

The Terms and Conditions (also referred to as “Terms”) apply to the buyer of the Files.fm Token (also referred to as “Token” or “FFM token”) and future users of the Files.fm Tokens and Files.fm Library.

PLEASE READ THESE TERMS CAREFULLY BEFORE PARTICIPATING IN THE TOKEN SALE. THE TERMS AFFECT YOUR OBLIGATIONS AND LEGAL RIGHTS, INCLUDING, BUT NOT LIMITED TO, WAIVERS OF RIGHTS AND LIMITATION OF LIABILITY. IF YOU DO NOT AGREE TO THESE TERMS, DO NOT ACQUIRE TOKENS.

By acquiring the Token during the token sale period (also referred to as “Sale Period”) you will be bound by these Terms, and all terms incorporated by reference. Your acquisition of Tokens is subject to these Terms. By acquiring, using and/or holding of Tokens you accept these Terms. By accepting these Terms, you will be entering a binding agreement with Files.fm. If you do not agree to these Terms, do not contribute for the purchase, do not use and do not hold Token and leave this Files.fm Library platform website.

### **Applicability**

The following Terms constitute the agreement (also referred to as “Agreement”) between Files.fm (also referred to as “Company”), a Latvian Limited Liability Company by Shares with registration number 40003962231, and you (also referred to as the “User”) with respect to the acquisition of the Tokens and/or the future use of the services offered through the Files.fm Library platform. By using our services, User agrees to be bound by the Terms in its latest version. User must be aware that Company may change this Terms at any time at its sole discretion. Your continued use of the Files.fm Library platform or your continued hold of the Tokens, means that you accept any new or modified terms. Please review the up to date privacy policy regularly in this web page.

### **Services**

Files.fm Library is a new service in development, managed by Files.fm company and based on the <https://files.fm> cloud storage platform, which currently allows business and private internet users to store, share, sell, preview, download, use or purchase digital content. It is in the process of developing Peer-to-Peer web storage and traffic layer, file catalog and marketplace with intelligent search engine and direct blockchain payments.

Any User who wants to access Files.fm Library platform must agree to Files.fm usage Terms: <https://files.fm/terms> , Privacy Policy: <https://files.fm/privacy-policy> and register a user account filling the required information for User identification.

The Files.fm Library platform is further proposing to implement a payment protocol with decentralized cryptographic tokens known as Utility Tokens which are intended to have certain functionalities on both - the Files.fm and Files.fm Library platform and is seeking to raise funds through a reward based crowdfunding campaign.

Funds will be used for the development of the Files.fm Library platform and to meet various other operating expenses related to the Company business, like servers, datacenter costs, marketing. For a more detailed description of the project please refer to Files.fm Library Whitepaper on the Library webpage.

### **Representation and Warranties**

By participating in the Sale Period and placing the offer to acquire Token, the User agrees to the Terms and in particular, User represents and warrants to the Company (and the Company when accepting the offer relies on such representations and warranties) that User:

- a) is authorized and has full power to acquire Token according to the laws that apply in User jurisdiction of domicile;
- b) due to legal and regulatory uncertainty in Iran, Iraq, Israel, Lebanon, People’s Republic of China, Democratic People's Republic of Korea, Syria and the United States of America (together referred to as the Prohibited

Jurisdiction), is not a citizen, resident or entity (also referred to as the “Restricted Person”) nor is acquiring Token or signing on behalf of a Restricted Person;

- c) is familiar with all related regulations in the specific jurisdiction in which User is based and that acquiring cryptographic tokens in that jurisdiction is not prohibited, restricted or subject to additional conditions of any kind;
- d) is not acting for the purpose of speculative investment;
- e) lives in a jurisdiction which allows Company to sell the Token through a crowd sale without requiring any local authorization;
- f) does not acquire Token in a jurisdiction which is qualifying token issued through a crowd sale as securities;
- g) will not use the Sale Period for any illegal activity, including but not limited to money laundering and the financing of terrorism;
- h) is solely responsible for determining whether the acquisition of Token is appropriate for User;
- i) understands the risks associated with the Sale Period (incl. the risks related to the non-development of Files.fm Library platform and operations);
- j) understands the use of cryptocurrencies and its associated risks;
- k) acknowledges and accepts that the Token crowdsale is taking place within a Latvian legal environment that is still under development.

Citizens and green card holders of and persons residing in any of the Prohibited Jurisdictions and other persons which does not meet these representations and warranties are prohibited from making contributions to Company under these Terms. Persons from any of the Prohibited Jurisdictions that provide false or inaccurate information about their citizenship, residency and/or nationality shall be in breach of these Terms and shall be required to indemnify Company in respect of any damages and/or losses suffered due to this breach in accordance with the indemnification provisions set out in these Terms.

If you have any questions relating to these Terms, please contact us at: [library@files.fm](mailto:library@files.fm).

## **The Token**

In order to fund the development of the Files.fm Library marketplace of useful files and digital content, tokens will be sold to the public in exchange for regular or cryptocurrencies payment. The Token is a virtual credit, which will allow the User to access to both - Files.fm platform and the Library of digital content and use it to pay for digital content, storage space on Files.fm platform and other products like PRO/Business functionality.

Through the Sale Period, the User acquires the contractual rights to use the Files.fm Library via FFM token ownership.

Token does not have the legal qualification as a security, since it does not give any rights on dividends or interest. Token is final and non-refundable. Token is not a share and does not give any right to participate in the general meetings of the Company. Token cannot have a performance or a particular value outside the Files.fm Library marketplace platform. The acquisition and use of Token shall therefore not be done for speculative usage.

Token can be acquired during the Sale Period directly from the Company after the Sale Period at the Company or, in future, at an exchanger. By placing the order to acquire Token and if applicable additional due diligence information you are making an offer to the Company to acquire Tokens pursuant to the Terms. Company will have the sole discretion to accept such offer and transfer Tokens to User or reject such offer if it does not correspond the Terms or the customer due diligence requirements.

Any future User acquiring Token expressly acknowledges and represents that she/he has carefully reviewed the Terms and fully understands the risks, costs and benefits associated with the acquisition of Token as indicated in the Terms.

Token is ERC20 standard compliant token implemented using Smart Contract System located on the Ethereum blockchain. The ERC20 token standard describes the functions and events that an Ethereum token contract must implement.

User is responsible for implementing all reasonable and appropriate measures for securing the wallet, vault or other storage mechanism User uses to send a contribution to the Company and to receive and store Token that are issued

to User by the Smart Contract System, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If Users private key(s) or other access credentials are lost, User may lose access to its Token. The Company shall not be responsible for any security measures relating to User receipt, possession, storage, transfer or potential future use of Token nor shall be under any obligation to recover or return any Token and Company hereby exclude any and all liability for any security breaches or other acts or omissions which result in Users loss of Token issued to User during the Sale Period.

The price per Token shall be denominated in United States dollar (also referred to as "USD"), Bitcoins and Ethereum currency, and the price attributed to Token in respect of any contribution made under these Terms will be an equivalent to 1 Token = 0,01 USD.

#### **The following Token Utility is offered to users in the Token Sale Period:**

Each 100 tokens purchased gives the buyer rights to use 1 GB of permanent storage space on the <https://files.fm> cloud file storage platform for the private needs (1 FFM token = 10MB) and this right is tied to buyer User account.

#### **Understanding and knowledge required**

The User undertaking to acquire Token in relation to the Sale Period should ensure that she/he understands and has significant experience and knowledge of cryptocurrencies, blockchain systems and services, and that she/he fully understands and accepts the risks associated with the Sale Period as well as the mechanism related to the use and possession of cryptocurrencies.

Company shall not be responsible for any loss of Token or situations making it impossible to access to Token, which may result in any actions or omissions of the future User or any person undertaking to acquire Token.

Any User should carefully consider the risks, costs, and benefits of acquiring Token within the Sale Period, and, if necessary, obtain independent advice in this regard. Any interested person who is not in the position to accept nor to understand the risks associated with the activity or any other risks as indicated in the Terms, should not acquire Token, at this stage or later.

#### **Rights to Request the Information**

Any User who wants to access the platform and be able to contribute to the Files.fm Library platform, or at any time after making a contribution, must create a Files.fm user account - register and fill the required information for User identification. Therefore, Company has rights and responsibility to collect required data to recognize the User and update or check already collected information for the purposes of complying with any "know your customer" (KYC), anti-money laundering (AML) or similar obligations to which Company may be a subject. Company keeps rights to decide what type of data and in what terms are requested obligatory in accordance with the laws and regulations in force in its country of registration.

You acknowledge and accept that Company may refuse, reject or partially refund any contributions for the purchase of Token until User provides all information and documentation that Company may request under this clause and Company have determined that it is permissible to create and issue Token to you under applicable law.

User accepts that Company can refuse accepting the offer to acquire Token which is not compliant with the internal due diligence.

#### **Important Disclaimer**

The Terms, the white paper or any related information available on Files.fm Library platform shall not and cannot be considered as an invitation to enter into an investment. They do not constitute or relate in any way nor should they be considered as an offering of securities in any jurisdiction. The Terms, the white paper or any related information available on Files.fm Library platform do not include or contain any information or indication that might be considered as a recommendation or that might be used to base any investment decision. This document does not constitute an offer or an invitation to sell shares, securities or rights belonging to Company or any related or associated company. Token will be used as a private mean of payment once the services will be accessible and is not intended to be used as an investment.

Token are sold on an "as is" and "as available" basis, without any warranties or representations of any kind, and Company expressly disclaim all warranties and representations relating to the Token, including, without limitation, any implied warranties of merchantability, fitness for a particular purpose, title and non-infringement.

Company do not represent or warrant that Token are reliable, current or defect-free, meet your requirements, or that any defects will be corrected.

Any information in the Terms, the white paper or any related information available on Files.fm Library platform is given for general information purpose only and is relevant to the day it has been written and Company does not provide with any warranty as to the accuracy and completeness of this information now or in the future.

Regulatory authorities are carefully scrutinizing businesses and operations associated to cryptocurrencies in the world. In that respect, regulatory measures, investigations or actions may affect Company business and even limit or prevent it from developing its operations in the future. Any person undertaking to acquire Token must be aware that the Company business model and the Terms may change or need to be modified because of new regulatory and compliance requirements from any applicable laws in any jurisdictions. In such case, any person undertaking to acquire Token acknowledge and understand that neither Company nor any of its affiliates shall be held liable for any direct or indirect loss or damages caused by such changes.

Company will do its best to launch its operations and develop the Files.fm Library platform. Any person undertaking to acquire Token acknowledges and understands that Company does not provide any guarantee that it will manage to achieve it.

Acquiring Token shall not grant any right or influence over Company organization and governance to the Users. These tokens will be issued by a technical process referred to as a "Blockchain". This is an open source IT protocol over which the Company has no rights or liability in terms of its development and operation. The token distribution mechanism will be controlled by a Smart Contract; this involves a computer program that can be executed on the Ethereum network or on another Blockchain network that is compatible with the Smart Contract programming language. User acknowledge and understand therefore that Company assumes no liability or responsibility for any loss or damage that would result from or relate to the incapacity to use the Token.

Crowdsale Token is based on the Ethereum protocol. Therefore, any malfunction, unplanned function or unexpected operation of the Ethereum protocol may cause the Token network to malfunction or operate in a way that is not expected. If Ethereum does not prove to be a satisfactory solution (speed, fees, stability, errors etc), the company may change the technical implementation of blockchain, FFM tokens and payment mechanisms.

### **Force Majeure**

Neither Company nor any of the Companies Parties shall be liable or responsible to the User, or be deemed to have breached these Terms, for any failure or delay in fulfilling or performing its obligations under these Terms, if and to the extent such failure or delay is caused by, results from or is otherwise connected to acts beyond its reasonable control, including, without limitation:

- a) flood, fire, earthquake or explosion;
- b) war, invasion, hostilities (whether war is declared or not), terrorist, hacking or cyber threats, attacks or acts, or other civil unrest;
- c) any laws, statutes, ordinances, rules, regulations, judgments, injunctions, orders and decrees; or
- d) action by any nation or government, state or other political subdivision thereof, any entity exercising legislative, regulatory, judicial or administrative functions of or pertaining to government, including, without limitation, any government authority, agency, department, board, commission or council.

### **Applicable Law and Jurisdiction**

The Terms, use of the platform and acquisition of Token through Sale Period or otherwise are subject to and governed by Latvia to the exclusion of The Civil Law of the Republic of Latvia, Law on the Prevention of Money Laundering and Terrorism Financing of Latvia and any International Treaties. Any User and Company agree to seek an amicable settlement prior to bringing any legal action. Any dispute, controversy or claim arising out of or relating to this contract,

or the breach, termination or invalidity thereof shall be settled in the Latvian Chamber of Commerce and Industry Court of Arbitration in Riga in accordance with its Rules of Arbitration. The arbitration panel shall consist of one arbitrator only. The arbitral proceedings shall be conducted in English.

Effective Date: This Token crowdsale terms and agreement was last revised on November 13, 2018.