

## US Customers

The structure of the ICO is somewhat different to many traditional ICO offerings. First, tokens aren't sold to investors. Subscribers to AICoin are pooling their collective assets together, all bitcoins exchanged for AICoin tokens as part of the subscription process are still owned, by the AICoin Collective. The holders of AICoin tokens or The Collective govern how The combined assets are managed and invested.

The initial exchange is a swap of one crypto asset (bitcoin) for another crypto asset (AICoin tokens) but the original assets are still owned by The Collective. There is no payment of the bitcoins taken in during the ICO to the developers. No payment for development costs or as profit. One hundred percent of the assets are retained by The Collective (with the exception of a 20,000 USD equivalent paid after the subscription is over to cover legal costs for the completion of contracts.)

There are an agreed set of rules established as part of the ICO about how the Collective will operate. This details how the Collective want the Artificial Intelligence models to operate, the degree of latitude that the System Provider has in running the models, and how the profits generated are to be used. There are also an agreed set of rules established as part of the ICO about how The Collective will select and make investments in other ICO's and start-up companies. All voting for this is carried out on the ethereum blockchain so voting is both secure and transparent. There are a set of rules about how The Collective can dissolve the ICO in the future, in the event of the dissolution of The Collective then all assets held collectively will be sold and the proceeds distributed in bitcoin to the AICoin token holders.

The developers provide a perpetual exclusive licence for The Collective to use the AI models and voting mechanism for the duration of the operation of The Collective. There is no fixed fee for the software but a 10% charge of new profits is made for use of the models and infrastructure. The developers act as System Providers to The Collective.

In summary the entire process runs as an autonomous collectively owned organisation. No third party is "selling" tokens and no third part receives any of the bitcoins exchanged for AICoin tokens. Subscribers to AICoin are electing to pool their bitcoins with other token subscribers to collectively make investment decisions within the rules established for the operation of The Collective.

We have received legal advice that, under these terms, we are not issuing securities under Singapore law. The structure is actually closer to a cooperative where like-minded individuals work together for a common goal, have full collective control of all assets, and are bound by a set of rules established at the creation of the organisation.

It is important, however, that every individual determine, for their own jurisdiction, if they can legally operate within this type of structure.

The main concern is usually around Tax law. There will be a Singapore based corporation which will hold the assets in trust on behalf of The Collective. Singapore tax will be paid on profits generated by these assets. How the individual is taxed is dependent on their jurisdiction and it is the responsibility of the subscriber to make sure they are compliant within their own situation.

Customers in the United States are subject to self-certification as qualified investors during the registration process as defined in Section 230.501 of the securities act of 1933. We cannot accept subscribers residing in New York or Washington state.