

# HACKEN.IO

## Terms of HKN Token Sale

**Last Updated: October 30, 2017**

These Terms of Hacken Tokens Pre-Sale (hereinafter - the “**Terms**”) summarizes the principal terms proposed by Hacken project – Gretto Group Ltd., company, incorporated in the jurisdiction of the British Virgin Islands (hereinafter – the “**Seller**”, the “**Hacken**”) regarding the purchase of Hacken Tokens (HKN) which will be issued and transferred by the Seller to You (hereinafter – the “**Buyer**” or “**You**”). Please read carefully these Terms before purchasing Hacken Tokens (HKN), as it affects your obligations and legal rights, including, but not limited to, waivers of rights and limitation of liability. If you do not agree with these Terms, you shall not purchase Hacken Tokens (HKN). By purchasing Hacken Tokens (HKN) during Token Sale period set forth herein, you will be bound by these Terms, and thus your purchase of Hacken Tokens (HKN) is subject to these Terms.

The Buyer and the Seller shall each be referred to as a “**Party**” and collectively as the “**Parties**”.

### RECITALS

**WHEREAS**, the Seller is to create a community driven business called the Hacken Ecosystem that consists of the HackenProof bug bounty marketplace, Unreported Zero-Day Remuneration Platform, Hacken Cybersecurity Startups Incubator, Cybersecurity Analytics Center, HackIT Conference and provides cybersecurity services (hereinafter – “**Platform**”); and

**WHEREAS**, the Seller is going to issue ERC20 digital tokens called Hacken Tokens being the only payment tool allowed on the Platform (hereinafter – “**HKN Tokens**” or “**HKN**”) which the Seller is willing to sell to the Buyer during the established sale period as described hereunder; and

**WHEREAS**, the Buyer is willing to purchase the HKN pursuant to the terms and conditions set forth herein.

**NOW THEREFORE**, in consideration of the foregoing, the Parties, intending to be legally bound, hereby agree to the following:

#### 1. USE OF HKN TOKENS

The Buyer understands and accepts that HKN Tokens will be used as the only payment tool allowed in the Hacken Ecosystem. Any new orders via HackenProof, Unreported Zero-Day Remuneration Platform, Cybersecurity Analytics Center or new investments via Hacken Accelerator must be made in HKN Tokens. You understand and accepts that ownership of the HKN tokens in no way grants any rights, express or implied, other than the right to use the HKN tokens as payment tool inside the Hacken Ecosystem.

You expressly agree that the HKN Tokens are not securities, are not registered with any government entity as the securities, shall not be considered as such, are not intended to be commodity or any other kind of financial instrument, do not represent any share, stake or security or equivalent rights, including, but not limited to, any right to receive future revenue shares and intellectual property rights, and do not represent any ownership right.

The Seller has prepared Whitepaper to describe matters related to Hacken project, included, but not limited to, any technological aspects and software matters. HOWEVER, HACKEN WHITEPAPER IN NO WAY CONSITUTES A LEGALLY BINDING AGREEMENT, CONTRACT, DECISION, ETC. BETWEEN THE SELLER AND THE BUYER.

## **2. SCOPE OF TERMS**

The Buyer hereunder commits to purchase HKN Tokens for Bitcoins (BTC), ETHEREUM (ETH), DASH coins (DASH), Litecoins (LTC), US Dollars (USD), Euros (EUR), or TaaS cryptocurrency (TaaS) and the Seller hereby expressly agrees to issue and sell HKN Tokens. In order to do so the Buyer will transfer payment as set forth herein and the Seller will allocate an amount of HKN Tokens which is equivalent to the payment to the ETH-address of the Buyer after the main Token Sale ends.

The Seller will distribute HKN Tokens after the main Token Sale ends. In order to receive HKN Tokens the Buyer shall have ETH-wallet since the token distribution will be carried out using specially deployed token sale smart contract. The Buyer may be required to manually set his/her ETH-wallet to watch the token sale smart contract to receive HKN Tokens after their issuance by the Seller which shall be made after the Seller's main Token Sale ends. The Buyer is also required to register on the website of the Seller as set forth in Hacken Terms and Conditions (Hacken.io - available at Terms and Conditions) and Hacken Privacy Policy (available at (Hacken.io - Privacy Policy) and comply with the provisions of such agreements.

Unless otherwise stated herein, these Terms govern purchase of HKN Tokens by the Buyer from the Seller during the period from October 31, 2017 (12.00 PM EET) to November 30, 2017 (12.00 PM EET) (hereinafter – «**Token Sale Period**»). The use of HKN Tokens and relations between the Parties may be governed by any other applicable terms and policies.

## **3. ACCEPTANCE, PURCHASE PRICE AND PAYMENT**

By buying HKN Tokens hereunder, the Buyer expressly accepts all terms and conditions described herein and agree to be bound thereby and comply therewith.

For 1 USD (one US dollar) or equivalent the Buyer will be able to buy 1 (one) HKN Token. During the Token Sale Period, the Seller will provide bonus to the Buyer, i.e. additional distribution of 25% (twenty five) % of HKN Tokens amount in first 1—4 hour,

20% (twenty) % of HKN Tokens amount in first 1—2 days, 15% (fifteen) % of HKN Tokens amount in first 3—7 days, 10% (ten) % of HKN Tokens amount in first 1—2 weeks which the Buyer has already purchased. In order to purchase HKN Tokens the Buyer shall send ETH/BTC/DASH/LTC/TaaS/USD/EUR in the amount, which is equivalent to the amount of HKN Tokens the Buyer is willing to receive for such payment to the ETH-address of the Seller. The Seller has established minimum transaction amount, which is 1 (one) ETH for the Token Sale Period.

#### **4. OTHER CONDITIONS OF HKN TOKENS PRE-SALE**

The Seller will issue the amount of 20 (twenty) million HKN Tokens. During the Token Sale Period, the Seller is willing to sell 18,7million of HKN Tokens.

The Seller reserves 2% of overall HKN Tokens Sale pool for its bounty campaigns as described on the Website. In order to receive an extra amount of HKN Tokens the Buyer shall support Hacken project and join Hacken promotion activities list.

The Buyer agrees that the Seller will use the “burning” principle for the regulatory reasons as defined in the Whitepaper and published on the Website. The Buyer understands and accepts that “burning” affects only the platform fees, thus reducing the amount of HKN Tokens, which the Platform, not the Buyers, owns.

#### **5. EXCHANGES**

Purchased HKN Tokens may be sold and transferred by the Buyer at any time after Token Sale ends via cryptocurrency exchanges at its own risk and without any interference of the Seller, subject to HKN Tokens listing on any of the cryptocurrency exchanges (WHETHER TO LIST HKN TOKENS ON CRYPTOCURRENCY EXCHANGES OR NOT IS SOLELY AT THE DISCRETION OF CRYPTOCURRENCY EXCHANGES).

#### **6. REFUND AND CANCELLATIONS**

TO THE EXTENT ALLOWABLE PURSUANT TO APPLICABLE LAW, THE PURCHASE OF HKN TOKENS BY THE BUYER FROM THE SELLER IS FINAL, AND THUS THERE ARE NO REFUNDS AND/OR CANCELLATIONS.

#### **7. PURCHASE LIMITATIONS**

UNITED STATES CITIZENS AND RESIDENTS ARE NOT ELIGIBLE TO PARTICIPATE IN HACKEN TOKEN PRE-SALE CAMPAIGN. THE BUYER IS ONLY ALLOWED TO PURCHASE

HKN TOKENS IF AND BY BUYING HKN TOKENS AND/OR SIGNING THESE TERMS HE/SHE COVENANTS, REPRESENTS, AND WARRANTS THAT HE/SHE IS NEITHER A U.S. CITIZEN OR PERMANENT RESIDENT OF THE UNITED STATES, NOR DOES HE/SHE HAS A PRIMARY RESIDENCE OR DOMICILE IN OR MAKES HIS / HER TRANSACTIONS FROM THE UNITED STATES, INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, AND ANY OTHER POSSESSIONS OF THE UNITED STATES. IN ORDER TO BUY HKN TOKENS AND BY BUYING HKN TOKENS AND/OR SIGNING THESE TERMS, THE BUYER COVENANTS, REPRESENTS, AND WARRANTS THAT NONE OF THE OWNERS OF THE COMPANY, OF WHICH HE/SHE IS AN AUTHORIZED OFFICER, ARE U.S. CITIZEN OR PERMANENT RESIDENT OF THE UNITED STATES, NOR DOES HE/SHE HAVE A PRIMARY RESIDENCE OR DOMICILE IN OR MAKES TRANSACTIONS FROM THE UNITED STATES, INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, AND ANY OTHER POSSESSIONS OF THE UNITED STATES. SHOULD THIS CHANGE AT ANY TIME, HE/SHE SHALL IMMEDIATELY NOTIFY THE SELLER. THE SELLER SHALL RESERVE THE RIGHT TO REFUSE SELLING HKN TOKENS TO ANYONE WHO DOES NOT MEET CRITERIA NECESSARY FOR HKN TOKENS BUYING, AS SET OUT HEREUNDER AND BY THE APPLICABLE LAW. IN PARTICULAR, THE SELLER MAY REFUSE SELLING HKN TOKENS TO U.S. CITIZENS, PERMANENT RESIDENTS OF THE UNITED STATES AND THOSE USERS WHO DO NOT MEET ANY OTHER CRITERIA SPECIFIED HEREIN. IT IS ALSO FORBIDDEN TO PURCHASE HKN TOKENS USING FUNDS GAINED FROM ILLEGAL OR UNETHICAL SOURCES OR RECEIVED IN RESULT OF MONEY LAUNDERING. BY BUYING HKN TOKENS HEREUNDER, THE BUYER REPRESENTS AND WARRANTS THAT HIS/HER FUNDS IN NO WAY CAME FROM ILLEGAL OR UNETHICAL SOURCES, THAT THE BUYER IS NOT USING ANY PROCEEDS OF CRIMINAL OR ILLEGAL ACTIVITY OR MONEY LAUNDRY, AND THAT NO TRANSACTION INVOLVING HKN TOKENS IS BEING USED TO FACILITATE ANY CRIMINAL OR ILLEGAL ACTIVITY OR PERFORM MONEY LAUNDERING.

IT MAY ALSO BE PROHIBITED FOR CITIZENS AND RESIDENTS OF UNRECOGNIZED AND/OR STATES TO PARTICIPATE IN HACKEN PRE-SALE CAMPAIGN. THE SELLER MAY REFUSE SELLING TOKENS TO CITIZENS AND RESIDENTS OF UNRECOGNIZED AND/OR PARTLY RECOGNIZED TERRITORIES AND/OR STATES.

## **8. REPRESENTATIONS AND WARRANTIES**

By buying HKN Tokens and, the Buyer represents and warrants that:

(a) he/she has read and understood these Terms, Hacken Terms and Conditions (available at (Hacken.io - Terms and Conditions ) and Hacken Privacy Policy (available at (Hacken.io - Privacy Policy)), as well as Hacken Whitepaper (available at <https://hacken.io/common/files/HackenWP.pdf> );

(b) he/she is of an age of majority to enter into these Terms, meets all other eligibility and residency requirements, and is fully able and legally competent to enter the terms, conditions, obligations, affirmations, representations and warranties set forth herein and to abide by and comply herewith;

(c) he/she will be solely responsible for any applicable taxes imposed on HKN Tokens purchased hereunder;

(d) he/she has in-depth knowledge and deep understanding of the crypto market, Blockchain-based systems and cryptocurrencies;

(e) he/she is aware of and knows how to manage all the merits, risks and any restrictions associated with crypto market, Blockchain-based systems and cryptocurrencies;

(f) he/she understands, that the value in the price of a HKN may be defined by a degree of transactions with a specific marketplace or others.

## **9. ACKNOWLEDGMENT AND ASSUMPTION OF RISKS**

By buying HKN Tokens, the Buyer represents/warrants and accepts that:

(a) there are certain risks associated with purchasing HKN Tokens, holding HKN Tokens, and using HKN Tokens. By purchasing HKN Tokens, the Buyer expressly acknowledges and assumes such risks, including, but not limited to, risk of losing access to the HKN Tokens in his/her possession due to loss of private key(s) or password, as well as any other registration information, risks associated with both Bitcoin and Ethereum Protocol, risks associated with markets for tokens, etc.

(b) that the Blockchain technology allows new forms of interaction and that it is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, Blockchain technology based applications, which may be contrary to the current setup of both Platform and/or Smart-Contract System and which may, inter alia, result in substantial modifications of both Platform and/or Smart-Contract System and/or the HKN Tokens protocol, including its termination and the loss of HKN Tokens for the Buyer.

## **9. DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITY**

HKN TOKENS ARE TO BE PROVIDED ON AN "AS IS" BASIS AND WITHOUT ANY WARRANTIES OF ANY KIND, EITHER EXPRESSED OR IMPLIED. YOU ASSUME ALL RESPONSIBILITY AND RISK WITH RESPECT TO BUYING OF ANY AMOUNT OF HKN TOKENS AND THEIR USE.

THE BUYER HEREBY EXPRESSLY AGREES THAT, TO THE MAXIMUM EXTENT PERMITTED BY THE APPLICABLE LAW, THE SELLER DOES NOT ACCEPT ANY LIABILITY FOR ANY DAMAGE OR LOSS, INCLUDING LOSS OF BUSINESS, REVENUE, OR PROFITS, OR LOSS OF OR DAMAGE TO DATA, EQUIPMENT, OR SOFTWARE (DIRECT, INDIRECT, PUNITIVE, ACTUAL, CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY OR OTHERWISE), RESULTING FROM ANY USE OF, OR INABILITY TO USE, THIS WEBSITE OR THE MATERIAL, INFORMATION, SOFTWARE, FACILITIES, SERVICES OR CONTENT ON THIS WEBSITE, AS WELL AS FROM PURCHASING OF HKN TOKENS, REGARDLESS OF THE BASIS, UPON WHICH THE LIABILITY IS CLAIMED AND EVEN IF THE SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE.

THE BUYER UNDERSTANDS AND EXPRESSLY AGREES THAT THE SELLER SHALL NOT GUARANTEE IN ANY WAY THAT HKN TOKENS MIGHT BE SOLD OR TRANSFERRED DURING OR AFTER THE TOKEN PRE-SALE. IF APPLICABLE LAW DOES NOT ALLOW ALL OR ANY PART OF THE ABOVE LIMITATION OF LIABILITY TO APPLY TO THE BUYER, THE LIMITATIONS WILL APPLY TO THE BUYER ONLY TO THE EXTENT PERMITTED BY APPLICABLE LAW.

THE BUYER UNDERSTANDS AND AGREES THAT IT IS HIS/HER OBLIGATION TO ENSURE COMPLIANCE WITH ANY LEGISLATION RELEVANT TO HIS/HER COUNTRY OF DOMICILE CONCERNING PURCHASING OF HKN TOKENS, AND THAT THE SELLER SHOULD NOT ACCEPT ANY LIABILITY FOR ANY ILLEGAL OR UNAUTHORIZED PURCHASING OF HKN TOKENS. THE BUYER AGREES TO BE SOLELY RESPONSIBLE FOR ANY APPLICABLE TAXES IMPOSED ON HKN TOKENS PURCHASED HEREUNDER.

**10. INDEMNIFICATION**

To the extent allowable pursuant to applicable law, the Buyer shall indemnify, defend, and hold the Seller and/or its subsidiaries, affiliates, directors, officers, employees, agents, successors, and permitted assignees harmless from and against all claims, damages, losses, suits, actions, demands, proceedings, expenses, and/or liabilities (including but not limited to reasonable attorneys' fees incurred and/or those necessary to successfully establish the right to indemnification) filed/incurred by any third party against the Buyer arising out of a breach of any warranty, representation, or obligation hereunder.

**11. TAXES**

The purchase price that you pay for HKN Tokens is exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase, exchange and sell of HKN Tokens, including, for example, sales, use, value added, and similar taxes. It is also your responsibility to withhold, collect, report and remit the correct taxes to the appropriate tax authorities. You agree that the Seller is not responsible for withholding, collecting, reporting, or remitting any sales, use, value added, or similar tax arising from your purchase and sell of HKN Tokens.

**11. JURISDICTION AND DISPUTE RESOLUTION**

PLEASE READ THE FOLLOWING PARAGRAPH CAREFULLY BECAUSE IT REQUIRES YOU TO ARBITRATE DISPUTES WITH US AND IT LIMITS THE MANNER IN WHICH YOU CAN SEEK RELIEF. All questions concerning the construction, validity, enforcement and interpretation of these Terms shall be governed by and construed and enforced according to the laws of the British Virgin Islands. Any controversy or claim (hereinafter – the “Disputes”) arising out of or relating to this Terms or the breach thereof, shall be settled by the International Arbitration and Cryptography Centre Limited (hereinafter – “IACC”). The number of arbitrators shall be one. The seat, or legal place, of arbitration shall be London, England. The language of the arbitration shall be English. The hearings will be held online in accordance with IACC Rules.

**12. MISCELLANEOUS**

These Terms constitute the entire agreement between the Buyer and the Seller relating to the Buyer's purchase of HKN Tokens from the Buyer during the Token Sale Period. Some of the terminology specified in these Terms is defined in the Hacken.io Terms and Conditions (available at (Hacken.io - Terms and Conditions )) which are binding for the parties hereto. Please read them carefully together with these Terms. No provision of these Terms shall be considered waived unless such waiver is in writing and signed by the Party that benefits from the enforcement of such provision. If any term, provision, covenant or restriction of these Terms is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated. The Seller may assign the Seller's rights and obligations under these Terms. Any notice or other communication given or made under these Terms shall be and may be delivered in electronic form. At any time, the Seller may make changes to these Terms as reasonably required to comply with applicable law or regulation. In cases of changes, the amended Terms will be published on (Hacken.io - Terms and Conditions ), "Last Updated" date above will be updated as well. The amended Terms will be effective immediately. In no way, the Seller shall be liable for any delay or failure to perform any obligations under these Terms as a result of a cause beyond the Seller's reasonable control. These Terms and purchasing of HKN Tokens by the Buyer in no way create any exclusive relationship between the Buyer and the Seller nor any partnership, joint venture, employment or agency.