

Nafen Fibers
GENERAL TERMS AND CONDITIONS
for purchasers acquiring NFN tokens

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NAFEN FIBERS EXPRESSLY DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND WHATSOEVER ARISING DIRECTLY OR INDIRECTLY FROM: (I) RELIANCE ON ANY INFORMATION CONTAINED IN THIS DOCUMENT, (II) ANY ERROR, OMISSION OR INACCURACY IN ANY SUCH INFORMATION OR (III) ANY ACTION RESULTING THEREFROM, (IV) USAGE OR ACQUISITION OF PRODUCTS PURCHASED.

1. TERMS

1.1 The following terms shall have for the purposes of these General terms and conditions the following meanings.

- (a) **“Auditors”** shall have the meaning, set out in paragraph 3.5.
- (b) **“Digital Asset”** are tokens, available in particular public blockchain network, in this case Ether unless otherwise envisaged by Nafen Fibers.
- (c) **“ETH”** or **“Ether”** shall mean value token of the Ethereum blockchain called “ether”.
- (d) **“Ethereum”** shall mean an open-source, public, blockchain-based distributed computing platform featuring smart contract (scripting) functionality.
- (e) **“European Economic Area”** or **“EEA”** shall mean all EU countries and in addition Iceland, Liechtenstein and Norway.
- (f) **“Hard Cap”** shall have the meaning, set out in paragraph 5.8.
- (g) **“KYC”** - means “Know your customer” is the process of identifying and verifying the identity of its clients/ token purchasers.

- (h) **“Multisig address”** is a solution, enabling Nafen Fibers to store collected cryptocurrency in a multi-signature wallet.
- (i) **“Nafen Fibers”** or **“We”** means Nafen Fibers Llc., a private limited company incorporated in Estonia (EU) for indefinite time in accordance with the laws of Estonia, for the purpose of developing the NAFEN™ nanofibers project.
- (j) **“NFN”** means Nafen Fibers ERC20 compatible Ethereum cryptographic token.
- (k) **“Project”** shall have the meaning, set out in section 3.
- (l) **“Restricted Areas”** shall have the meaning, set out in 7.1.
- (m) **“Soft Cap”** shall have the meaning, set out in paragraph 5.7.
- (n) **“Terms”** means these General Terms and Conditions.
- (o) **“Third-party Wallet”** is a solution, enabling purchasers to store their Digital Assets and NFNs.
- (p) **“Total NFN Number”** shall have the meaning, set out in paragraph **Error! Reference source not found.**
- (q) **“VAT”** means value added tax of relevant jurisdiction, if applicable.
- (r) **“Website”** shall mean <https://www.nafen.co>.

2. ABOUT NAFEN FIBERS

- 2.1 Nafen Fibers is a private limited company established under the laws of Estonia (EU), with its seat in Tallinn, for the purpose of developing a project combining advanced technologies in the field of industrial production of a unique crystalline material, which is alumina nanofibers (Al₂O₃) branded as NAFEN™.
- 2.2 Nafen Fibers is a special purpose organization, incorporated for indefinite time for the purposes of developing the Project, as defined herein, and providing service and operational support for the Project.
- 2.3 Nafen Fibers uses all of its funds for the development and running of the Project. Nafen Fibers may to its best knowledge and diligence allocate funds, received through distribution as set out in section 5, for the purposes of Nafen Fibers, mainly development of the Project and operating costs of Nafen Fibers. Nafen Fibers may engage subcontractors to partially or entirely develop, execute and deploy the Project.
- 2.4 Purchasers understand that by acquiring NFN tokens they have no right or interested in Nafen Fibers and its governance.

- 2.5 Nafen Fibers reserves its right to nominate more board members or directors should it establish that would be beneficial to Nafen Fibers and the Project.

3. THE PROJECT

- 3.1 Nafen Fibers has been established for further development of NAFEN™ nanofibers project and its products. At the time of drafting and publishing of these Terms, the project has gone through a full development cycle to optimize the technology of NAFEN™ into a safe and environmentally friendly production process. The basic synthesis technology for the material was designed to give it enough capacity and scalability for large-scale industrial production, as well as making it replicable to locate production sites logistically closer to customers around the world.
- 3.2 Nowadays, Nafen Fibers has a stable and scalable production process allowing quickly meet requests for large-scale production of NAFEN™ in other territories by the construction of new factories, each with the production capacity of up to 80 tons per year. Development and production procedures of NAFEN™ nanofibers and products are certified in accordance with a number of ISO and OHSAS standards. There is also REACH registered for the sale of NAFEN™ nanofiber production in the EU, up to 100 tons per year.
- 3.3 Nafen Fibers' products can be changed and altered from time to time, and these Terms should apply to all of them, unless it is stated otherwise in these Terms, on the Website or in the documentation, accompanying particular product. These Terms apply also to Nafen Fibers products, offered, launched or made public after publication of these Terms.
- 3.4 Purchasers understand and accept that the project is currently in development phase and that still requires substantial development works. Due to unforeseeable material conceptual, technical and commercial changes before the final release, or any time after the release of the Nafen Fibers product, token holder understands and accepts that an upgrade of Nafen Fibers project and/or NFN token may be required and that, if token holder decides not to participate in such upgrade, he may no longer use his NFNs and that non-upgraded NFNs may lose their associated rights in full.
- 3.5 Nafen Fibers cryptographic token **source code has been audited by professional auditors**, which have been chosen and appointed by Nafen Fibers as independent advisors and instructed to verify the source code and identify any security risks. The Auditors have confirmed that to the best of their knowledge NFN source code has been diligently drafted and no material weaknesses or security risks have been identified.

4. NFN STRUCTURE AND PERTAINING HOLDERS' RIGHTS

- 4.1 NFN token smart-contract is fully ERC20 compatible Ethereum token with some extra features on top. NFN token smart contract address will be published in due time prior to NFN distribution.
- 4.2 Technical implementation of Nafen Fiber's token smart-contract can be found on GitHub.
- 4.3 NFN token is supported by an actual product since it is equivalent to a voucher giving 100% discount for 1 gram of NAFEN™ nanofiber. After official facility launch, we expect to buyback a proportional number of NFNs (if such available for sale) from the crypto-exchanges when our industrial customers order NAFEN™ nanofibers through our production sales system.
- 4.4 NFN carries no rights, express or implied, other than those, set out herein, if Nafen Fibers successfully completes and deploys the new production facility (the plant) for further NAFEN™ nanofiber production expansion. In particular, NFN holders shall not have any influence in the governance of Nafen Fibers or its affiliates, or the Project, and NFN do not represent or constitute any ownership right or stake, share or security or equivalent rights or any right to receive future revenue shares, or any other form of participation in or relating to Nafen Fibers.
- 4.5 NFN tokens are designed to be exchangeable on cryptographic token exchanges. Although our goal is to list NFN tokens on all major exchanges, Nafen Fibers cannot give such warranties, but undertakes on best effort basis to do everything that is reasonably possible and within the powers of Nafen Fibers to enable exchange of NFN tokens on as many exchanges as possible.

5. NAFEN FIBERS TOKEN (NFN) DISTRIBUTION

- 5.1 Contributions, given to Nafen Fibers in exchange for NFNs shall be considered as financial contribution. Contribution can only be done in either Ether (ETH) or other announced cryptocurrencies by Nafen Fibers to a crypto wallet or euros (EUR) to a bank account, both provided and controlled by Nafen Fibers. Failure to follow the instructions on the Website or any other written instruction provided by Nafen Fibers may limit, delay, or prevent a purchaser from the purchase of NFNs. Purchasers understand and accept that they contribute into a smart contract system on Ethereum or other cryptocurrencies or wire transfer euros (EUR) to a bank account and receive NFNs in exchange.

- 5.2 NFN token distribution is taken place on the Website **www.nafen.co**. Token distribution is conducted in two rounds: **Pre-sale and Token sale**. Dates of the rounds will be determined during the period of preparation for token distribution and will be announced in advance on the Website, as well as in the media. Each of the rounds will be limited by time but will not have any restrictions on the volume of attracted investments. Nafen Fibers reserves a right to change the dates, set out herein at any given time due to technical or organizational reasons, without any duty to provide explanation to the token purchasers or the public. Any such changes will be published on the Website, as well as in the media.
- 5.3 The total amount of NFN tokens **planned** to be issued is 212,625,000. That is equivalent to 212.625 tons of NAFEN™ nanofibers. The price per NFN will be fixed and set out discretionally by Nafen Fibers. A total number of NFNs **actually** distributed will therefore only be known after the end of Token sale (“**Total NFN Number**”). The distributed NFN will represent the entirety of the available liquid token supply. The Website will show amounts of NFN tokens sold in real time.
- 5.4 The ETH or other cryptocurrency to EUR rate is being fixed on the moment of funds arrival to Nafen Fibers wallet. For purchasers with FIAT currency, tokens can be issued manually at a pre-agreed amount in euros, which can be transferred to Nafen Fibers bank account or in some other alternative way. Such amounts are counted in smart-contract and are public information.
- 5.5 The NFN token smart-contract publicly implemented the system of white- and blacklists. Token sale and counting in capitalization is made only according whitelist addresses. Purchasers can get into the whitelist after passing KYC procedures.
- 5.6 In case of getting into blacklist, for example, because of legislative prohibition of the country of residence, such purchaser can independently start the function of automatic funds return to the wallet or request a refund from Nafen Fibers. Upon the return, these tokens are automatically burned and are not included in the total capitalization, as well as smart-contract gets the opportunity to issue new tokens instead of burnt ones.
- 5.7 Soft-cap, which equals to 2 500 000 EUR applies in the case when Nafen Fibers do not collect the minimum amount of funds during two rounds (“**Soft Cap**”).
- 5.8 Hard-cap, which equals to 14 000 000 EUR, is strictly limited and when the maximum amount of financial assets is reached, the smart contract

will automatically stop receiving any funds, and if necessary, return the overpayments back (“**Hard Cap**”).

- 5.9 The distribution of bonuses for token purchasers based on the volume of emissions and look as specified in Nafen Fibers White Paper.
- 5.10 The end of the token distribution occurs automatically by collecting the hard-cap or at the end of the last stage (Token sale), which of them will come sooner. Collected cryptocurrency will be sent to the multisig address, given when the contact is activated, and such information is public.
- 5.11 Nafen Fibers reserves a right to emergency stop the distribution process. Use of this functionality shall remain in discretion of Nafen Fibers and shall only be used in limited situations, such as, but not limited to: i) serious security issue detected, ii) serious performance issue, depriving all token distribution participants of equal treatment, and iii) any type of material attack on the NFNs, Nafen Fibers or Ethereum network.
- 5.12 The funds raised from the NFN distribution will be used exclusively for the development and running of the Project, as defined above.
- 5.13 The **transfer and vesting** of the NFNs to their purchasers will be effected as follows:
 - (a) Purchased NFN tokens shall be locked, with coded non-transferability, **in a smart contract** on the Ethereum blockchain **set to release** its funds **to an address under the control of the Purchaser** at the end of Token sale or on the day of first NFNs listing on a crypto- exchange, whichever comes first.
 - (b) Purchased NFN tokens shall be non-transferable until the end of Token sale, and such enforcement shall be made on their source code, in a manner that’s unalterable by Nafen Fibers. The Purchaser shall not formally or informally issue or trade derivatives or any rights bonded to purchased NFN tokens, until the end of Token sale. Exceptions can be made if NAFEN Fibers signs a written agreement on a new proposal.
- 5.14 Logs of all NFN purchases shall be publicly accessible on the Ethereum blockchain, which will be easily consulted using websites or tools provided by Nafen Fibers.
- 5.15 NFN distribution will be executed through the Website. For FIAT currency purchasers, tokens can be issued manually. No third-party website or a different provider is not allowed and has not been in any way supported, endorsed or sanctioned by Nafen Fibers and have no relationship in any way with Nafen Fibers. The only official and authorized website and NFN token distribution provider is the Website.

You must ensure that the URL of your web browser indicates that it is using a **hypertext transport protocol secure connection (“https”)** and that the domain name is correct. Nafen Fibers may partner with third party service provider to enable easier acquisition of NFNs with digital assets other than Ether.

- 5.16 All contributions to Nafen Fibers in exchange for NFN tokens are final and non-refundable with exception of the refund rule. By participating in the NFN token distribution, you acknowledge that Nafen Fibers is not required to provide a refund for any reason, and that you will not receive money or other compensation in lieu of a refund.
- 5.17 Nafen Fibers founding team will receive 10% of the Total NFN number.

6. RISKS

- 6.1 You understand that Digital Assets, NFN, blockchain technology, Ethereum, Ether and other associated and related technologies are new and untested and outside of Nafen Fibers’s exclusive control and adverse changes in market forces or the technology, broadly construed, will excuse Nafen Fibers’s performance under this agreement.
- 6.2 In addition to the above, you also acknowledge that you have been warned of the following risks, associated with the Website, the Digital Assets, the NFNs and other relevant technologies mentioned herein.

- (a) **Legal risks regarding securities regulations**

There is a risk that in some jurisdictions the NFNs and other Digital Assets might be considered to be a security, or that it might be considered to be a security in the future. Nafen Fibers does not give warranties or guarantees that NFN tokens are not a security in all jurisdictions. Each purchaser of NFN tokens shall bear its own legal or financial consequences of NFN tokens being considered a security in their respective jurisdiction.

Every purchaser is bound to check if acquisition and disposal of NFN tokens is legal in its jurisdiction, and by accepting these Terms each purchaser undertakes not to use NFN tokens should their use not be legal in the relevant jurisdiction.

Acquiring cryptographic tokens in possession and exchanging them for other cryptographic tokens will most likely continue to be scrutinized by various regulatory bodies around the world, which has so far given mixed reactions and regulatory impact. The legal ability of Nafen Fibers to provide NFN tokens in some jurisdictions may be eliminated by future regulation or legal actions. In the event, it turns out with a high degree certainty that NFN tokens are not legal in certain jurisdiction, Nafen

Fibers will either a) cease operations in that jurisdiction, or b) adjust NFN tokens in a way to comply with the regulation should that be possible and viable.

(b) **Risks associated with Ethereum**

NFN tokens are based on Ethereum. As such, any malfunction, unintended function or unexpected functioning of the Ethereum protocol may cause the NFN tokens to malfunction or function in an unexpected or unintended manner. Ether, the native unit of account of the Ethereum may itself lose value in ways similar to NFN tokens, and also other ways. More information about the Ethereum is available at <http://www.ethereum.org>

(c) **Risks associated with purchasers' credentials**

Any third party that gains access to the purchaser's login credentials for the Website, or private keys may be able to dispose of the purchaser's Digital Assets and NFNs. To minimize this risk, the purchaser should guard against unauthorized access to their electronic devices.

(d) **Risk of unfavorable regulatory action in one or more jurisdictions**

Blockchain technologies have been the subject of scrutiny by various regulatory bodies around the world. The functioning of the Ethereum network and associated blockchains and Digital Assets and NFN tokens could be impacted by one or more regulatory inquiries or actions, including but not limited to restrictions on the use or possession of digital tokens like NFN tokens, which could impede or limit their existence, permissibility of their use and possession, and their value.

(e) **Risk of theft and hacking**

Hackers or other groups or organizations may attempt to interfere with your Third-party Wallet, the Website or the availability of NFN tokens and Digital Assets in any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks.

(f) **Risk of security weaknesses in the Website and NFN tokens source code or any associated software and/or infrastructure**

There is a risk that the Website and NFN tokens may unintentionally include weaknesses or bugs in the source code interfering with the use of or causing the loss of NFN tokens.

(g) **Risk of weaknesses or exploitable breakthroughs in the field of cryptography**

Advances in cryptography, or technical advances such as the development of quantum computers, could present risks to cryptocurrencies, Ethereum, NFN tokens, Nafen Fibers, which could result in the theft or loss of NFN tokens.

(h) **Risk of mining attacks**

As with other decentralized cryptocurrencies, the Ethereum blockchain, which is used for the NFN tokens, is 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 attacks present a risk to the NFN tokens, expected proper execution and sequencing of NFN tokens, and expected proper execution and sequencing of Ethereum contract computations in general. Despite the efforts of Nafen Fibers and Ethereum Foundation, the risk of known or novel mining attacks exists. Mining Attacks, as described above, may also target other blockchain networks, with which the NFN tokens interact with and consequently the NFN tokens may be impacted also in that way to the extent, described above.

(i) **Risk of low or no liquidity**

Even though there are currently online service available, which enable possibility of exchange of cryptographic tokens between themselves, and also, some of them enable exchange of cryptographic tokens for fiat money, there are no warranties and/or guarantees given that NFN tokens will be listed or made available for exchange for other cryptographic tokens and/or fiat money, and no guarantees are given whatsoever with the capacity (volume) of such potential exchange. It shall be explicitly cautioned, that such exchange, if any, might be subject to poorly-understood regulatory oversight, and Nafen Fibers does not give any warranties in regard to any exchange services providers. Purchasers might be exposed to fraud and failure. Purchaser may not at any given time be able to acquire or dispose of its NFN tokens due to lack of liquidity.

(j) **Risk of loss of value**

Value of NFN tokens may fluctuate, and their purchasers might suffer loss in value of such acquired tokens. There might be different reasons that would cause unfavorable fluctuations of the value of the NFN tokens.

(k) **Risk of uninsured losses**

NFN tokens are unlike bank accounts or accounts at some other financial institutions entirely uninsured.

(l) **Risk of malfunction in the Ethereum network or any other blockchain**

It is possible that the Ethereum network or any other network, to which the NFN tokens are interacting with, malfunctions in an unfavorable way, including but not limited to one that results in the loss of NFN tokens

(m) **Internet transmission risks**

You acknowledge that there are risks associated with using the Website and NFN tokens including, but not limited to, the failure of hardware, software, and Internet connections. You acknowledge that Nafen Fibers shall not be responsible for any communication failures, disruptions, errors, distortions or delays you may experience when using the Website and NFN tokens, howsoever caused.

(n) **Unanticipated risks**

Cryptocurrencies and blockchains are new and untested technology. In addition to the risks set forth here, there are risks that Nafen Fibers cannot foresee and it is unreasonable to believe that such risks could have been foreseeable. Risks may further materialize as unanticipated.

(o) **Insufficient interest in Nafen Fibers Project, its product and NFN tokens**

It is possible that Nafen Fibers's product or NFN token will not be used by a large number of individuals, businesses and other organizations and that there will be limited public interest in them. Such a lack of interest could impact the development of Nafen Fibers Project and its products.

(p) **Nafen Fibers Project, as developed, may not meet your expectations**

Nafen Fibers product is under development and may undergo significant changes before full release. Your expectations regarding the Nafen Fibers Project and NFN tokens may not be met upon deployment of Nafen Fibers Project, additional products and services for any number of reasons, including a change in the design and implementation plans and execution of the implementation of Nafen Fibers Project and its products.

(q) **Nafen Fibers Project or any of its product may never be completed or released**

Nafen Fibers Project, described in section 3, may never be released and operational, even though Nafen Fibers will make reasonable efforts to complete and deploy it.

6.3 The NFN tokens are provided “*as is*”. We and our affiliates and licensors make no representations or warranties of any kind, whether express, implied, statutory or otherwise regarding the NFN tokens, including any warranty that the NFN tokens will be uninterrupted, error free or free of harmful components, secure or not otherwise lost or damaged. Except to the extent prohibited by law, we and our affiliates and licensors disclaim all warranties, including any implied warranties of merchantability, satisfactory quality, fitness for a particular purpose, non-infringement, or quiet enjoyment, and any warranties arising out of any course of dealing or usage of trade.

7. ELIGIBILITY

7.1 The Website, Nafen Fibers and NFN tokens are not offered for use to natural and legal persons, having their habitual residence or their seat of incorporation in the following countries and controlled territories: i) the United States of America (“**Restricted Areas**”).

7.2 Natural and legal persons with their habitual residence or seat of incorporation from the Restricted Areas shall not use the Website, Nafen Fibers and NFN tokens. None of the activities of Nafen Fibers take place in the Restricted Areas.

7.3 Nafen Fibers reserves its right to decide in its own discretion to adopt reasonable organizational and technical measures to assure that the Website and NFN tokens are not available to persons from paragraph 7.1. Due to the NFN tokens being offered on the Internet (meaning both the world-wide web and the Ethereum blockchain) Nafen Fibers and purchasers understand that there is a possibility that there might be a certain “*flow back*” of NFN tokens to natural and legal persons with their habitual residence or seat of incorporation located in the Restricted Areas. Nafen Fibers consequently explicitly prohibits persons from paragraph 7.1. from using the NFN tokens. Nafen Fibers shall not be held liable for any legal or monetary consequence arising of such use. Such persons using NFN tokens despite the prohibition shall on first request indemnify and hold harmless Nafen Fibers from any legal or monetary consequence arising of their breach of the terms as described in this paragraph 7.3. Any person, matching the criteria from paragraph 7.1., shall immediately stop using NFN tokens and leave the Website.

7.4 If you are registering to use Nafen Fibers on behalf of a legal entity, you represent and warrant that

- (a) such legal entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization; and
- (b) you are duly authorized by such legal entity to act on its behalf.

7.5 You further represent and warrant that you:

- (a) are of legal age to form a binding contract (at least 18 years old in most of the jurisdictions);
- (b) have full power and authority to enter into this agreement and in doing so will not violate any other agreement to which you are a party;
- (c) are not located in, under the control of, or a national or resident of any Restricted Areas;
- (d) have not been placed on any of the sanctions lists, published and maintained by the United Nations, European Union, any EU country, UK Treasury and US Office of Foreign Assets Control (OFAC); and
- (e) will not use the NFN tokens if any applicable laws in jurisdiction of your habitual residence or incorporations prohibit you from doing so in accordance with these Terms,
- (f) have a deep understanding of the functionality, usage, storage of cryptographic tokens, smart contracts, and blockchain-based software,
- (g) have carefully reviewed the content of this document and have understood and agreed with these Terms,
- (h) you are not obtaining NFN tokens for the purpose of speculative investment.

8. FINANCIAL REGULATION AND COOPERATION WITH LEGAL AUTHORITIES AND AUTHORIZED FINANCIAL INSTITUTIONS AND REGULATORS

8.1 The NFN tokens are unregulated. Nafen Fibers is closely following changes to legislation in the most relevant jurisdictions in the world and undertakes to act accordingly, if regulatory changes impact operations of NFN tokens and Nafen Fibers. Nafen Fibers is not a financial institution and is currently not under supervision of any financial supervisory authority. Nafen Fibers does not provide any licensed financial services, such as investment services, capital raising, fund management or investment advice. This NFN token distribution is not a public offering of equity or debt and consequently does not fall under the securities or any prospectus regulation.

8.2 This document or any other document, produced and signed by Nafen Fibers, as well as the Website, and any of their content does not constitute an offer or solicitation to sell shares or securities.

8.3 None of the information or analyses presented are intended to form the basis for any investment decision, and no specific recommendations are

intended, and Nafen Fibers services and the Website are not, do not offer and shall not be construed as investment or financial products.

- 8.4 Nafen Fibers undertakes to cooperate with any governmental legal authority or regulator or supervisory authority of any country, and also with all authorized financial institutions.

9. LIABILITY

- 9.1 Nafen Fibers and its affiliates and their respective officers, employees or agents will in regard to the Website, Nafen Fibers and NFN tokens not be liable to you or anyone else for any damages of any kind, including, but not limited to, direct, consequential, incidental, special or indirect damages (including but not limited to lost profits, trading losses or damages that result from use or loss of use of this Website, Nafen Fibers and NFN tokens), even if Nafen Fibers has been advised of the possibility of such damages or losses, including, without limitation, from the use or attempted use of NFN tokens, the Website or the Nafen Fibers.

- 9.2 Further, neither we nor any of our affiliates or licensors will be responsible for any compensation, reimbursement, or damages arising in connection with: (a) your inability to use the to the Website, Nafen Fibers or NFN tokens, including without limitation as a result of any termination or suspension of the Ethereum network or this agreement, including as a result of power outages, maintenance, defects, system failures or other interruptions; (b) the cost of procurement of substitute goods or services; (c) any investments, expenditures, or commitments by you in connection with this agreement or your use of or access to the Website, Nafen Fibers and NFN tokens; or (d) any unauthorized access to, alteration of, or the deletion, destruction, damage, loss or failure to store any data, including records, private key or other credentials, associated with to the Website, Nafen Fibers and NFN tokens.

- 9.3 You waive your right to demand the return of any cryptographic tokens you exchanged with us for the purpose of acquiring NFN tokens, including, without limitation, a demand for specific performance.

- 9.4 You will defend, indemnify, and hold harmless us, our affiliates and licensors, and each of their respective employees, officers, directors, and representatives from and against any claims, damages, losses, liabilities, costs, and expenses (including reasonable attorney fees) arising out of or relating to any third-party claim concerning this Agreement or your use of the Website, Nafen Fibers and NFN tokens contrary to these Terms. If we or our affiliates are obligated to respond to a third-party subpoena or other compulsory legal order or process described above, you will also reimburse us for reasonable attorney fees, as well as our employees' and

contractors' time and materials spent responding to the third-party subpoena or other compulsory legal order or process at reasonable hourly rates.

9.5 The information, software, products, and services included in or available through the Website and Nafen Fibers may include inaccuracies or typographical errors. Changes are periodically added to the information herein. Nafen Fibers and/or its suppliers may make improvements and/or changes in the Website and Nafen Fibers at any time. Nafen Fibers makes no representations about the suitability, reliability, availability, timeliness, and accuracy of the to the Website, Nafen Fibers, NFN tokens, information, software, products, services and related graphics contained on the Website for any purpose. To the maximum extent permitted by applicable law, the Website, Nafen Fibers and NFN tokens, all such information, software, products, services and related graphics are provided "*as is*" without warranty or condition of any kind. Nafen Fibers hereby disclaims all warranties and conditions with regard to the Website, Nafen Fibers, NFN tokens, information, software, products, services and related graphics, including all implied warranties or conditions of merchantability, fitness for a particular purpose, title and non-infringement.

9.6 You warrant to Nafen Fibers that you will not use the Website, the Nafen Fibers or the NFN tokens for any purpose that is unlawful or prohibited by these Terms. You may not use Nafen Fibers or NFN tokens in any manner that could damage, disable, overburden, or impair Nafen Fibers, NFN tokens or the Website.

10. SECURITY

10.1 You will implement reasonable and appropriate measures designed to secure access to (i) any device associated with the email address associated with your account, (ii) private keys required to access any relevant Ethereum address, and (iii) your username, password and any other login or identifying credentials.

10.2 In case you suspect a security breach in any of the abovementioned, you will inform us immediately so we can take all required and possible measures to secure your account and systems as whole.

10.3 In the event that you are no longer in possession of any device associated with your account or are not able to provide your login or identifying credentials, we may, in our sole discretion, and only if we are able, grant access to your account to any party providing additional credentials to us. We explicitly reserve the right to determine the additional credentials

required, which may include, without limitation, a sworn, notarized statement of identity.

11. PRIVACY POLICY

- 11.1 As a principle, Nafen Fibers collects only what we need and will not share your personal information with any third parties other than our identity verification partner. Even within Nafen Fibers, access to your personal information is limited to a subset of employees who work on compliance and identity verification matters. Nafen Fibers is the only data controller and processor.
- 11.2 You will provide to us, immediately upon our notice of request, information that we, in our sole discretion, deem to be required to maintain compliance with any law, regulation or policy. Such documents include, but are not limited to, passports, driver's licenses, utility bills, photographs of you, government identification cards, or sworn statements.
- 11.3 Nafen Fibers reserves its right to request documentation, described in paragraph 11.1, prior to activating your account at any of Nafen Fibers services, and any services, available through the Website. Nafen Fibers may refuse you access to Nafen Fibers services and Website should it have doubts as to validity, authenticity and genuineness of the documents, provided by you.
- 11.4 Nafen Fibers collects information from running the Website and uses information, provided to us by you. When you visit the Website, or use our products, we collect information sent to us by your computer, mobile phone, or other access device. This information may include your IP address, device information including, but not limited to, identifier, name, and type, operating system, mobile network information and standard web log information, such as your browser type, and the pages you accessed on our Website. When you use a location-enabled device with our Website and products, we may collect geographical location data or use various means to determine the location, such as sensor data from your device that may, for instance, provide data on nearby cell towers and Wi-Fi access spots. However, we will not release your personally-identifying information to any third party without your consent, except as set forth herein.
- 11.5 When you access the Website or use our products or services we (or a service provider on our behalf) may place small data files called cookies on your computer or other device. We use these technologies to recognize you as our user; customize our Website and advertising; measure promotional effectiveness and collect information about your computer or other access device to mitigate risk, help prevent fraud, and promote trust and safety.

- 11.6 Throughout this policy, we use the term “personal information” to describe information that can be associated with a specific person and can be used to identify that person. We do not consider personal information to include information that has been anonymized so that it does not identify a specific user.
- 11.7 In principle we do not, but we may store and process your personal information on our servers in the EU, where our facilities or our service providers are located. We protect your information using physical, technical, and administrative security measures to reduce the risks of loss, misuse, unauthorized access, disclosure, and alteration. Some of the safeguards we use are firewalls and data encryption, physical access controls to our data centers, and information access authorization controls. We also authorize access to personal information only for those employees who require it to fulfil their job responsibilities. All of our physical, electronic, and procedural safeguards are designed to comply with applicable laws and regulations. Data may from time to time be stored also in other locations.
- 11.8 We are sometimes required to compare the personal information you provide to third party databases in order to verify its accuracy and confirm your identity. This allows us to comply with relevant anti-money laundering regulations and “*know your customer*” regulations. We will not sell or rent your personal information to third parties. We may combine your information with information we collect from other companies and use it to improve and personalize the Website and our products, as well as our content and advertising. We may use your name and email address to provide you with information about products or services that may be of interest to you, but we will not use your personal information without complying with applicable laws and, where appropriate, obtaining your consent.
- 11.9 We reserve our right to share your personal information with:
- (a) 3rd party identification services providers for fraud prevention purposes;
 - (b) law enforcement, government officials, or other third parties when i) we are compelled to do so by a subpoena, court order, or similar legal procedure; or ii) we believe in good faith that the disclosure of personal information is necessary to prevent physical harm or financial loss, to report suspected illegal activity or to investigate violations of our Terms;
 - (c) companies that we plan to merge with or be acquired by (should such a combination occur, we will require that the newly combined entity follow these terms with respect to your personal

information, and you would as well receive prior notice of any change in applicable policy);

- (d) our banking partners (if you link a bank account, debit card, or credit card to your account);
- (e) other third parties only with your prior consent or direction to do so.

Nafen Fibers will not provide your personal information to any other without your consent or direction.

12. TAXES

12.1 All your factual and potential tax obligations are your concern and Nafen Fibers is not in any case and under no conditions bound to compensate for your tax obligation or give you any advice related to tax issues, including but not limited what kind of filing or reporting you need to do with the competent tax authority, which taxes and to which extent you are obliged to pay, which tax exemptions you are eligible to etc.

12.2 All fees and charges payable by you are exclusive of any taxes, and shall certain taxes be applicable, they shall be added on top of the payable amounts. Upon our request, you will provide us any information we reasonably request to determine whether we are obligated to collect VAT from you, including your VAT identification number. If any deduction or withholding is required by law, you will notify us and will pay us any additional amounts necessary to ensure that the net amount that we receive, after any deduction and withholding, equals the amount we would have received if no deduction or withholding had been required. Additionally, you will provide us with documentation showing that the withheld and deducted amounts have been paid to the relevant taxing authority.

13. INTELLECTUAL PROPERTY

13.1 We retain all right, title and interest in all of our intellectual property, including inventions, discoveries, processes, marks, methods, compositions, formulae, techniques, all of our brand names, graphics, user interface design, text, logos, images information and data ("**Nafen Fibers IP**"), whether or not patentable, copyrightable or protectable in trademark, and any trademarks, copyrights or patents based thereon. You may not use any of the Nafen Fibers IP for any reason, except with our express, prior, written consent.

13.2 In particular, we retain all intellectual property rights, mostly, but not limited, to copyright, over the source code forming the Website and NFNs. These Terms shall not be understood and interpreted in a way that they

would mean assignment of intellectual property rights, unless it is explicitly defined so in these Terms.

13.3 You are being granted a non-exclusive, non-transferable, revocable license to access and use the Website and the NFNs strictly in accordance with these Terms. As a condition of your use of the Website and the NFNs you warrant to Nafen Fibers that you will not use the Website or the NFNs for any purpose that is unlawful or prohibited by these Terms. You may not use the NFNs or any other Digital Assets in any manner that could damage, disable, overburden, or impair the Website or interfere with any other party's use and enjoyment of the Website, NFNs or any other products offered thereto. You may not obtain or attempt to obtain any materials or information through any means not intentionally made available or provided for through the Website or NFNs or other services provided thereto. Limitation to the transferability of license shall not be understood in a way, that the purchasers are not allowed to transfer NFNs and their Digital Assets to third parties.

13.4 All content included on the Website, including NFNs, and associated products and services, such as, but not limited to, text, graphics, logos, images, source code, as well as the compilation thereof, and any software used on the Website is the property of Nafen Fibers and protected by copyright, trademark and other laws that protect intellectual property and proprietary rights. You agree to observe and abide by all copyright and other proprietary notices, legends or other restrictions contained in any such content and will not make any changes thereto.

13.5 You will not modify, publish, transmit, reverse engineer, participate in the transfer or sale, create derivative works, or in any way exploit any of the Nafen Fibers' IP, in whole or in part, found on the Website, within NFNs or associated products and services. Nafen Fibers' IP is not for resale. Your use of the Nafen Fibers' IP does not entitle you to make any unauthorized use of any Nafen Fibers' IP, and in particular you will not delete or alter any proprietary rights or attribution notices in any Nafen Fibers' IP. You will use Nafen Fibers' IP solely for your personal use and will make no other use of Nafen Fibers' IP without the express written permission of Nafen Fibers and the copyright owner. You agree that you do not acquire any ownership rights in any Nafen Fibers' IP. We do not grant you any licenses, express or implied, to the intellectual property of Nafen Fibers except as expressly authorized by these Terms.

14. ACCESS TO THE NAFEN FIBERS WEBSITE

14.1 The Website is provided without warranty of any kind, either express or implied. We do not represent that the Website will be available 100% of the time to meet your needs. In case of interruptions we take all

reasonable actions to provide you with access to the Website as soon as possible, but there are no guarantees that access will not be interrupted, or that there will be no delays, failures, errors, omissions or loss of transmitted information.

- 14.2 We may suspend use of the Website for maintenance. Nafen Fibers reserves the right, in its sole discretion, to terminate your access to the Website and its related services or any portion thereof at any time, without notice, in particular due to legal grounds originating in anti-money laundering and KYC regulation and procedures, or any other relevant applicable regulation.

15. NOTICES

- 15.1 We may provide any notice to you under this Agreement by: (i) posting a notice on the Website; or (ii) sending an email to the email address then associated with your account. Notices we provide by posting on the Website will be effective upon posting and notices we provide by email will be effective when we send the email. It is your responsibility to keep your email address current. You will be deemed to have received any email sent to the email address then associated with your account when we send the email, whether or not you actually receive or read the email.

- 15.2 To give us notice under this Agreement, you must contact us by email to **info@nafen.co**. We may update this email address for notices to us by posting a notice on our Website. Notices to us will be effective one business day after they are sent.

- 15.3 All communications and notices to be made or given pursuant to this Agreement must be in the English language.

16. MISCELLANEOUS

- 16.1 Materials, such as Whitepaper, One Pager, Presentation and others, published in the Website or elsewhere, are not binding and do – unless explicitly referred to herein – not form part of these Terms, and are of descriptive nature only.

- 16.2 We do not permit individuals under the age of 18 to register with our Website and use our products. If we become aware that a child under the age of 18 has provided us with personal information, we will delete such information from our files immediately and block its access to our Website and products.

- 16.3 We and our affiliates will not be liable for any delay or failure to perform any obligation under this Agreement where the delay or failure results

from any cause beyond our reasonable control, including acts of God, labor disputes or other industrial disturbances, electrical, telecommunications, hardware, software or other utility failures, earthquake, storms or other elements of nature, blockages, embargoes, riots, acts or orders of government, acts of terrorism, or war, changes in blockchain technology (broadly construed), changes in the Ethereum or any other blockchain protocols or any other force outside of our control.

- 16.4 We and you are independent contractors, and neither party, nor any of their respective affiliates, is an agent of the other for any purpose or has the authority to bind the other. Both parties reserve the right (a) to develop or have developed for it products, services, concepts, systems, or techniques that are similar to or compete with the products, services, concepts, systems, or techniques developed or contemplated by the other party and (b) to assist third party developers or systems integrators who may offer products or services which compete with the other party's products or services.
- 16.5 These Terms do not create any third-party beneficiary rights in any individual or entity.
- 16.6 You will not assign these Terms, or delegate or sublicense any of your rights under these Terms, without our prior written consent. Any assignment or transfer contrary to these Terms will be void. Subject to the foregoing, these Terms will be binding upon, and inure to the benefit of the parties and their respective successors and assigns.
- 16.7 The failure or omission by us to enforce any provision of these Terms will not constitute a present or future waiver of such provision nor limit our right to enforce such provision at a later time. All waivers by us must be unequivocal and in writing to be effective.
- 16.8 Except as otherwise set forth herein, if any portion of these Terms is held to be invalid or unenforceable, the remaining portions of these Terms will remain in full force and effect. Any invalid or unenforceable portions will be interpreted to affect the intent of the original portion. If such construction is not possible, the invalid or unenforceable portion will be severed from these Terms, but the rest of the Terms will remain in full force and effect.
- 16.9 All disputes or claims arising out of or in connection with these Terms including disputes relating to its validity, breach, termination or nullity, and any disputes or claims arising out of or in connection with the use of Website, Nafen Fibers and NFN tokens shall be finally settled under the Rules of Arbitration of the Arbitration Court of the Republic of Estonia Chamber of Commerce and Industry by three arbitrators appointed in

accordance with the said Rules. The language to be used in the arbitral proceedings shall be English.

- 16.10 Prior to filing any claims in accordance with paragraph 16.9, you undertake to file such claim or request directly to Nafen Fibers via e-mail at address **info@nafen.co**. You agree that you will not file any claims in accordance with paragraph 16.10 earlier than 30 days after sending such claim or request to Nafen Fibers in accordance with this paragraph 16.10. Any claim, filed with the arbitral tribunal contrary to the rules set out in this paragraph 16.10, shall be rejected immediately by the tribunal as premature.
- 16.11 These Terms represent the entire agreement between you and us regarding the subject matter of these Terms, in particular use of the Website, The Nafen Fibers and NFN tokens. These Terms supersede all prior or contemporaneous representations, understandings, agreements, or communications between you and us, whether written or verbal, regarding the subject matter of these Terms. We will not be bound by, and specifically object to, any term, condition or other provision which is different from or in addition to the provisions of these Terms (whether or not it would materially alter these Terms) and which is submitted by you in any order, receipt, acceptance, confirmation, correspondence or other document.
- 16.12 These Terms are not boilerplate. If you disagree with any of them, believe that any should not apply to you, or wish to negotiate these Terms, please contact Nafen Fibers via e-mail and immediately navigate away from the Website and cease using Nafen Fibers.