

LEVELNET

The following Terms govern the offering of LVL

DISCLAIMER

Notice to Prospective Investors in China The LVL are not being offered or sold and may not be offered or sold, directly or indirectly, within the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities and other laws and regulations

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The Terms and Conditions governs the issuance of LVL

1. Preface:

1.1. Dear User the following Terms and Conditions (“Terms”) govern the initial offering of cryptographic LVL Token –LevelNet LVL Token (“LVL”) – that are required to transact on the LevelNet open source software platform described in LevelNet Whitepaper (“LevelNet Security Network”) to users (“Users” collectively, and “User” individually). Please read the Terms carefully, and if you do not agree with them you should not exchange your cryptocurrency to LVL token. Present terms affect your right and obligation and after exchange to LVL token, you and Level Capital will be bound by present Terms.

1.2. The Present terms have a status of an exchange instrument for LVL token exchange.

2. Token offering:

- In accordance with present Terms the Company (Level Capital LLC, a Limited Liability Company incorporated in British Virgin Islands with registration number _____, in exchange for the User's Cryptocurrency of LVL Amount, hereby provides number of issued cryptographic LVL tokens equal to the User exchange divided by the Discount rate,
- The User understands and accepts Level Capital under present Terms, White Paper, and Memorandum of information assigned to task to make reasonable efforts in order to finalize and complete the LevelNet Security Network. User also understand it is possible that such development may fail and User's LVL may become useless and/or valueless due to technical, commercial, regulatory or any other reasons.

LVL Token: LVL represent itself as a prepaid Membership token that has the exact consumptive use – it allows to obtain Membership status and through this Membership use the antivirus software network described in WHITE PAPER - to become a member of LevelNet security Network, the full LVL token overview is provided **in the Information Memorandum (Link _____) and White paper (_____).**

The Company will conduct a token offering, which will begin on October 16th, 2017 and end on November 2017.

- 2.1. Ownership of LVL Tokens carries no rights, express or implied, other than the right to use Tokens as a means to enable usage of and interaction with the Network, if successfully completed and deployed.
In particular, you understand and accept that Tokens do not represent or confer any ownership right or stake, share or security or equivalent rights, or any right to receive future revenue shares, intellectual property rights or any other form of participation in or relating to the Network and/or Company and its corporate affiliates, other than rights relating to the provision and receipt of Services in the Network, subject to limitations and conditions in these Terms and applicable Network Terms and Policies (as defined below). The Tokens are not intended to be a digital currency, security, commodity or any other kind of financial instrument.
- 2.2. The User understands and accepts that Level Capital, under present terms Level Capital assigned to task assigned to task to make reasonable efforts in order to finalize and complete the LevelNet Platform and LevelNet Project. User also understand it is possible that such development may fail and User's LVL may become useless and/or valueless due to technical, commercial, regulatory or any other reasons.
- 2.3. User understands that LevelNet Network (Security Network) already exists in Alpha mode (as described in White Paper – Working Prototype section found on page _____).
- 2.4. **LVL Token opportunities** – provides prepaid membership and an account in LevelNet Network (Security Network and LevelNet Network) of LVL Token owners. LVL Token represent prepaid right to use the LevelNet Security System and LevelNet Network as Described in White paper.
- 2.5. LevelNet project is interested in large distribution of its technologies in order Reputational base formation (as described on page 10 of the White paper).

2.6. LevelNet Network provides Buyback Fund and Money Back Funds (Funds) functions, which is represented by a secured smart contract based on Ethereum.

Funds do not represented any Legal entity, have restrictive nature, and guarantee Users that accumulated funds from LVL Token issuance will be used proportionally, additional information on legal status of these funds can be found in our Information Memorandum.

2.7. If you purchase LVL, you certify that you are doing so out of a desire to use or consume LVL on the LevelNet network, to participate in the LVL community, or to attempt to personally generate any consideration by using LVL on the network or in the community. You certify that you are not purchasing LVL for any speculative, investment or other financial reasons.

2.8. At the time of this writing, LVL (i) cannot be exchanged for goods or services, (ii) has no known uses outside the LevelNet network, and (iii) cannot be traded on any known exchanges. There is no guarantee indeed there is no reason to believe – that the LVL you purchase will increase in value.

2.9. Exchange. In order to obtain LVL Tokens during the Offering Period, and to receive the LVL Tokens you exchange, you must have an Ethereum wallet that supports the ERC20 token standard.

Approximately forty-eight (48) hours prior to the commencement of the Token, Company will publish an address for the LVL Tokens sale via its website. To initiate a purchase of LVL Tokens during the Sale Period, you must send Cryptocurrency to an Ethereum address (the “Token offering Address”) that will be provided to you only after you agree to these Terms by clicking the “I Agree with the Terms – View the Token offering Address” button at the bottom of these Terms. Sending Cryptocurrency to the Token Offering Address during the Sale Period triggers a smart contract operation, pursuant to which the Smart Contract System will automatically create and deliver the corresponding LVL Tokens to the ERC20 wallet address from which the Cryptocurrency were sent.

Cryptocurrency must be sent to the Token Offering during the Offering Period in order to exchange and receive LVL Tokens. Sending Cryptocurrency to any other address may result in loss of Cryptocurrency. Attempted transactions to purchase LVL Tokens will be rejected if Cryptocurrency is sent to the ICO Address at any time before or after the Sale Period.

The Smart Contract System is deployed by Company from the British Virgin Islands, and is programmed so that all transactions it executes will be executed in the British Virgin Islands. As such, title to, and risk of loss of, LVL Tokens created and delivered by the Smart Contract System passes from Company to Users in the British Virgin Islands.

2.10. The Token Offering proceeds will primarily be used for development,, marketing, ecosystem building and maintenance of the LevelNet Network.

Relevant expenses that will be paid or reimbursed (as applicable) include but are not limited to the following:

- fees and expenses directly attributable to the formation of the Level Capital and to the Token Sale process;
- advisor fees (such as business, marketing, legal, finance, and infrastructure consultancy);
- development and outsourcing fees;

- payments to service providers and contractors;
- employee compensation;
- auditing fees;
- computers, fixtures, fittings and consumables, tools and software; other overheads; and
- marketing and promotional efforts, including community programs and outreach, together with related travel, communication, publication, distribution and other expenses.

3. Security

- 3.1.** You are responsible for implementing reasonable measures for securing your wallet, vault or other storage mechanism you use to receive and hold Tokens you purchase from us, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If your private key(s) or other access credentials are lost, you may lose access to your Tokens. We are not responsible for any such losses.

4. Personal Information

- 4.1.** We may determine, in our sole discretion, that it is necessary to obtain certain information about you in order to comply with applicable law or regulation in connection with selling Tokens to you. You agree to provide us such information promptly upon request, and you acknowledge that we may refuse to sell Tokens to you until you provide such requested information and we have determined that it is permissible to sell you Tokens under applicable law or regulation.

5. Representations and Warranties

- 5.1.** By purchasing Tokens, you represent and warrant that:

- a. You have read and understand these Terms (including all Exhibits);
- b. You have sufficient understanding of the functionality, usage, storage, transmission mechanisms and other material characteristics of cryptographic tokens, token storage mechanisms (such as token wallets), blockchain technology and blockchain-based software systems to understand these Terms and to appreciate the risks and implications of purchasing the Tokens;
- c. You have obtained sufficient information about the Tokens to make an informed decision to purchase the Tokens;
- d. You understand that the Tokens confer only the right to provide and receive Services in the Network and confer no other rights of any form with respect to the Network or Company or its corporate affiliates, including, but not limited to, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other Policies from time to time according to modification procedures set forth therein.
- e. You are purchasing Tokens to provide or receive Services in the Network and to support the development, testing, deployment and operation of the Network. You are not purchasing Tokens for any other uses or purposes, including, but not limited to, any investment, speculative or other financial purposes;
- f. Your purchase of Tokens complies with applicable law and regulation in your jurisdiction, including, but not limited to, (i) legal capacity and any other threshold requirements in your

jurisdiction for purchasing the Tokens, using the Tokens in the Network, and entering into contracts with us, (ii) any foreign exchange or regulatory restrictions applicable to such purchase, and (iii) any governmental or other consents that may need to be obtained;

- g. You will comply with any applicable tax obligations in your jurisdiction arising from your purchase of Tokens;
- h. If you are purchasing Tokens on behalf of any entity, you are authorized to accept these Terms on such entity's behalf and that such entity will be responsible for breach of these Terms by you or any other employee or agent of such entity (references to "you" in these Terms refer to you and such entity, jointly);
- i. You are not a resident or domiciliary of New York State or purchasing Tokens from a location in New York State; and
- j. (j) You are not (i) a citizen or resident of a geographic area in which access to or use of the Services is prohibited by applicable law, decree, regulation, treaty, or administrative act, (ii) a citizen or resident of, or located in, a geographic area that is subject to U.S. or other sovereign country sanctions or embargoes, or (iii) an individual, or an individual employed by or associated with an entity, identified on the U.S. Department of Commerce's Denied Persons or Entity List, the U.S. Department of Treasury's Specially Designated Nationals or Blocked Persons Lists, or the U.S. Department of State's Debarred Parties List. You agree that if your country of residence or other circumstances change such that the above representations are no longer accurate, that you will immediately cease using the Services. If you are registering to use the Services on behalf of a legal entity, you further represent and warrant that (i) such legal entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization, and (ii) you are duly authorized by such legal entity to act on its behalf.
- k. You understand and acknowledge that title to, and risk of loss of, Tokens you receive from the Smart Contract System (as defined and explained in Information Memorandum) passes from Company to you in the British Virgin Islands.

6. Limitation of Liability

(A) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW: (I) IN NO EVENT WILL COMPANY OR ANY OF THE COMPANY PARTIES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES OF ANY KIND (INCLUDING, BUT NOT LIMITED TO, WHERE RELATED TO LOSS OF REVENUE, INCOME OR PROFITS, LOSS OF USE OR DATA, OR DAMAGES FOR BUSINESS INTERRUPTION) ARISING OUT OF OR IN ANY WAY RELATED TO THE OFFERING, EXCHANGE OR USE OF THE TOKENS OR OTHERWISE RELATED TO THESE TERMS, REGARDLESS OF THE FORM OF ACTION, WHETHER BASED IN CONTRACT, TORT (INCLUDING, BUT NOT LIMITED TO, SIMPLE NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR ANY OTHER LEGAL OR EQUITABLE THEORY (EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE); AND (II)

IN NO EVENT WILL THE AGGREGATE LIABILITY OF COMPANY AND THE COMPANY PARTIES (JOINTLY), WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR OTHER THEORY, ARISING OUT OF OR RELATING TO THESE TERMS OR THE USE OF OR INABILITY TO USE THE TOKENS, EXCEED THE CRYPTOCURRENCY AMOUNT YOU PROVIDE TO US FOR THE TOKENS.

(B) THE LIMITATIONS SET FORTH IN SECTION 6(A) WILL NOT LIMIT OR EXCLUDE LIABILITY FOR THE GROSS NEGLIGENCE, FRAUD OR INTENTIONAL, WILLFUL OR RECKLESS MISCONDUCT OF COMPANY.

(C) Some jurisdictions do not allow the limitation or exclusion of liability for incidental or consequential damages. Accordingly, some of the limitations of this section may not apply to you.

7. Warnings

- 7.1.** As set forth below, the User further represents and warrants that, to the extent permitted by law, he/she is authorized to exchange his cryptocurrency to LVL in his/her relevant jurisdiction, is of a legal age to be bound by these Terms, and will not hold LevelNet, its parent and affiliates, and the officers, directors, agents, joint ventures, employees and suppliers of LevelNet or our parent or affiliates, now or in the future and any other member of the LevelNet Team (collectively the "LevelNet") liable for any losses or any special, incidental, or consequential damages arising out of, or in any way connected to the initial offering of LVL.
- 7.2.** The User is aware of the risk that even if all or parts of the LevelNet Platform are successfully developed and released in full or in parts, due to a lack of public interest, the LevelNet Project could be fully or partially abandoned, remain commercially unsuccessful or shut down for lack of interest, regulatory or other reasons. The User therefore understands and accepts that purchasing LVL carries significant financial, regulatory and/or reputational risks (including the complete loss of value of purchased LVL, if any, and attributed features of the LevelNet Project).
- 7.3.** Only individuals, entities, or companies that have significant experience with, and understanding of the usage and intricacies of cryptographic LVL Token, and blockchain based software systems should participate in the initial offering of LVL. Users should have functional understanding of storage and transmission mechanisms associated with cryptographic LVL Token. While the LevelNet Team will be available to assist Users of LVL during and after the initial token offering, LevelNet will not be responsible for lost, any other cryptocurrency or LVL resulting from actions taken by, or omitted by Users. Note, in particular, that Users should take great care to write down their wallet password and not lose it to be sure that they will be able to access their LVL when it becomes available after the initial offering.

8. Taxes.

The exchange price that you pay for Tokens is exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase of Tokens, including, for example, offerings, 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. We are not responsible for withholding, collecting, reporting, or remitting any offerings, use, value added, or similar tax arising from your purchase of Tokens.

9. **RISK DISCLAIMER: By purchasing, holding and using LVL Token, you expressly acknowledge and assume the following risks:**

a. Risk of Losing Access to LVL Token Due to Loss of Private Key(s)

A private key, or a combination of private keys, is necessary to control and dispose of LVL Token stored in your digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your digital wallet or vault storing LVL Token will result in loss of such LVL Token. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet service you use, may be able to misappropriate your LVL Token.

b. Risks Associated with the Cryptocurrency Ethereum Protocol

Because LVL Token and the Network are based on the Cryptocurrency Ethereum protocol, any malfunction, breakdown or abandonment of the Cryptocurrency Ethereum protocol may have a material adverse effect on the Network or LVL Token. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the LVL Token and the Network by rendering ineffective the cryptographic consensus mechanism that underpins the Cryptocurrency Ethereum protocol.

c. Risk of Hacking and Security Weaknesses

Hackers or other malicious groups or organizations may attempt to interfere with the Network or the LVL Token in a variety of ways, including, but not limited to, malware attacks, denial of service the Network is based on open-source software, there is a risk that a third party or a member of the Company team may intentionally or unintentionally introduce weaknesses into the core infrastructure of the Network, which could negatively affect the Network and the LVL Token.

d. Risk of Uninsured Losses

Unlike bank accounts or accounts at some other financial institutions, LVL Token are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer, such as the Federal Deposit Insurance Corporation, or private insurance arranged by us, to offer recourse to you.

e. Risks Associated with Uncertain Regulations and Enforcement Actions

The regulatory status of the LVL Token and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or cryptocurrency regulatory agencies may apply existing regulation with respect to such technology and its applications, including the Network and the LVL Token. It is likewise difficult to predict how or cryptocurrency legislatures or regulatory agencies may implement changes to law and regulation affecting distributed ledger technology and its applications, including the Network and the LVL Token. Regulatory actions could negatively affect the Network and the LVL Token in various ways, including, for purposes of illustration only, through a determination that LVL Token are a regulated financial instrument that require registration or licensing. Company may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approvals to operate in such jurisdiction.

f. Risk of Alternative Networks

It is possible that alternative networks could be established that utilize the same open source code and protocol underlying the Network and attempt to facilitate services that are materially similar to the Services. The Network may compete with these alternative networks, which could negatively affect the Network and LVL Token.

g. Risk of Insufficient Interest in the Network or Distributed Applications

It is possible that the Network will not be used by a large number of individuals, companies and other entities or that there will be limited public interest in the creation and development of distributed ecosystems (such as the Network) more generally. Such a lack of use or interest could negatively affect the development of the Network and therefore the potential utility of LVL Token.

h. Risks Associated with the Development and Maintenance of the Network

We intend for the LVL Token and Network to follow the specifications set forth in the Smart Contract, and intend to take commercially reasonable steps toward those ends, we may have to make changes to the specifications of the LVL Token or Network for any number of legitimate reasons.

This could create the risk that the LVL Token or Network, as further developed and maintained, may not meet your expectations at the time of purchase. Furthermore, despite our good faith efforts to develop and maintain the Network, it is still possible that the Network will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively affect the Network and LVL Token.

i. Risks Arising from Lack of Governance Rights

Because LVL Token confer no governance rights of any kind with respect to the Network or Company or its corporate affiliates, all decisions involving the Network or Company will be made by Company at its sole discretion, including, but not limited to, decisions to discontinue the Network, to create and sell more LVL Tokens for use in the Network, or to sell or liquidate the Company. These decisions could adversely affect the Network and the Tokens you hold.

10. Governing Law and Venue

- a. These Terms will be governed by and construed and enforced in accordance with the laws of the British Virgin Islands, without regard to conflict of law rules or principles of the British Virgin Islands or any other jurisdiction that would cause the application of the laws of any other jurisdiction. Any Dispute between the Parties arising out or relating to these Terms or its subject matter or formation (including non-contractual Disputes of claims) that is not subject to arbitration will be resolved in the courts of the British Virgin Islands.

11. Severability

If any term, clause or provision of these Terms is held unlawful, void or unenforceable, then that term, clause or provision will be severable from these Terms and will not affect the validity or enforceability of any remaining part of that term, clause or provision, or any other term, clause or provision of these Terms.

12. Miscellaneous

These Terms constitute the entire agreement between you and us relating to your exchange of Tokens from us. We may make changes to these Terms from time to time as reasonably required to comply with applicable law or regulation.

If we make changes, we will post the amended Terms at levelnet.co and update the "Last Updated" date above. The amended Terms will be effective immediately. We may assign our rights and obligations under these Terms. Our failure to exercise or enforce any right or provision of these Terms will not operate as a waiver of such right or provision. We will not be liable for any delay or failure to perform any obligation under these Terms where the delay or failure results from any cause beyond our reasonable control. Purchasing Tokens from us does not create any form of partnership, joint venture or any other similar relationship between you and us.

Except as otherwise provided in herein, these Terms are intended solely for the benefit of you and us and are not intended to confer third-party beneficiary rights upon any other person or entity. You agree and acknowledge that all agreements, notices, disclosures, and other communications that we provide to you, including these Terms, will be provided in electronic form.

13. KYC.

Know Your Customer (KYC) and AML Policy.

By using our Services, you agree that you do not use the Services to engage in any activity that is in connection with the following businesses, activities, practices, or items.

- a. Operating as an unlicensed money transmitter, money service, payment service provider, e-money, or any other financial service business which requires licensure, including but not limited to exchanges of virtual currencies, offerings of money orders or traveler's checks, and escrow services
2. Counterfeit products or any products or service that infringes upon the copyright, trademark, or trade secrets of any third party
- b. Stolen goods
- c. Narcotics, controlled substances, prescription and pharmaceutical services, drug paraphernalia, or any substances designed to mimic illegal drugs
- d. Gambling, except in a permitted legal jurisdiction
- e. Sports forecasting or odds making
- f. Prostitution or illegal escort services
- g. Violent acts toward self or others, or activities or item that encourage, promote, facilitate or instruct others regarding the same
- h. Funding any of the items included on this Prohibited Businesses list
- i. Extortion, blackmail, or efforts to induce unearned payments
- j. Unlicensed offering of firearms and certain weapons
- k. Engaging in deceptive marketing practices
- l. Any business that violates any law, statute, ordinance or regulation. You may not use your LVL Account to engage in the following categories of activity ("Prohibited Use").

By opening a LVL Account, you confirm that you will not use your Account to do any of the following:

- a. Violate or assist any party in violating any law, statute, ordinance, regulation or any rule of any self-regulatory or similar organization of which you are or are required to be a member (for example, those laws, rules, or regulations governing financial services, controlled substances, or consumer protections);
- b. Partake in a transaction which involves the proceeds of any unlawful activity;
- c. Partake in any transaction involving online gambling except where permitted by LVL;
- d. Defraud or attempt to defraud LVL or other LVL users;
- e. Infringe upon LVL or any third party's copyright, patent, trademark, or intellectual property rights;
- f. Provide false, inaccurate or misleading information;
- g. Take any action that imposes an unreasonable or disproportionately large load on our infrastructure, or detrimentally interfere with, intercept, or expropriate any system, data, or information;
- h. Interfere with another individual's or entity's access to or use of any of the Services; 9. Defame, abuse, harass, stalk, threaten or otherwise violate or infringe the legal rights (such as, but not limited to, rights of privacy, publicity and intellectual property) of others;
- i. Publish, distribute or disseminate any unlawful material or information;

- j.** Transmit or upload any material to the website that contains viruses, Trojan horses, worms, or any other harmful deleterious programs;
- k.** Harvest or otherwise collect information from the Website about others, including without limitation email addresses, without proper consent;
- l.** Act as a payment intermediary or aggregator or otherwise resell any of the Services, unless expressly authorized by LVL in writing;
- m.** Transfer any rights granted to you under this Agreement;
- n.** Use the LVL Account information of another party to access or use the Website, except in the case of specific Merchants and/or applications which are specifically authorized by a user to access such user's LVL Account and information;
- o.** Otherwise attempt to gain unauthorized access to the Website, other LVL Accounts, computer systems or networks connected to the Website, through password mining or any other means;
- p.** Engage in transactions involving items that infringe or violate any copyright, trademark, right of publicity or privacy or any other proprietary right under the law.