

APPROVED
by the order of Dzengi
Closed Joint Stock Company
as of June 1, 2023 No. 16-ОД

**White Paper Declaration
of Dzengi Closed Joint Stock Company
on Creation and Placement of Barterable Tokens
Representing Currencies**

2023

CHAPTER 1. GENERAL PROVISIONS

1. This White Paper Declaration contains basic information on the digital tokens (tokens) (hereinafter referred to as “tokens”) described in it as well as on the rights (demands) of the owners of these tokens which are determined upon creation and placement of them and the conditions of exercise (satisfaction) of the said rights (demands).

2. In case of any discrepancies among the versions of this White Paper Declaration in Russian, English and other languages for the purposes of interpretation and application of this White Paper Declaration its text in Russian shall prevail.

3. The tokens described in this White Paper Declaration are created and placed by Dzengi Closed Joint Stock Company (hereinafter referred to as “the Company”) without any assignment to it from other persons.

4. The tokens described in this White Paper Declaration and placed in accordance with it are the tokens of the following type: barterable tokens representing currencies (hereinafter referred to as “BTRC”).

5. BTRC are tokens representing currencies in respect of which the Company is not obliged to buy out them from their owners for the currencies represented by them as well as is not obliged to transfer the currencies represented by them in discharge of the obligation ensuing from these tokens. Under the general rule (unless otherwise provided by agreement of the parties¹), BTRC will be placed and alienated (acquired) during their circulation period by the Company by exchanging them for tokens representing other currencies and previously placed (being placed) by the Company (including other BTRC)². BTRC certify the rights of the owners of these tokens, provided for in this White Paper Declaration and represent currencies on the principle of 1 such token = 1 unit of the currency represented by it.

6. The names of types of BTRC shall be formulated as follows: designation of the relevant (represented) currency with letters from the modern Latin alphabet, then a dot, and then the letters “cx”. For example, a

¹ For the purposes of this White Paper Declaration, “the agreement of the parties” shall be understood as an agreement between the owner of a BTRC and the Company.

² The type (types) of tokens representing other currencies, in exchange for which BTRC will be placed and alienated (acquired) during their circulation period, shall be determined by the Company at its sole and absolute discretion. This exchange shall be carried out on the basis of the exchange rate of the currency represented by the BTRC to the relevant “other” currency provided for on the cryptoplatfrom (trading platform) “Dzengi.com” on the date this exchange is carried out. The said exchange rate shall be determined by the Company at its sole and absolute discretion and on the basis of the information possessed by the Company. If the agreement of the parties provides for placement of BTRC and (or) their alienation (acquisition) during their circulation period in return for the currencies different from those represented by the relevant BTRC, the above-mentioned exchange rate shall be applied, unless otherwise provided by this agreement.

HKD.cx is a token representing Hong Kong dollars and an AUD.cx is a token representing Australian dollars.

7. The names and other characteristics of types of BTRC may be changed by the Company at its sole and absolute discretion (inter alia because of changes in the names of the currencies represented by them), provided that this does not contradict the legislation of the Republic of Belarus and the acts of the Supervisory Council of the High Technologies Park (the Republic of Belarus).

CHAPTER 2. DISCLOSED INFORMATION

8. In accordance with the acts of the Supervisory Council of the High Technologies Park (the Republic of Belarus) the Company hereby discloses the following information.

9. The Company is located at the address: the Republic of Belarus, the City of Minsk, Internatsionalnaya street, 36-1, office 625, room 2. The Company's Tax Payer's Identification Number is 193665666. The Company has the e-mail support@dzengi.com.

10. The Company in its activity is exposed to the following primary types of risks when performing its activities: the credit risk, the country risk, the market risk (including the currency exchange risk), the liquidity risk, the operational risk (including the cyber risk), the reputational risk and the concentration risk.

11. The main competitors of the Company with respect to the circulation of BTRC are the operators of trading platforms where cryptocurrencies and other tokens are traded (cryptocurrency exchanges).

12. The sole shareholder of the Company is Dzengi Com Closed Joint Stock Company with registered number 193665666. The head of the Company is Herman Khomchanka, a citizen of the Republic of Belarus, and Tatsiana Lamaka, a citizen of the Republic of Belarus, is its chief accountant.

13. The Company has not been involved in any legal disputes during the three years preceding the date of approval of this White Paper Declaration.

14. The Company has not been liable for any administrative offences during the three years preceding the date of approval of this White Paper Declaration. There have been no proceedings involving administrative offences brought against the Company during the three years preceding the date of approval of this White Paper Declaration nor on the date of its approval.

15. The Company attracts investments, which are attracted by means of placement of BTRC, in the process of implementation of the cryptoplatform operator's activity in order that its clients may carry out transactions (operations) with BTRC, including "deliverable" transactions with tokenised exchange-traded assets (which do not entail emergence (transfer) of the title of property to the traditional financial instruments that are underlying assets)³, the underlying assets of which are quoted in the currencies represented by BTRC⁴. The objects of civil rights obtained as a result of placement of BTRC will be used in order that the Company may perform its obligations, including those incurred before its clients and other counter-parties; to carry out hedging of risks that arise in the activities of the Company; to carry out acquisition of liquidity by the Company; to carry out improvement of the material and technical base necessary for the implementation of the activities of the Company; to invest the said objects of civil rights in acquisition of tokens; to act in other purposes not contradicting the legislation of the Republic of Belarus and the acts of the Supervisory Council of the High Technologies Park (the Republic of Belarus).

16. The Ethereum Classic blockchain underlies the existence of BTRC (the ERC 20 standard is used). The Company considers this blockchain to be reliable (resistant to technical errors and illegal actions). Deiteriy Limited Liability Company (the Russian Federation) has performed a security audit of the smart contract used for creation and placement on the said blockchain of BTRC. The date of the security audit is November 30, 2018. The results are as follows. The security audit was conducted on 15 points. In respect of 14 points no vulnerabilities were identified. In respect of one point a vulnerability of low-criticality was discovered in a function that is not used by the Company. This vulnerability does not pose a threat to the security of the creation, placement and storage of BTRC.

³ For the purposes of this White Paper Declaration:

- a tokenised exchange-traded asset stands for a token, the value of which corresponds to the price of a certain asset (a security, precious metal, or another underlying asset). It provides the right of the token's owner to demand from the person who has placed it to acquire (ensure acquisition of) this token at the price that the said asset has at the moment of satisfying this demand;
- traditional financial instruments stand for the assets specified in the definition of the term "tokenised exchange-traded asset" above;
- "deliverable" transactions stand for the transactions that entail emergence (transfer) of the title of property to tokenised exchange-traded assets.

⁴ The expression of the price (value) of the underlying assets in BTRC (in case of exchange of tokenised exchange-traded assets for BTRC) shall be carried out under the principle 1 BTRC = 1 unit of the currency represented by it.

CHAPTER 3. THE RIGHTS (DEMANDS) OF THE OWNERS OF BTRC AND THE CONDITIONS OF THEIR EXERCISE (SATISFACTION)

17. The rights of BTRC owners, which are determined upon creation and placement of BTRC, shall be:

17.1. to demand from the Company to acquire the BTRC (ensure acquisition of the BTRC) from their owners in exchange for tokens representing other currencies and being placed (previously placed) by the Company⁵. This exchange shall be carried out on the basis of the exchange rate of the currency represented by the BTRC to the relevant “other” currency provided for on the cryptoplatfrom (trading platform) “Dzengi.com” on the date this exchange is carried out. The said exchange rate shall be determined by the Company at its sole and absolute discretion and on the basis of the information possessed by the Company;

17.2. to demand from the Company to perform the obligation ensuing from the BTRC, which represents transfer of the title of property to tokens representing other currencies and being placed (previously placed) by the Company⁶ in the amount based on the exchange rate of the currency represented by the BTRC to the relevant “other” currency provided for on the cryptoplatfrom (trading platform) “Dzengi.com” on the date the transfer of the title of property is carried out. The said exchange rate shall be determined by the Company at its sole and absolute discretion and on the basis of the information possessed by the Company⁷.

17.3. to demand from the Company to perform the obligation for the BTRC, which is a transfer of the title of property to other tokens, created by the Company or another person (including foreign ones), and certifying the same or similar rights in comparison with the BTRC (with the exception of a right similar to this right that the corresponding other tokens may not certify). This right can only be exercised if the Company actually has the corresponding other tokens. The Company has the right at any time to perform the obligation for the BTRC early, inter alia by transferring to their owners the title of property to other tokens, created by the Company or another person (including a foreign one), and certifying the same or similar rights in comparison with the BTRC (with the exception of a right similar

⁵ The type (types) of tokens representing other currencies, in exchange for which the BTRC will be acquired from their owners (or their acquisition from their owners will be ensured), shall be determined by the Company at its sole and absolute discretion.

⁶ The type (types) of tokens representing other currencies, the title of property to which will be transferred to the owners of the BTRC, shall be determined by the Company at its sole and absolute discretion.

⁷ By agreement of the parties, the obligation ensuing from the BTRC can be terminated by means of novation (a substituted agreement) or by means of settlement and release (provision of payoff to the BTRC owner).

to the right to demand this action, which the corresponding other tokens may not certify).

18. The right provided for in sub-clause 17.1 of clause 17 of this White Paper Declaration shall be exercised by BTRC owners during the circulation period of BTRC.

The right provided for in sub-clause 17.2 of clause 17 of this White Paper Declaration shall be exercised by BTRC owners on the date of performance of the obligation ensuing from BTRC⁸ or in case of early performance of this obligation by the Company. If the right at hand is exercised it expires and the relevant BTRC are taken away from their owners. The Company shall be entitled to ensure the exercise of the said right of BTRC owners automatically (without raising the relevant demand by them in accordance with the procedure set forth in passage two of clause 19 of this White Paper Declaration).

19. The demand provided for in sub-clause 17.1 of clause 17 of this White Paper Declaration shall be raised by BTRC owners by submitting to the Company the relevant order through the cryptoplatform (trading platform) “Dzengi.com” (unless otherwise permitted by the Company).

The demand provided for in sub-clause 17.2 of clause 17 of this White Paper Declaration shall be raised by BTRC owners by submitting to the Company the relevant application outside the cryptoplatform (trading platform) “Dzengi.com” (unless otherwise permitted by the Company). In this case, the BTRC in respect of which the said demand is raised, to satisfy this demand, must be accounted for the owner of the BTRC on his account on the cryptoplatform (trading platform) “Dzengi.com” (unless otherwise permitted by the Company).

Other issues of the procedure of raising of the demands provided for in clause 17 of this White Paper Declaration shall be governed by the agreement of the parties.

20. In case of replacement of the currency represented by the BTRC with another currency introduced into circulation in the relevant state (the relevant group of states), the Company shall be entitled to replace the relevant BTRC (their parts) with the BTRC (their parts) representing this “another” currency.

21. The demands provided for in clause 17 of this White Paper Declaration may not be fully or partially satisfied due to freezing of funds and (or) taking other measures necessary to prevent money laundering, financing of terrorist activities and proliferation of weapons of mass

⁸ For the purposes of this White Paper Declaration, performance of the obligation ensuing from BTRC shall mean satisfaction of the demand provided for in sub-clause 17.2 of clause 17 of this White Paper Declaration.

destruction (including any situation in which the owner of the BTRC has alienated them to other persons outside the cryptoplatfrom (trading platform) “Dzengi.com”).

22. In the event that the owner of a BTRC violates the provisions of this White Paper Declaration, the Company shall not be obliged to satisfy the demands provided for in clause 17 of this White Paper Declaration.

23. The circulation period of BTRC shall be equal to the period from the date on which the placement of these tokens is started till the date of performance of the obligation ensuing from BTRC. The date of performance of the obligation ensuing from BTRC shall be April 30, 2029. Early performance of the obligation ensuing from BTRC shall be possible.

After satisfying the demand provided for in sub-clause 17.1 or in sub-clause 17.2 of clause 17 of this White Paper Declaration or after acquisition of BTRC by the Company, the Company shall be entitled to liquidate the relevant BTRC.

24. The Company may acquire BTRC up to the date of performance of the obligation ensuing from them (during the circulation period of BTRC) with the possibility of their subsequent alienation (for example, by means of their sale or exchange) by the Company (or in order to liquidate them). Acquisition of these tokens (if it takes place) shall be carried out on demand (or on the basis of an irrevocable offer) of the BTRC owners and, under the general rule (unless otherwise provided by agreement of the parties), in exchange for tokens representing other currencies and being placed (previously placed) by the Company (including other BTRC)⁹.

25. BTRC, which are not fully paid for by their owners as well as the title of property to them (if partial payment for BTRC is permitted by the Company), shall not be transferred by them to other persons; such a transfer will not be possible from a technical point of view (unless otherwise permitted by the Company). The consequences of non-compliance with this restriction shall be determined in accordance with the legislation of the Republic of Belarus.

26. BTRC (the title of property to them) shall not be transferred by their owners to persons which do not have an account on the cryptoplatfrom

⁹ The type (types) of tokens representing other currencies, in exchange for which BTRC will be acquired, shall be determined by the Company at its sole and absolute discretion. This exchange shall be carried out on the basis of the exchange rate of the currency represented by the BTRC to the relevant “other” currency provided for on the cryptoplatfrom (trading platform) “Dzengi.com” on the date this exchange is carried out. The said exchange rate shall be determined by the Company at its sole and absolute discretion and on the basis of the information possessed by the Company. If the agreement of the parties provides for acquisition of BTRC in return for the currencies different from those represented by the relevant BTRC, the above-mentioned exchange rate shall be applied, unless otherwise provided by this agreement.

(trading platform) “Dzengi.com” (unless otherwise permitted by the Company).

27. The Company shall be entitled to establish restrictions in respect of transfer of BTRC (the title of property to them) in parts.

**Amendments (Additions) to
the White Paper Declaration
of Dzengi Closed Joint Stock Company
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1. On July 8, 2023 the chief accountant of Dzengi Closed Joint Stock Company was changed. From the said date this position is held by Veranika Sergeyevna Bezmen, a citizen of the Republic of Belarus.