

# TOKEN SALE AGREEMENT

## SwiftDemand

Last Updated: March 30, 2018

This Token Sale Agreement is a legally binding contract between you and SwiftDemand Inc. (hereinafter “Company”) regarding your rights and responsibilities for purchasing Swifts tokens (hereinafter “Swifts”) from Company. If you do not agree to these terms and conditions you are prohibited from purchasing Swifts in the token sale.

This agreement contains the terms and conditions that govern your use of Swifts on the SwiftDemand Website and via the Swift Blockchain.

### Definitions

**Company** - SwiftDemand Inc.

**Privacy Policy** - The privacy policy listed at <https://www.swiftdemand.com/privacy>

**Terms of Use** - The terms of user listed at <https://www.swiftdemand.com/terms>

**White Paper** - A technical paper explaining how the Swift Protocol is intended to function found at <https://github.com/swiftdemand/swiftprotocol>

**SwiftDemand Website** - <https://www.swiftdemand.com/>

**SwiftDemand Account** - A user’s account on the SwiftDemand Website.

**Swift Protocol** - The Swift Protocol is a blockchain based internet protocol designed to function as a decentralized government with the purpose of granting Universal Basic Income to all Swift Citizens on the network.

**Swift Citizen** - A person that has been verified to receive daily Swifts as defined by the Swift Protocol.

**Swift Blockchain** - The existing blockchain which Swifts are currently based on which does not currently support all features defined in the Swift Protocol.

**Swifts** - A decentralized currency on the Swift Blockchain used by the SwiftDemand Website.

**Token Sale** - The event referred to in this agreement where Swift Citizens may use Ethereum to purchase Swifts.

**Universal Basic Income** - A daily distribution of Swifts to all Swift Citizens in accordance with Swift Protocol.

**Dutch Auction Bid** - The legal intent to purchase Swifts at a price decided by the SwiftDemand Dutch Auction.

**Delegated Nodes** - Defined in the White Paper as nodes with the ability to approve Swift Proposal with majority vote and the responsibility to maintain the distributed ledger for the blockchain.

**Identity Provider** - Defined in the White Paper as an entity which has the authority to verify new Swift Citizens.

**Swift Private Key** - A key that gives the holder the authority to transfer Swifts cryptographically on the Swift Blockchain.

**Swift Proposal** - A proposal made to the Delegated Nodes for an allotment of Swifts.

**Swift Address** - An address for a privately owned wallet which can receive Swifts on the Swift Blockchain.

## **1. Connection to Swift Protocol**

1.1 Separation of Swift Protocol and SwiftDemand - Company does not own nor have authority over the Swift Protocol nor the Swift Blockchain. Swifts being sold in Token Sale are Swifts that Company as a result of a Swift Proposal made via the Swift Protocol. SwiftDemand is a verified Identity Provider for the Swift Protocol which gives Company the ability to verify unique individuals on the Swift blockchain.

1.2 Current functionality of SwiftDemand - The SwiftDemand Website is a website built to

- (i) Facilitate transactions without the direct transfer of Swifts between Swift Citizens.
- (ii) Enable users to receive their daily distribution of Universal Basic Income in accordance with the Swift Protocol.
- (iii) Verify the identity of Swift Citizens upon sign up.

1.3 SwiftDemand Identity Verification - Due to the fact that Company has no authority over the Swift Protocol, the right to verify new Swift Citizens could be revoked with a majority vote of delegated nodes.

1.4 SwiftDemand does not store funds - Company does not have the ability to access funds of a users account. Company does not store Swift Private Keys and only stores an encrypted

version which cannot be decrypted without direct authorization from the SwiftDemand Account that owns it.

1.5 SwiftDemand does not transmit funds - Company cannot transmit Swifts on behalf of SwiftDemand Account since SwiftDemand does not possess Swift Private Keys. The SwiftDemand Website displays only a graphical view of what currently exists on the Swift Blockchain.

1.6 Recovery of Swifts - Company CANNOT recover funds for your account. All account data is controlled solely by the owner of the SwiftDemand Account. Company does store an encrypted version of your Swift Private Key on our servers. This is a storage service that helps owners of SwiftDemand Accounts recover their Swift Private Key.

## **2. Use of Swifts**

2.1 Used as a currency - You agree that you are purchasing Swifts with the intent to use them on the SwiftDemand marketplace or for other purposes that one would reasonably expect a currency to be used for. Swifts have been designed to be used as a transactional currency and currently have utility of purchasing products on the SwiftDemand Website.

2.2 Not an investment - You agree that you are not purchasing Swifts with the intention of making a profit.

2.2 Purchase restrictions - The contribution limit for buying Swifts is limited to 30.0 ETH. The price of Swifts will be determined by a Dutch Auction defined in section 8 which ensures Swifts are sold for fair market value.

2.4 No guarantee of future development - The purchase of Swifts is not an investment contract. There is no guarantee of the delivery of any additional features on the Swift Blockchain or the SwiftDemand Website. Your purchase also is not an investment in the Swift Protocol, Swift Blockchain, nor Company. The Swift Protocol is open source software which is controlled by the Delegated Nodes NOT Company. Company does not have any direct influence over the Delegated Nodes. Company's only current responsibility is that of an Identity Provider in accordance with the Swift Protocol. The authority to be an Identity Provider controlled by the Delegated Nodes a power which could be revoked.

## **3. Acknowledgements**

3.1 Not an investment contract - The Purchaser acknowledges that Company is a seller of Swifts and does not have any direct influence over the progression of the Swift Blockchain. Swifts are sold as-is on the Swift Blockchain and come with no guarantee of future development or features.

3.2 No value or rights - Swifts do not have any inherent value and do not entitle the purchaser to any current or future good or service. Ownership of Swifts carry no rights, express or implied.

3.2 No stake or voting rights - You acknowledge that purchasing Swifts does not give you any stake in Company, or any additional say in the direction of the Swift Blockchain, Swift Protocol, or Company.

3.3 Separation of SwiftDemand the Swift Blockchain - You acknowledge that Company does not have control over the future of the Swift Protocol or the Swift Blockchain. You acknowledge that the Swift Blockchain may never have additional features specified in the Swift Protocol.

3.4 No warranty or future improvements - You acknowledge that you buying Swifts as-is on the Swift Blockchain NOT Swifts on the completed version of the Swift Protocol.

#### **4. Eligibility**

4.1 Ownership of Ethereum Wallet - To purchase Swifts from Company you are required to have an Ethereum wallet where you control the private key that corresponds to the public key you submit in the Commitment Form. You also must use funds only from this wallet to send funds for the purchase of Swifts. You acknowledge that failure to do so will result in the loss of all funds.

4.2 Age Requirement - Participation requires that the purchaser be at least 18 years of age.

4.3 Citizenship Restrictions - Participation is prohibited if the purchaser is a citizen or resident of the U.S.A., People's Republic of China, Singapore, or a U.S. sanctioned country--herein referred to as Banned Countries. Both natural persons and organizations under of the laws these Banned Countries are not eligible to participate.

4.4 KYC / AML Verification - Participation requires valid identity documents from your country of origin. Documents will be verified for legitimacy in full compliance with KYC and AML laws in the U.S.A. Participants are required to submit their identification documents along with a personal photo to verify they are the owner of their documents.

#### **5. Refunds**

5.1 No refunds - Any purchase of Swifts from Company is considered final. Company will not refund users or allow cancellation of purchases except when required by law or regulation.

5.2 Right of refusal - Company reserves the right to refuse a sale of tokens for any reason including, but not limited to, reasons outlined in Section 4 (Eligibility).

#### **6. Delivery**

6.1 Method of delivery - Upon purchase, Company will deliver Swifts to the Swift Address associated with the SwiftDemand Account of the Purchaser within (30) days of purchase. By purchasing Swifts you acknowledge the Swift Address associated with your account is yours and you have ownership of the associated Swift Private Key.

6.2 Acknowledgement of Swift address ownership - You acknowledge that Company stores an encrypted version of your Swift Private Key to allow for easy to access of your account across computers. You also acknowledge that Company does not have access to your password which is used decrypt this private key therefore meaning Company does not have access to the Swifts associated with your SwiftDemand Account.

6.3 Separate Blockchain - You acknowledge that Swifts are not a token based on another blockchain and cannot be stored in Ethereum or Neo wallets. All Swifts must be stored in a wallet designed for the Swift Blockchain.

## **7. Security**

7.1 Responsibility of private key management - You acknowledge that by using the SwiftDemand Website you are vulnerable to a greater number of ways hackers could attempt to steal your Swift Private Key due to the fact that encrypted versions of your Swift Private Key are stored by Company and on your local machine. Using the SwiftDemand Website exposes your private key to anyone who has access to your SwiftDemand password. By purchasing Swifts you acknowledge these risks and agree to not find Company liable in the event of a hack leading to the loss of your private key. You agree that if these risks are not acceptable you will transfer your Swifts to a wallet not connected to a Private Wallet within (5) days of receiving your Swifts.

7.2 Responsibility for loss - You acknowledge that Company is not responsible for any losses, monetary or other, caused by loss of your private key. You further acknowledge that Company is not responsible for any losses caused by a hacker gaining access to private key causing monetary loss.

## **8. Price**

8.1 Price determination - A minimum of 200,000,000 Swifts will be offered in the Token Sale. The sale has two stages. Stage 1 is used to decide a fair price per Swift using a modified dutch auction. Stage 2 allows users to purchase tokens at the price decided by Stage 1. Swifts will be sold exclusively for Ethereum.

8.2 Stage 1 - Eligible participants will have (5) days to fill out the KYC form listed on the Token Sale page. Submission of this form and participation if Stage 1 does not qualify you to participate in the token sale. Eligible participants that fill out the form then have the opportunity to make a Bid of 0.1 ETH to 30.0 ETH at an ETH to Swift rate of their choosing. The minimum

rate that can be chosen is 1 ETH = 5,000 Swifts the maximum rate that can be chosen is 1 ETH = 500,000 Swifts.

Five (5) days after the initial release of the Token Sale page, the timed portion of the auction will begin. All bids placed at the 1 ETH = 5,000 Swifts will be marked as Reserved as defined in 6.4. Every 10 minutes the ratio will increase by 10% meaning that the process will repeat again and all bids between 1 ETH = 5,001 Swifts to 1 ETH = 5,500 Swifts will be marked as reserved. Everyone who bid 1 ETH = 5,000 Swifts to 1 ETH = 5,499 will automatically have their bid updated to 1 ETH = 5,500 Swifts to ensure the best price for all participants.

This process will be repeated until one of the following conditions is met:

- (i) All 200,000,000 Swifts have been Reserved
- (ii) The price of 1 ETH = 500,000 Swifts has been reached

By making a Dutch Auction Bid during Stage 1 you acknowledge you are entering a legally binding contract with the intent to purchase Swifts. Failure to do may result in legal action you to recover amount committed and damages for interfering with the process of Stage 1.

8.3 Stage 2 - All participants that made a successful Reserved bid in Stage 1 will then have their documents processed through KYC and AML within (7) days. When a user is verified they will have (3) days to send ETH to the contribution address which will be provided on [swiftdemand.com/tokensale](https://swiftdemand.com/tokensale).

Failure to pass KYC/AML checks or failure to make the contribution of the Dutch Auction Bid within (3) days of being verified will cause the participant to forfeit their Reserved bid. These Swifts will be sold using the same terms laid out in this Token Sale Agreement to a new eligible participant at the same price as decided on by Stage 1 of the auction.

8.4 Reserved - This gives the user the right to purchase tokens at the ending price of the auction with the contribution amount specified provided they:

- (i) Meet the eligibility requirements in section 1
- (ii) Fully pass KYC and AML verification checks
- (iii) All 200,000,000 tokens were reserved during Stage 1

## 9. Taxes

Tax Obligations - You agree that you will comply with all tax obligations connected to purchasing Swifts connected to the local laws that govern you as an individual.