the number of RGE Tokens that the Participant has subscribed for, or if the contribution paid by the Participant remains below the minimum fee as indicated in section 4.7, the Company may return the contribution minus any costs incurred related to returning the contribution.
- 4.9 The RGE Tokens will be distributed immediately upon payment of the fee due for the RGE Tokens but, for security reasons, will be blocked until completion of the KYC procedure of the Participant as established on the Website and section 5 of these Terms.

5 Verification (KYC) Procedure

To purchase the RGE Tokens in course of the TGE you are required to undergo a verification procedure in order to identify and prevent money laundering and the terrorist financing. In course of the verification process you must promptly provide the Company all information and documentation as requested (for example: a copy / scan of your passport, ID card, driver's license or any other identification document). Any information and documentation you provide must be correct and up to date. If we suspect that the information or documentations you have provided are incorrect, fake, outdated or don't correspond to the conditions established in these Terms or otherwise, then in our sole discretion, we may either request you to provide additional information or cancel your purchase of RGE Tokens and return your contribution minus any costs incurred related to returning the contribution.

6 Cancellation and Refund

- 6.1 The Company reserves the right to refuse or cancel RGE Token purchases, in full or in part, until the distribution of the RGE Tokens at any time in its sole discretion. In such case the fee paid for the RGE Tokens shall be returned to the Participant.
- 6.2 Other than as stipulated in section 6.1., purchases of RGE Tokens are final and non-refundable.

7 Transferring and Trading RGE Tokens

A Participant can transfer the RGE Tokens to another person, provided the transfer is in compliance with the applicable laws and regulations, including the restrictions outlined in the preamble of these Terms. The Company intends to make the RGE Tokens available for trade on secondary market (exchange). A Participant may need to provide information and documents requested by the relevant exchange and accept and agree to terms of service or other rules in addition to these Terms in order to engage in trading with the RGE Tokens.

8 Acknowledgment and Assumption of Risks

You acknowledge and agree that there are risks associated with purchasing the RGE Tokens, holding the RGE Tokens, and using the RGE Tokens for the purposes outlined in the Whitepaper, as disclosed and explained in Annex 1. Prior to purchasing the RGE Tokens, you should carefully consider the risks disclosed in Annex 1 and, to the extent necessary, consult an appropriate lawyer, accountant, and/or tax professional. If any of the risks disclosed in Annex 1 are not acceptable to you, you should not purchase the RGE Tokens.

9 Representations and Warranties

By accepting these Terms and/or acquiring the RGE Tokens either from the Company or from another person, you represent and warrant to the Company that each of the following statements is true and correct:

- (a) you have read and understand these Terms (including the risks set forth in Annex 1);
- (b) you have sufficient understanding of the functionality, usage, storage, transmission mechanisms and other material characteristics of RGE Tokens, smart contract functionality, token storage mechanisms (such as token wallets), blockchain technology and blockchain-based software systems to understand these Terms and to appreciate the risks and implications of purchasing the RGE Tokens;
- (c) you have correctly completed the procedure for your identification as established on the Website. Any information or documentation you have provided, or will provide, in course of your identification is correct, valid and up to date;
- (d) you understand that the RGE Tokens confer only the rights specifically described in these Terms and the Whitepaper, and confer no other rights in any form with respect to the Company or its corporate affiliates and/or service providers, including, but not limited to, any ownership, dividend, profit-sharing, voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights;
- (e) your purchase of RGE Tokens complies with applicable laws and regulations in your jurisdiction, including, but not limited to, (i) legal capacity and any other threshold requirements in your jurisdiction for purchasing and using the RGE Tokens, using the Website, and entering into contracts with the Company, (ii) any anti-money laundering or regulatory restrictions applicable to such purchase, and (iii) any governmental or other consents that may be needed to be obtained;
- (f) if you are purchasing RGE Tokens on behalf of a legal entity, you are authorized to accept these Terms on such entity's behalf and bind such entity, and such entity will be responsible for breach of these Terms by you or any other employee or agent of such entity;
- (g) you are not purchasing RGE Tokens for investment, speculative or other financial gain purposes;
- (h) the funds used for purchasing RGE Tokens do not have criminal, otherwise illegal or unethical origin or source, and no transaction involving RGE Tokens is made to facilitate any criminal, otherwise illegal or unethical activity;
- (i) you are not prohibited from participating in the TGE or receiving the RGE Tokens as per the terms of the important restriction outlined in these Terms;
- (j) you understand that you may not be able to sell or otherwise transfer the RGE Tokens due to potential lack of liquidity, including that RGE Tokens may never become available for trade on secondary market (exchange) and/or that there may not be buyers who would be interested in acquiring the RGE Tokens from you;
- (k) you understand that the RGE Tokens do not have any intrinsic underlying value after the TGE and the price of RGE Tokens on any exchange is subject to fluctuations which the Company is unable to control.

10 Security

You are responsible for implementing sufficient measures for securing the wallet or other storage mechanism you use to receive and hold RGE Tokens. You must acknowledge that in case any requisite private keys or other credentials are lost, you may lose access to your RGE Tokens. We are not responsible for substituting such RGE Tokens or for any losses, costs or expenses relating to lost access credentials.

11 Taxes

Any amounts that you pay for RGE Tokens are exclusive of all applicable taxes. You are responsible for determining which taxes apply to your purchase of RGE Tokens (if any). It is also your responsibility to withhold, collect, report and remit such taxes to appropriate tax authorities. We are not responsible for withholding, collecting, reporting, or remitting any sales, use, value added, or similar tax arising from the purchase of RGE Tokens.

12 Personal Information of the Token Buyers

12.1 When you purchase RGE Tokens in course of the TGE the Company shall ask you to provide certain personal information. The information you provide in course of the verification (KYC) procedure

shall be used only for identification purposes to ensure compliance with the anti-money laundry and terrorist financing prevention regulations. This information shall be kept for 5 (five) years or longer, if so required by the law to comply with the above regulations.

12.2 In addition to the above, the Company may collect information regarding the number of RGE Tokens bought; amount paid for the RGE Tokens and other information regarding purchasing and storing the RGE Tokens. This is done for the purpose of effecting the correct distribution of the RGE Tokens and keeping a record in case of any issues arise related to distribution or storage of the RGE Tokens.

12.3 If you have provided a separate consent, the Company may use your name and e-mail address for sending updates, notices and promotional material regarding the TGE, the RGE Token or the Rouge Network Platform.

13 Participant's Liability

13.1 Failure to follow the instructions provided in these Terms and/or on the Website may limit, delay, or prevent the Participant from purchasing RGE Tokens or result in loss of funds, if the purchase price is transferred to a wrong account. Should this happen, the Company shall under no conditions be held liable for any costs or damages arising for the Participant or any other persons.

13.2 To the maximum extent permitted by applicable law, the Participant shall compensate the Company (as well any director, officer, employee or affiliate of the Company) for all damages suffered thereby in connection with any breach of a representation, warranty or obligation of the Participant under these Terms. Such damages to be compensated under this Section 13.2 shall include costs and expenses incurred due to third party claims (including penalties imposed by authorities), attorneys' fees and all other damages subject to compensation under applicable law.

13.3 In addition to Sections 13.2 and 13.2, the Participant shall compensate the Company (as well any director, officer, employee or affiliate of the Company) costs and expenses, including attorneys' fees, incurred in connection with reviewing and responding to subpoenas, legal orders and queries of public authorities concerning the Participant.

13.4 If you violate these Terms, we may cancel your purchase of the RGE Tokens at our sole discretion and without prior notice, and without any liability or further obligation to you or any other party. For the avoidance of doubt, our respective rights also apply in case it appears that you have acquired the RGE Tokens in breach of the important restriction outlined in the preamble of these Terms or in case it becomes evident that your purchase of RGE Tokens constituted a breach of any applicable laws.

13.5 You understand and agree that it is your obligation to ensure compliance with any legislation relevant to your country of domicile and/or citizenship concerning the purchasing and use of RGE Tokens, whereas the Company does not accept any liability for any illegal or unauthorized use of the RGE Tokens by you or the legal entity you are representing.

14 Company's Liability

14.1 We shall not be liable for any damages suffered by you as a result of or otherwise in connection with causes beyond our control, including any hacker attack, technical failures, defects, bugs or viruses affecting the RGE Token sale or any cryptocurrency acceptable under these Terms (including any delay in receiving or failure to receive RGE Tokens in exchange for the payment in cryptocurrencies, as set forth in these Terms), circumstances related to your wallet service provider, your failure to follow these Terms, default by our suppliers or contractors, and/or any action taken by regulatory authorities.

14.2 To the maximum extent permitted by applicable law, and except as otherwise specified in writing by the Company, RGE Tokens are sold on an "as is" basis and without any representations or warranties of any kind, and the Company expressly disclaims all implied warranties as to the RGE Tokens, including, without limitation, implied warranties of merchantability, fitness for a particular purpose, title and non-infringement. The Company does not represent or warrant that the RGE

Tokens are reliable, current or error-free, meet your requirements, or that defects in the RGE Tokens will be corrected.

- 14.3** Some statements in these Terms and in the Whitepaper may include forward-looking statements which reflect the Company's and/or its management's current views with respect to Rouge Network Platform's performance and future plans. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there may be important factors that could cause the actual results of the business to differ materially from those indicated in these statements. There will be no obligation to update or review any forward-looking statements, whether as a result of new information, future developments or otherwise. The Company does not accept any liability for forward-looking statements.
- 14.4** The Company shall do its best efforts to develop the Rouge Network Platform and deliver it to a wide audience. However, it is possible that such development will fail or be terminated due to lack of interest, regulatory restrictions or other reasons. Therefore, the Company does not provide any guarantees in respect of the Rouge Network Platform.
- 14.5** To the maximum extent permitted by applicable law, the Company does not accept any liability for damages (including any incidental, indirect, special, punitive, exemplary or damages, loss of profit, goodwill, loss of use or data, or damages for business interruption), resulting from any use of, or inability to use, the Rouge Network Platform, or from participating in the TGE or purchasing of the RGE Tokens (including in case of fraud or other misconduct by any seller of RGE Tokens other than the Company) or their use by the Participant. Among other things, the Company does not accept any liability for any change of the value of RGE Tokens.
- 14.6** In any case, the total amount of the Company's aggregate liability arising out or relating to these Terms or the use of or inability to use the RGE Tokens shall not exceed EUR 1000 (one thousand Euros).
- 14.7** No limitation of liability agreed in this Section 14 applies in case of intentional breach of obligations or in case of gross negligence by the Company.

15 Miscellaneous

- 15.1** The Company retains all right, title, and interest in all of its intellectual property, including inventions, ideas, concepts, software and brands, whether or not patentable, copyrightable or protectable by trademark related to the RGE Token and the Website. You may not use any such intellectual property without our prior written consent.
- 15.2** Notices to the Company shall be sent by e-mail to [foundation@rouge.network]. Notices to the Participant may be posted on the Website or delivered by e-mail or any other means.
- 15.3** The Company may amend these Terms at any time by posting a revised version on the Website. By purchasing TGE Tokens or using the Rouge Network Platform after the Company has posted revised Terms shall be regarded as your acceptance of the revised Terms.
- 15.4** If any term, clause or provision of these Terms is held unlawful, void or unenforceable, then that term, clause or provision will be severable from the rest of these Terms and will not affect the validity or enforceability of any remaining part of that term, clause or provision, or any other term, clause or provision of these Terms.
- 15.5** No delay in performing an obligation or in exercising a right under these Terms by the Company will mean exemption of such obligation or waiver of such right, nor will separate or partial exercise of any right exclude further exercise of such right or any other right, unless the provisions or the context of these Terms requires otherwise.

15.6 The Company may, at its sole discretion, assign its rights and/or obligations under these Terms to any of its affiliates. You may not assign any of your rights and/or obligations under these Terms and such rights and obligations shall be binding on you as long as you hold any RGE Tokens.

16 Applicable law and Jurisdiction

16.1 These Terms will be governed by the laws of the Republic of Estonia, except the conflict of laws rule.

16.2 Any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, which the Parties have failed to solve by negotiations, will be settled in Harju County Court in Tallinn, Estonia as the court of first instance.

Annex 1

Certain Risks Relating to Purchase, Sale and Use of RGE Tokens

Important Note: *As noted elsewhere in these Terms, the RGE Tokens are not being structured or sold as securities or any other form of investment product. Accordingly, none of the information presented in this Annex 1 is intended to form the basis for any investment decision, and no specific recommendations are intended. The Company expressly disclaims any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from: (i) reliance on any information contained in this Annex 1, (ii) any error, omission or inaccuracy in any such information or (iii) any action resulting from such information.*

By purchasing, holding and using RGE Tokens, you expressly acknowledge and assume the following risks:

1. Risk of Losing Access to RGE Tokens Due to Loss of Private Key(s)

A private key, or a combination of private keys, may be necessary to control and dispose of the RGE Tokens stored in your digital wallet. Accordingly, loss of requisite private key(s) associated with your digital wallet storing the RGE Tokens will result in loss of such RGE Tokens. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet service you use, may be able to misappropriate your RGE Tokens.

2. Risks Associated with the Ethereum protocol

The smart contract system concept and the underlying software application and software platform (i.e. the Ethereum blockchain) is still in an early development stage and unproven. Any malfunction, breakdown or abandonment of such software may have a material adverse effect on the RGE Tokens. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the RGE Tokens by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol.

3. Risk of Mining Attacks

As with any cryptocurrencies based on the Ethereum protocol, the RGE Tokens are susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attack presents a risk to the RGE Tokens, the Company, its ability to develop and provide the Services, including accurate execution and recording the transaction involving the RGE Tokens.

4. Risk of Hacking and Security Weaknesses

Hackers or other malicious groups or organizations may attempt to interfere with the RGE Tokens or the Website in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Hackers or other malicious groups or organizations may attempt to steal the proceeds from the TGE, thus potentially impacting the ability of the Company to develop and provide the Services. Furthermore, there is a risk that a third party or a member of the Company team may intentionally or unintentionally introduce weaknesses into the core

infrastructure of the Company's smart contract, which could negatively affect the Company's smart contract and the RGE Tokens.

5. Risks Associated with Markets for RGE Tokens

The RGE Tokens are intended to be used for the purposes outlined in the Whitepaper, and Company may not support or otherwise facilitate any secondary trading or external valuation of RGE Tokens. This restricts the contemplated avenues for using RGE Tokens and could therefore create illiquidity risk with respect to the RGE Tokens you hold. Even if secondary trading of RGE Tokens is facilitated by third party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to fraud or manipulation. Furthermore, to the extent that third parties do ascribe an external exchange value to RGE Tokens (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile and diminish to zero.

6. Risk of Uninsured Losses

Unlike bank accounts or accounts at some other financial institutions, RGE Tokens are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public government insurer or private insurance arranged by us, to offer recourse to you.

7. Risks Associated with Uncertain Regulations and Enforcement Actions

The regulatory status of the RGE Tokens and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to such technology and its applications, including the RGE Tokens. It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to law and regulation affecting distributed ledger technology and its applications, including the RGE Tokens. Regulatory actions could negatively impact the RGE Tokens in various ways, including, for purposes of illustration only, through a determination that RGE Tokens are a regulated financial instrument that require registration or licensing. The Company may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

8. Risks Arising from Taxation

The tax characterization of RGE Tokens may be uncertain in your jurisdiction. You must seek your own tax advice in connection with purchasing RGE Tokens, which may result in adverse tax consequences to you, including withholding taxes, income taxes and tax reporting requirements.

9. Risk of Alternative Services

It is possible that alternative services could be established that attempt to facilitate services that are materially similar to the Services. The Services may compete with these alternative services, which could negatively impact the RGE Tokens.

10. Risk of Insufficient Interest in the Services

It is possible that the Services will not be used by a large number of individuals, companies and other entities or that there will be limited public interest in the creation and development of distributed ecosystems more generally. Such a lack of use or interest could negatively impact the development of the Services and therefore the potential utility of RGE Tokens.

11. Risks Associated with the development of the Services

The Rouge Network Platform and accompanying services provided by the Company or its affiliates are still under development and may undergo significant changes over time. Although the Company intends for the above services to function as described in the Whitepaper and, intends to take commercially reasonable steps toward those ends, the Company may have to make changes to the specifications of the

RGE Tokens and the services for any number of legitimate reasons. This could create the risk that the services, as further developed and maintained, may not meet your expectations at the time of purchase. Furthermore, despite our good faith efforts to develop the services, it is still possible that the Rouge Network Platform and accompanying services will experience malfunctions or otherwise fail to be adequately developed, which may negatively impact the potential utility of RGE Tokens.

12. Risk of an Unfavorable Fluctuation of Bitcoin, Ether and Other Currency Value

The Company team intends to use the proceeds from selling RGE Tokens to fund the development of its services, as described further in the Whitepaper. The proceeds of the RGE Token sale will be denominated in cryptographic currencies (such as Ether) and converted into other cryptographic and fiat currencies. If the value of cryptographic and other currencies fluctuates unfavorably during or after the TGE, the Company may not be able to proceed in the manner that it intended.

13. Risks Associated with Intellectual Property Rights Claims

Intellectual property rights claims may adversely affect the operation of the Company and provision of its services. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets and their source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the Company's long-term viability or the ability of end-users to hold and transfer the RGE Tokens may adversely affect the value of the RGE Tokens. Additionally, meritorious intellectual property claim could prevent the Company and other end-users from accessing the Company's services or holding or transferring the RGE Tokens.

14. Risk of Dissolution of the Company

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of Bitcoin or Ether (or other cryptographic and fiat currencies), decrease in the RGE Tokens' utility, the failure of commercial relationships, or intellectual property ownership challenges, the Company may not have sufficient funds to continue operations and may dissolve.

15. Risks Arising from Lack of Governance Rights

Because RGE Tokens confer no governance rights of any kind with respect to the Company, all decisions involving the Rouge Network Platform and the Company will be made by the Company at its sole discretion, including, but not limited to, decisions to discontinue provision of its services, to sell or repurchase more RGE Tokens, or to sell or liquidate the Company. These decisions could adversely affect the RGE Tokens you hold.

16. Unanticipated Risks

Cryptographic tokens such as the RGE Tokens are a new and untested technology. In addition to the risks included in this Annex 1, there are other risks associated with your purchase, holding and use of RGE Tokens, including those that the Company cannot anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this Annex 1.