

# Chatello CHA

## Token Sale Agreement

## 1. Introduction

- A. The Company is a registered company in NSW, Australia.
- B. The Company is offering 7,000,000 CHA tokens on chatello.com/ico platform.
- C. The User has agreed to buy, and the company has agreed to sell Chatello Coin according to the terms of this Agreement.
- D. The User, inter alia, is not located in an Excluded Country and acknowledges that the Chatello Pty Ltd is registered with ASIC, is not offered as a financial product or derivative or managed investment scheme, and that investments in cryptocurrency tokens, such as Chatello Coin, are by their nature highly speculative and risky.

## 2. Operative clauses

### 1. Transfer of Token

- 1.1 At the time the User places an order for Chatello Coin, the User must:
  - a. complete Know Your Customer (KYC) verification in accordance with Clause 5 (User to Provide Information);
  - b. transfer the Required Contribution to the Chatello Coin Wallet address nominated by the Company in accordance with the following formula:  
  
Purchase Amount \* Purchase Price;
- 1.2 if the User fails to complete KYC verification to the satisfaction of the Company in accordance with Clause 6, the User's Ether will be returned, less Gas fees; and transfer Ether from a private account, not an exchange, in order to avoid Chatello Coin being allocated to account of the exchange.
- 1.3 The Company takes no responsibility for the potentially irretrievable transfer of Chatello Coin to third parties or otherwise unreachable wallets as a result of User error in transferring from a wallet which is linked to an exchange or any other service to which the User does not hold the private key to the wallet.

- 1.4 Subject to clauses 1.1 (Transfer of Token), 3 (Conditions Precedent), 5.2 (User to Provide Information) and 9 (Right to Refuse Transfer), and following the end of the Token Generation Event, the Company will:
- a. transfer the Purchase Amount of Chatello Coin to the User;
  - b. the Company will also transfer bonus Chatello Coin (if any) applicable to the ICO round in which the User has participated in based on the bonus rate set out in the White Paper;

### 3. Conditions Precedent

Completion of the Agreement will be subject to:

- c. the successful development of the Chatello Coin and Chatello ICO Platform by the Company;
- d. the User complying with its obligations this Agreement; and
- e. the Chatello Coin not being deemed to be a security, managed investment scheme, financial product or a derivative in the User's jurisdiction between the execution date and Completion.

### 4. Right to Use Platform

Upon transfer of the Chatello Coin to the User in accordance with clause 1, the Company grants the User a license to use the Chatello ICO Platform in accordance with the Deed Poll in Schedule 1.

### 5. User to Provide Information

- 5.1 The User must oblige the Company's current and any future reasonable request to provide to the Company any documents or information in relation to the Company's obligations under:
- a. the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (6th); and
  - b. any other applicable Australian laws.

- 5.2 For completeness, the obligation under this clause 5 requires the User to complete a Know Your Customer check, and may require similar additional verification as a further condition precedent to completion of this Agreement.

## 6. Intellectual Property

- 6.1 The Company does not own the Intellectual Property Rights except the IP protected by Chatello Pty Ltd, and this Agreement does not confer any rights, interests or licenses in the Intellectual Property Rights to the User or any other person.

## 7. Representations and Warranties

- 7.1 The User represents and warrants that:
- a. They are not located in an Excluded Country;
  - b. They have read and understood:
    - this Agreement;
    - the Whitepaper; and
    - the Disclosure Document, and

Acknowledges and agrees to accept the risks set out therein;

- c. they have the right to enter into and perform the obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
- d. they will not assign any right to receive Chatello Coin under this Agreement to any other person prior to completion of this Agreement;
- e. if the User is outside Australia, they have made every reasonable effort to determine whether Chatello Coin may be purchased in their jurisdiction, and has not agreed to purchase the Chatello Coin with the knowledge that it is illegal to do so;
- f. they acknowledge and agree that the Company does not hold an Australian Financial Services License and is not dealing in a financial product;
- g. they acknowledge and agree that the offering or issue of Chatello Coin is not registered or regulated by any securities entity or organization, including the Australian Securities and Investment Commission (ASIC);

- h. they acknowledge and agree that once the Chatello Coin have been transferred to the User, the Chatello Coin will be the sole responsibility of the User, and the Company will not have the ability to influence the control or ownership of the Chatello Coin in any way;
- i. they acknowledge and agree that the Company has no liability for, nor the ability to recover a User's Chatello Coin if the User's private key is forgotten, lost, stolen, misplaced or otherwise inaccessible to the User;
- j. the User has:
  - the knowledge and experience in cryptocurrency trading such that it is capable of evaluating the merits and risks of applying for, holding or transferring Chatello Coin ; or
  - sought advice from a person who, if they were the User, would satisfy clause 7.1(j)(1);
- k. they have conducted an investigation into Chatello Coin, has made all reasonable enquiries, and is not relying wholly on the Disclosure Document and/or the Whitepaper in deciding to purchase Chatello Coin; and
- l. they have taken, or have had the opportunity to take and have elected not to take, independent accounting and legal advice concerning the nature and effect of this Agreement and the User's personal circumstances.

7.2 The Company represents and warrants that:

- a. it has the right to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
- b. subject to clause 3(a) (Conditions Precedent) it holds, or will hold, the Chatello Coin contemplated by this Agreement free of any lien, charge or other encumbrance; and
- c. as far as it is aware, the Company has complied with the Corporations Act and all other applicable Australian laws in developing and offering Chatello Coin ;

## 8. Limitation of Liability

8.1 To the extent permitted by law:

- a. All terms, conditions, warranties and statements, whether express, implied, written, oral, collateral, statutory or otherwise) which are not expressly set out in this

Agreement are excluded and, to the extent they cannot be excluded, the Company disclaims all liability in relation to them; and

- b. The User must not make any claim under or in connection with this Agreement unless it is based solely on and limited to the express provisions of this Agreement.
- 8.2 The Company disclaims all liability for a loss incurred by the User in connection with a breach of a representation and warranty by the Company under clause 7.1 (Representations and Warranties).
- 8.3 For completeness, to the extent permitted by law, the Company will also have no liability to a User, however arising and under any cause of action or theory of liability, in respect of special, indirect or consequential damages, loss of profit (whether direct or indirect) or loss of business opportunity arising out of or in connection with this Agreement.
- 8.4 Subject to any applicable statute, the maximum total liability of the Company to the User for loss or damage of any kind, however caused, due to the Company's negligence, breach of contract, breach of any law, in equity, under indemnities or otherwise, arising out of all acts, omissions and events whenever occurring, is not to exceed in aggregate the value of the Required Contribution in Australian Dollars as at the time the User placed an order with the Company for the issue of Tokens. The remedy available to the User for a non-excluded breach of this Agreement will be limited to damages.

## 9. Right to Refuse Transfer

- 9.1 The Company reserves the right to refuse transfer of the Chatello Coin wholly or in part to the User for any reason.
- 9.2 The Company may refuse to transfer the Chatello Coin to the User in whole or in part if a successful transfer of the Chatello Coin would result in the Company going over the Initial Token Supply.
- 9.3 If the Company refuses to transfer the Chatello Coin, the Company must refund the Required Contribution to the User pro rata to the Chatello Coin refused.
- 9.4 The Company reserves the right to modify the Initial Token Supply for any reason.

## 10. Privacy

- 10.1 The Company collects, holds and uses personal information of Users in order to service their needs as Users, provide facilities and services that they request or that are connected with their interests in Chatello Coin and carry out appropriate administration.
- 10.2 The information may also be used from time to time and disclosed to persons including regulatory bodies, including AUSTRAC, the Australian Taxation Office, as well as print service providers and mail houses.
- 10.3 A User may request access, correct and update his or her personal information held by the Company, by sending an email to investors@chatello.com.
- 10.4 Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules.

## 11. Assignment

A User may only assign its rights or obligations under this Agreement with the written consent of the Company.

## 12. Amendment

This Agreement may only be amended in writing signed by the parties.

## 13. No waiver

- 13.1 A party may only waive a breach of this Agreement in writing signed by that party or its authorized representative.
- 13.2 A waiver is limited to the instance referred to in the writing (or if no instance is referred to in the writing, to past breaches only).
- 13.3 Failure or omission by any party to enforce compliance with any provision of this Agreement will not affect the right of that party to use any remedy available to it in respect of the breach of that provision.

## 14. Further action

- 14.1 Each party must do everything necessary to carry out this Agreement, including without limitation:
- a. executing documents; and
  - b. ensuring its employees and/or agents perform their obligations.
- 14.2 No party may do anything that will prevent this Agreement from being carried out.

## 15. Force majeure

A party is not liable for a breach of this Agreement, to the extent that the breach is caused by circumstances outside that party's direct control and for the period that those circumstances continue, if that party:

- a. notifies the other party as soon as reasonably practicable of the breach and details regarding the relevant circumstances; and
- b. exercises its best endeavours to remedy the breach or otherwise rectify the cause of that breach as quickly as possible.

## 16. Counterparts

- 16.1 This Agreement may be executed in any number of counterparts. A counterpart may be a facsimile or other electronic form.
- 16.2 Together all counterparts make up one document.
- 16.3 If this Agreement is executed in counterparts, it takes effect when each party has received the counterpart executed by each other party, or would be deemed to have received it if a notice.

## 17. Governing law

- 17.1 This Agreement is governed by the laws of New South Wales, Australia.

17.2 The parties irrevocably submit to the exclusive jurisdiction of the courts of New South Wales and the division of the Federal Court of Australia in that jurisdiction, and the courts of appeal from them.

17.3 No party may object to the jurisdiction of any of those courts on the ground that it is an inconvenient forum or that it does not have jurisdiction.

## 18. Severability

Any provision of the Agreement which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions and the terms will remain in full force and effect.

## 19. No Relationship

The Company is not subject to any fiduciary obligations to User. This Agreement does not create a relationship of employment, trust, agency or partnership between the parties.

## 20. Official Language – English

The English-language Token Sale Agreement is the primary official source of information about the Chatello Coin Token Sale Agreement. The information contained herein may be translated into other languages from time to time or may be used in the course of written or verbal communications with existing and prospective community members, partners, etc. In the course of a translation or communication like this, some of the information contained in the Token Sale Agreement may be lost, corrupted or misrepresented. The accuracy of such alternative communications cannot be guaranteed. In the event of any conflicts or inconsistencies between such translations and communications, the official English-language Token Sale Agreement, the provisions of the original English-language document shall prevail.

## 21. Interpretation

In this Agreement, unless the context otherwise requires:

- a. the Introduction is correct;

- b. headings do not affect interpretation;
- c. singular includes plural and plural includes singular;
- d. words of one gender include all gender;
- e. reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- f. reference to a person includes a individual, corporation, joint venture, association, government body, firm and any other entity;
- g. reference to a party includes that party's personal representatives, successors and permitted assigns;
- h. reference to a thing (including a right) includes a part of that thing;
- i. reference to two or more persons means each of them individually and any two or more of them jointly;
- j. if a party comprises two or more persons:
  - reference to a party means each of the persons individually and any two or more of them jointly;
  - a promise by that party binds each of them individually and all of them jointly;
  - a right given to that party is given to each of them individually;
  - a representation, warranty or undertaking by that party is made by each of them individually;
- k. a provision must not be construed against a party only because that party prepared it;
- l. a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- m. if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- n. another grammatical form of a defined expression has a corresponding meaning;
- o. an expression defined in the Corporations Act 2001 or GST Law has the meaning given by the act or GST Law at the date of this Agreement.

## 22. Definitions

Terms and abbreviations used in this Token Sale Agreement have the following meaning:

Accepted Payment Method	means Bitcoin, Ether, and Bank Wire transfer.
Bitcoin / BTC	means that cryptocurrency set out more fully in the whitepaper titled “Bitcoin: A Peer-to-Peer Electronic Cash System” S. Nakamoto <a href="https://bitcoin.org/bitcoin.pdf">https://bitcoin.org/bitcoin.pdf</a>
Ether / ETH	is a cryptographic token used to interact with the Ethereum Blockchain known as “Ether”. The public blockchain known as “Ethereum” is more full described here <a href="http://www.ethdocs.org/">http://www.ethdocs.org/</a> and <a href="https://www.ethereum.org/">https://www.ethereum.org/</a>
Agreement	means this Agreement, including any schedule(s), annexure(s), deed(s) and any other document incorporated into this Agreement by reference.
Chatello ICO Platform	means the marketplace software to be developed by the Company, which will permit the use of Chatello ICO to transact in that marketplace.
Chatello Coin	means the ERC20-based tokens developed by the Company to be used on the Chatello ICO Platform known as “Chatello ICO”.
Business Day	means any day except a Saturday or a Sunday or a public holiday in New South Wales, Australia.
Chatello ICO User Interface	means the Chatello ICO iOS and Android app, and the beta web-app planned to be developed by the Company as part of the roadmap set out in the Whitepaper.
Chatello Coin Wallet	means a digital cryptocurrency wallet established by the Company which is capable of holding Chatello Coin .
Company	means Chatello Pty Ltd, ACN 162563555, of Breakfast Point, NSW 2137.
Completion	means July 31, 2018 or such date notified by the Company to Users.
Corporations Act	means the Corporations Act 2001 (Cth).

Disclosure Document	means the disclosure document prepared by the Company for the purpose of fully informing Users titled “Chatello Coin Disclosure Document”, including successive amendments as released on the Company’s website, <a href="https://www.chatello.com">https://www.chatello.com</a>
Excluded Country	Means: <ul style="list-style-type: none"> <li>(1) the Republic of China (Taiwan);</li> <li>(2) Vietnam; and</li> <li>(3) Any other country or jurisdiction in which an offer of cryptocurrency tokens analogous to the offer of Chatello ICO is prohibited at law.</li> </ul>
Gas	means the amount of a cryptographic token required to make a transaction on that cryptographic token’s blockchain.
Gas Limit	means an amount payable for a transaction fee for transacting using an Acceptable Payment Method.
Initial Token Supply	means 7,000,000 Chatello Tokens (CHA) .
Intellectual Property Rights	means the current and future, registered and unregistered, rights comprised in any patent, copyright, design, trade mark, eligible layout or similar right whether at common law or conferred by statute, rights to apply for registration under a statute in respect of those or like rights and rights to protect confidential information (including trade secrets and know-how) throughout the world for full period of rights and all renewals and extensions thereto in respect of the Chatello ICO Platform.
Payment	means an amount payable under this Agreement including an amount payable by way of indemnity or reimbursement and the provision of non-monetary consideration and any amount set off.
Parties	means the Company and the User.
Purchase Amount	means the number of Chatello Coin nominated for purchase by a User.
Purchase Price	means the amount in an Acceptable Payment Method specified on the Website or in an email from the Company for each Chatello Coin.
Required Contribution	means the quantity of Ether, greater than or equal to 0.1 Ether, which required to be transferred to the Company by a prospective User equal to: <p>Purchase Price * Purchase Amount.</p>

Tokens	means the cryptographic tokens known as “Chatello Coin ”.
Token Generation Event	means the period during which a User can apply to purchase Tokens under the terms of this Agreement.
User	means the person or entity purchasing Tokens under this Agreement.
Website	means <a href="https://www.chatello.com">https://www.chatello.com</a>
Whitepaper	means the electronic whitepaper written by the Company which describes the Chatello Coin , the Chatello Coin Platform and the Chatello Coin User Interface found on the Website.

# Schedule 1 – Deed Poll

## Parties

This Deed Poll is made by the Company in favour of any person who holds Chatello Coin, or fraction thereof, at the time the Chatello ICO Platform is fully developed and implemented.

This Deed Poll provides as follows:

## 1. Definitions

In this Deed Poll:

Chatello ICO Platform means the marketplace to be developed by the Company, which will permit the use of Chatello Coin to transact in that marketplace;

Chatello Coin means the ERC20-based tokens developed by the Company to be used on the Chatello Coin Platform known as “Chatello Coin”;

Company means Chatello PTY LTD, ACN 162563555, of Breakfast Point, NSW 2137;

User means an entity holding Chatello Coin;

Website means <https://www.chatello.com>

## 2. Nature of Deed Poll

This Deed Poll may be relied upon and enforced by any person who legally holds Chatello Coin , or fraction of an Chatello Coin , no matter how small.

## 3. Conditions to Obligations

- 3.1 The obligations under this Deed Poll are conditional upon to the successful development and implementation of the Chatello ICO Platform, and for the issue and use of Chatello Coin not to be ruled a security, managed investment scheme or otherwise being deemed illegal to be issued, to hold or to use and on the Chatello ICO Platform being available online for Chatello Coin holders to access.
- 3.2 This Deed Poll will automatically terminate if:
  - a. the Chatello ICO Platform is not fully developed by completion date of the Chatello Coin Sale Agreement; or

- b. the Company decides to discontinue the development of the Chatello ICO Platform; or
- c. a User is in breach of their license obligations under this Deed Poll.

3.3 If this Deed Poll is terminated in accordance with clause 3.2 then:

- a. the Company is released from any further obligations under the Deed Poll; and
- b. each User retains the rights they have against the Company in respect of any breach of this Deed Poll which occurred before its termination.

#### 4. Obligations under this Deed Poll

This Deed Poll will oblige the company to:

- a. provide the User with a license to access and use the Chatello ICO Platform, subject to the User having sufficient access to their own computer equipment to access the internet and the Chatello Coin Platform; and
- b. such license is transferrable but conditional upon the User not using the Chatello Coin in any manner that could damage, disable, overburden, or impair the Chatello Coin User Interface, or Chatello Coin Platform or otherwise interfere with the Company or any other User's use and enjoyment of the Chatello Coin User Interface and the Chatello Coin Platform. The User may not obtain or attempt to obtain any materials or information through any means not intentionally made available or provided for by the Company through the Chatello Coin User Interface, the Chatello Coin Platform and/or Chatello Coin and/or other services provided thereto.
- c. ensure that the User can enjoy the full benefit of owning Chatello Coin and the access to the Chatello Coin Platform provided by that ownership.

#### 5. Warranties

The Company represents and warrants that:

- a. it is a corporation validly existing under the laws of Australia;
- b. it has the power to enter into and perform its obligations under this Deed Poll;
- c. it has taken all reasonable and necessary action, or will take all reasonable and necessary action to authorize the performance of this Deed Poll;

- d. this Deed Poll is binding on it and enforceable against it in accordance with the terms; and
- e. performance of this Deed Poll will not constitute a breach of the Corporations Act, subject to any determination from any regulatory body in Australia to the contrary after the date this Deed Poll enters into force.

## 6. Continuing Obligations

This Deed Poll is irrevocable and subject to clause 3, will continue until:

- a. The Company has performed all of its obligations under the Deed Poll; or
- b. The Deed Poll is terminated under clause 3.

## 7. Governing Law

- 7.1 This Deed Poll is governed by the law of Australia.
- 7.2 The parties irrevocably submit to the exclusive jurisdiction of the courts of New South Wales, Australia and the division of the Federal Court of Australia in that jurisdiction, and the courts of appeal from them.
- 7.3 No party may object to the jurisdiction of any of those courts on the ground that it is an inconvenient forum or that it does not have jurisdiction.

## 8. Official Language – English

The English-language Deed Poll is the primary official source of information about the Chatello Coin Deed Poll. The information contained herein may be translated into other languages from time to time or may be used in the course of written or verbal communications with existing and prospective community members, partners, etc. In the course of a translation or communication like this, some of the information contained in the Deed Poll may be lost, corrupted or misrepresented. The accuracy of such alternative communications cannot be guaranteed. In the event of any conflicts or inconsistencies between such translations and communications, the official English-language Deed Poll, the provisions of the original English-language document shall prevail.

## 9. Amendment

- 9.1 This Deed Poll may only be amended via the effect of an amending Deed Poll executed by the Company and published on the Website.
- 9.2 This Deed Poll may not be amended to prevent a person holding Chatello Coin from accessing the Chatello Coin Platform.

## 10. Assignment

A User may only assign its rights or obligations under this Deed Poll with the written consent of the Company.

## 11. Further Action

Each party must do everything necessary to carry out this Deed Poll, including without limitation:

- a. executing documents; and
- b. ensuring its employees and agents perform their obligations.

Executed as a Deed Poll on May 28, 2018

Executed by

Rabie Fares



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Rabie Fares, Founder and CEO, Chatello Pty Ltd.