



XS2 Loyalty Promotion - Terms and Conditions of Loyalty Token Sale

XS2 Loyalty Tokens are subject to the following Terms of Sale:

1. What is the XS2 Loyalty Promotion?

- a. XS2 will sell XS2Tokens that can be used to secure discounts on Transaction Fees charged by XS2 Exchange.
- b. XS2 tokens available for sale to XS2 Customers during the Promotional Period only.

2. How can you buy XS2 Tokens?

- a. XS2 Tokens will be available for sale from 15 October to 15 November 2018 (the "Promotional Period")
- b. During the Promotional Period 1 XS2 Token will cost 0.00002 BTC.
- c. Each XS2 Customer may purchase a maximum of 5000 XS2 tokens in this promotion.

3. Unused Tokens are fully refundable until May 1st, 2019.

- a. Prior to May 1st, 2019 the original purchaser of XS2 Tokens in this XS2 Token Promotion may return Un-used XS2 Tokens purchased in this promotion for a full refund of BTC paid.
- b. Customers can find an easy option in their XS2 wallet to process any XS2 Token refund request.
- c. Un-used means XS2 Tokens that have not been transferred or surrendered to pay Transaction Fees.

4. Who can buy XS2 Loyalty Tokens?

- a. XS2 Loyalty Tokens can only be purchased and used by XS2 Customers (people who have registered for XS2 Service and are in good standing).
- b. If XS2 Tokens are transferred to a third party, that third party must become an XS2 Customer to use the XS2 Tokens on the XS2 Exchange.
- c. Tokens may not be used by people located in Prohibited Jurisdictions at set out in our Terms of Service.

5. How are XS2 Tokens Used?

- a. XS2 Tokens can be used on the XS2 Exchange to:
 1. Receive discounts on XS2 Transaction Fees;
 2. Pay XS2 Transaction Fees; and
 3. Exchange for other tokens on the XS2 service.
- b. Tokens will not expire, but terms of discount and redemption available to Token holders will vary over time.
- c. XS2 Tokens have no other rights or obligations of any kind.
- d. If Tokens are used to pay XS2 Transaction Fees or returned for refund, XS2 will burn them (permanently remove from circulation). They will not be resold or reused in any other way.

- e. XS2 Transaction Fees include trading on XS2 Exchange only.
- f. Transaction Fees do not include (and XS2 Tokens may not be used to pay) XS2 Withdrawal Fees, or any tax, such as GST, assessed to XS2 Transaction Fees.

6. How XS2 Tokens are used/redeemed/transferred?

- a. XS2 Token Discount Schedule

<u>XS2 tokens held by Customer</u>	<u>Discount on Trading Fees</u>
1-99	0%
100-199	1%
200-299	2%
300-399	3%...ongoing

Discount will Increase at same rate in 100 token increments up to a potential 100% discount on Trading Fees. Customers holding 10,000 or more XS2 Tokens will benefit from 100% discount (no trading fees will apply).

- b. Trading fees can also be paid with XS2 Tokens.

To reward Customers using XS2 tokens to pay their transaction fees we double the value of their XS2 tokens used to pay the Transaction Fees — creating an effective discount of 50%.

For example:

Alice holds 2000 XS2, therefore her trading fee discount is 20%.

Alice's trading fee is 0.08%, which is the 0.1% base trading fee, minus the 20% discount.

Alice does a trade of 10 BTC.

Her trading fee is $10 \text{ BTC} \times 0.08\% = 0.008 \text{ BTC}$.

The last price on the XS2 Exchange of XS2 tokens is 0.001 BTC per token.

If Alice pays with XS2 Tokens, she will only need to pay 4 XS2 Tokens in fees (50% discount).

- c. XS2 Tokens may also be traded on the XS2 Exchange.

7. Referral Bonus

XS2 Customers who refer new customers to XS2 during the Promotional Period who also buy XS2 Tokens in this XS2 Token Promotion will receive additional XS2 Tokens to a value of 25% of the referred Customer's XS2 Token purchases during the Promotional Period.

Customers who receive XS2 Tokens as a result of this referral scheme may not seek a refund for any tokens received as referral bonus.

8. XS2 Token Inventory:

- a. There are 20,000,000 XS2 Tokens.
- b. XS2 Tokens that are not distributed during the Promotional Period may be offered by XS2 pursuant to terms of different promotions.

9. General Terms

- a. **Definitions** Capitalised terms have same meaning as set out this document or as used in XS2 Terms of Service (located at xs2.exchange)
- b. **Governing Law** Laws of Australia apply to this Loyalty Promotion
- c. **Dispute Resolution** Any disputes related to the terms or operation of this Loyalty Promotion will be resolved as set out in the XS2 Terms of Service.
- d. **Void if prohibited** Operation of this Loyalty Promotion is not allowed in any jurisdiction where this promotion may be prohibited by law.
- e. **Waiver/severance** If any provision of this Loyalty Promotion is not enforceable, that provision will be deemed severed from this document.

XS2 Pty Ltd ACN 624 253 363 operates this Loyalty Promotion. Please contact us at support@xs2.exchange with any questions.