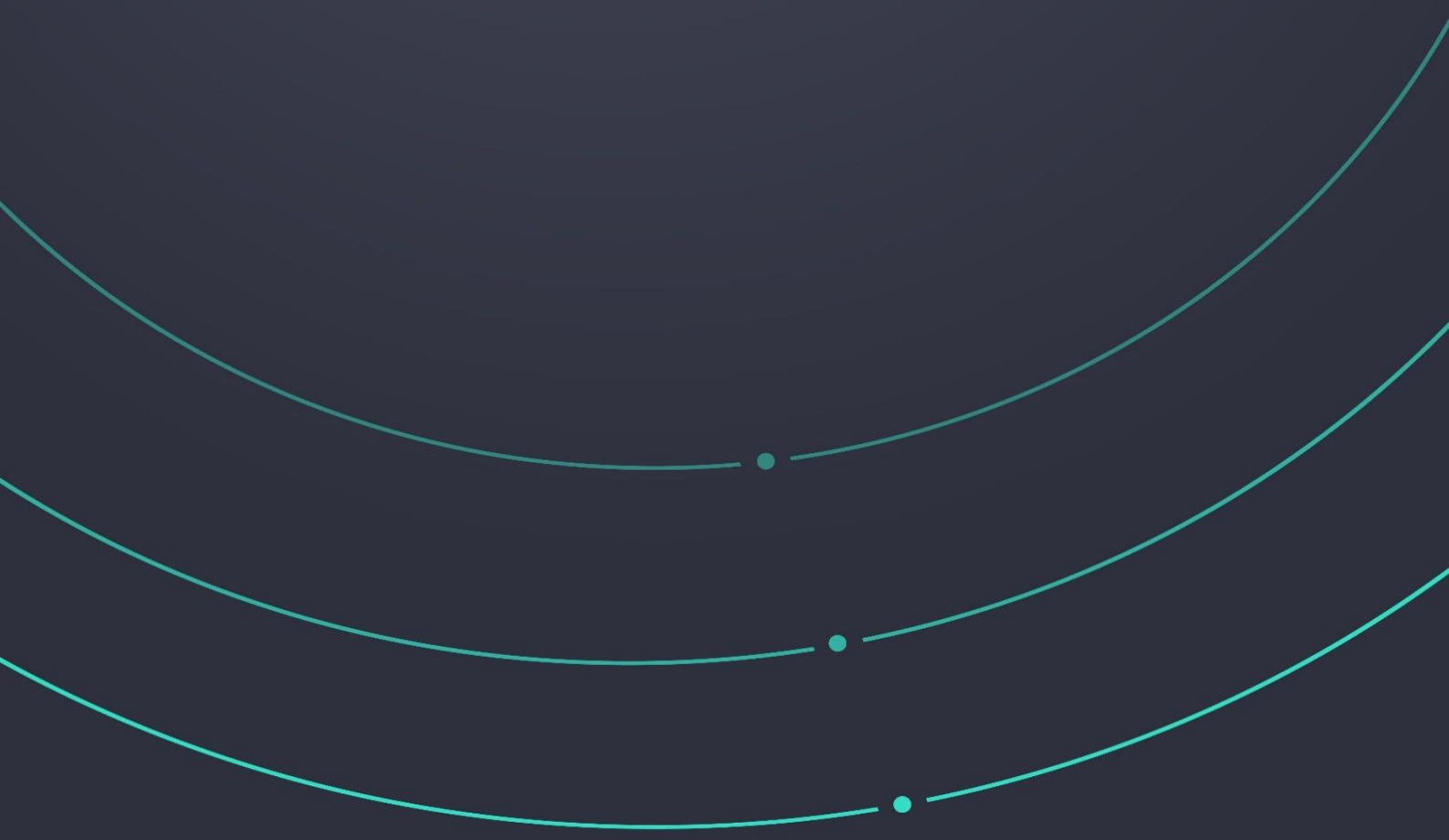


# FCH US DOLLARS USDF



## DESCRIPTION AND TERMS OF USE



## FCH Company Overview

### FCH

FCH is a disruptive IB and fundraising platform. We democratize access to capital for innovators and entrepreneurs & make investing easy, safe and accessible to everyone. Our blockchain-enabled platform connects innovative companies seeking capital with thousands of progressive across the globe. Above all, we are on a mission to open the world of finance to everyone: creating new markets and bringing together assets, investors and companies in a novel way.

### What is FCH?

FCH provides an end-to-end solution for asset tokenization and issuance. Its open-source set of protocols for enhanced ownership allows anyone to give real-world assets a representation on the Blockchain in form of legally-binding security tokens. The first application of our company's tech and legal architecture are "Tokens" which enable companies to conduct regulated offerings on Blockchain. FCH's mission is "Enabling ownership for all" through making ownership more transparent, accessible and efficient.

### What differentiates FCH?

What makes FCH stand out from the market? It all comes back to the values which we hold dear: inclusivity, creativity and transparency.

- Our set of protocols for enhanced ownership enables all of our tokens to represent legally enforceable rights, like our Equity Tokens .
- FCH isn't just a set of protocols, but also a user-friendly issuance platform with built-in KYC/AML , legal architecture , and a team of regulatory experts.
- We have multiple, robust secondary market partners . The promise of tokenized equity is increased liquidity relative to traditional private equity, as they might be tradable on secondary exchanges depending on regulation.
- Our set of protocols can be used as a foundation for tokens representing different real-world assets: Equity is only the first application. FCH aims to tokenize different types of assets, like real estate or debt, as well.



## FCH Dollars (USDF) Stablecoin Overview

### Overall Description

The FCH US Dollars (USDF) token aims to be a protocol to transact assets on blockchain technology in a borderless, transparent and fully collateralized way.

The main idea is to create a stable cryptocurrency backed by United States Dollars (USD), in other words, USDF will only be issued when the same or more amount of USD is in FCH's reserve custody.

To make this project possible, we will use the ERC-20 blockchain infrastructure, which allows all the features and safety procedures to be stored on Smart Contracts, also registered on blockchain.

### Main features

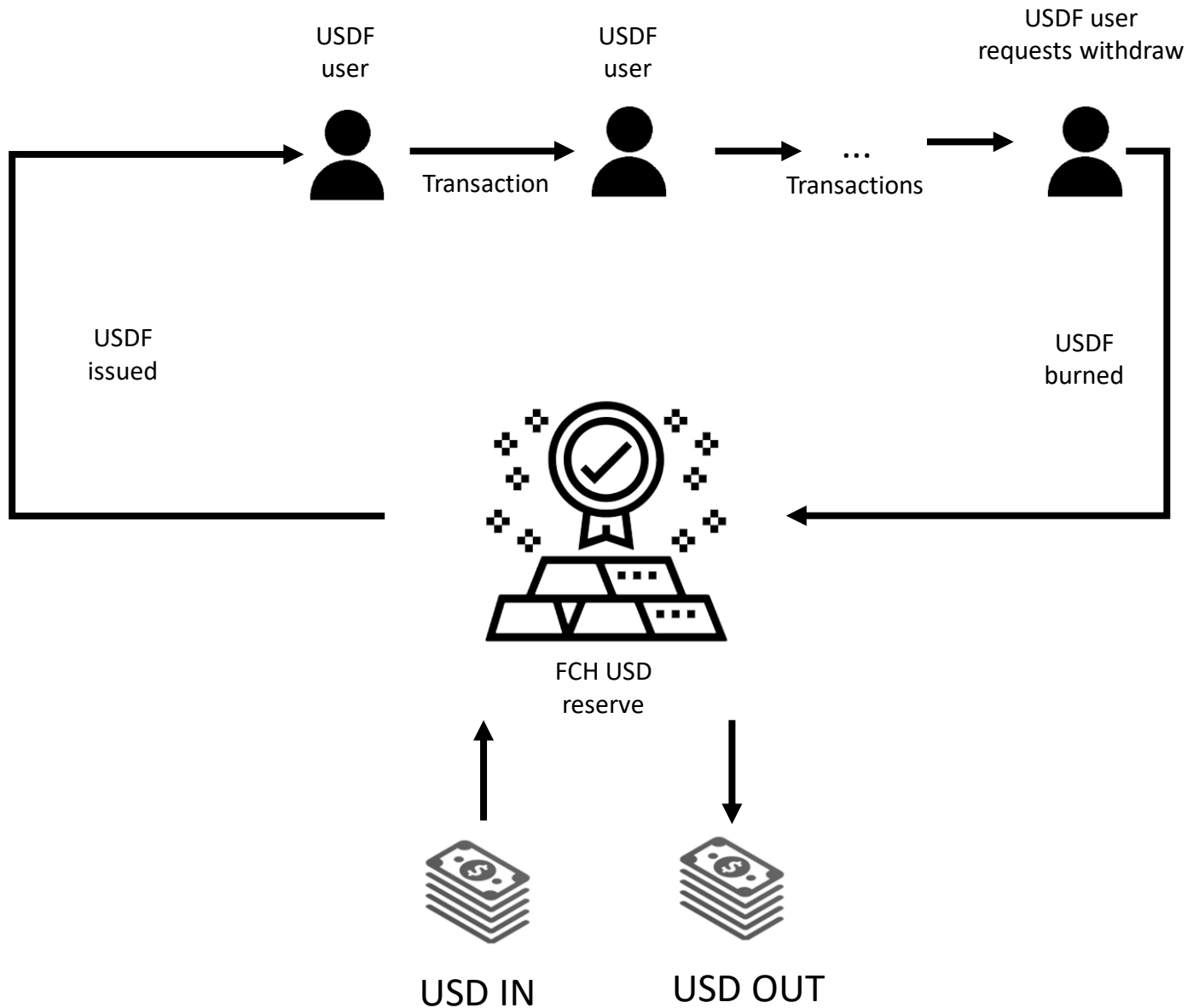
- USDF is decentralized and pseudo-anonymous and belongs to a cryptographically secure environment.
- USDF can be integrated with merchants, exchanges, and wallets just as easily as other tokens or any other cryptocurrencies can be integrated.
- USDF employs a simple but effective approach for conducting Proof of Reserves which significantly reduces our counterparty risk as the custodian of the reserve assets.
- USDF issuance or burn will not face any pricing or liquidity constraints. Users can buy or sell as many USDF as they want, quickly, and with very low fees.
- USDF's one to one backing implementation is easier for nontechnical users to understand as opposed to collateralization techniques or derivative strategies.
- USDF can be bought from our own platform ([platform.fch.one](https://platform.fch.one)) or in any exchange partner that supports our deposit and withdraw method.
- At any given time, the balance of fiat United States Dollars held in our reserves will be equal to (or greater than) the number of USDFs in circulation. This configuration support a reliable and simple Proof of Reserve process, which is fundamental to maintain the price-parity of the coin.

### Why would I get USDF?

Sometimes the volatility of Bitcoin or Ethereum may get in your way when you want to make an investment. Using a stablecoin, you can invest in our token offerings or any other FCH One's operation without worrying about coin price variations.



## Modus Operandi



- 1) Fiat United States Dollars (USD) are deposited in FCH fiat reserve.
- 2) FCH issues the same amount (or less) USDF tokens and make it available for the market.
- 3) Users transact USDF between themselves on blockchain.
- 4) A user request a withdraw or want to exchange back their tokens to USD.
- 5) FCH burns (destroys) the amount of tokens redeemed and deposit fiat USD to the user's bank account.

USDF can be obtained via FCH platform, any partner exchange or via another user who holds USDF. Once they are on circulation, they can be traded freely between users.



## Proof of Reserve

Proof of Solvency, Proof of Reserves, RealTime Transparency, and other similar phrases have been growing and resonating across the cryptocurrency industry.

Exchange and wallets audits, in their current form, are very unreliable. Insolvency has occurred numerous times in the cryptocurrency ecosystem, either via hacks, mismanagement, or outright fraud.

Users must be diligent with their exchange selection and vigilant in their use of exchanges. Even then, a savvy user will not be able to fully eliminate the risks. Further, there are exchange users like traders and businesses who must keep nontrivial fiat balances in exchanges at all times. In financial language, this is known as the “counterparty risk” of storing value with a third party. We believe it’s safe to conclude that exchange and wallet audits in their current form are not very reliable. These processes do not guarantee users that a custodian or exchange is solvent.

USDF’s proof of reserve process configuration is reliable and friendly because it simplifies the process of proving that the total number of USDF in circulation (liabilities) are always fully backed by an equal amount of fiat currency held. In our configuration, each USDF in circulation represents one US dollar held in our reserves which means the system is fully reserved when the sum of all USDF in existence (at any point in time) is exactly equal to the balance of USD held in our reserve. Since USDF live on blockchain, the provability and accounting of USDF at any given point in time is trivial. Conversely, the corresponding total amount of USD held in our reserves is proved by publishing the bank balance and undergoing periodic audits by professionals.



## Terms of Use

### Interpretation

Definitions: In these Terms of Service and all documents incorporated herein by reference, the following words have the following meanings unless otherwise indicated:

- “AML” means anti-money laundering, including all Laws applicable to the Parties prohibiting money laundering or any acts or attempted acts to conceal or disguise the identity or origin of; change the form of; or move, transfer, or transport, illicit proceeds, property, funds, Fiat, or Digital Tokens, including but not limited to the promotion of any unlawful activity such as fraud, tax evasion, embezzlement, insider trading, financial crime, bribery, cyber theft or hack, narcotics trafficking, weapons proliferation, terrorism, or Economic Sanctions violations, which may also require internal controls to detect, prevent, report, and maintain records of suspected money laundering or terrorist financing;
- “Anti-Corruption” means all Laws applicable to each Party prohibiting corruption or bribery of Government Officials, kickbacks, inducements, and other related forms of commercial corruption or bribery;
- “Copyrights” has the meaning set out in paragraph 10 of these Terms of Service;
- “CTF” means counter-terrorist financing;
- “Digital Tokens” means a digital representation of value that functions as (i) a medium of exchange; (ii) a unit of account; (iii) a store of value, and/or (iv) other similar digital representations of rights or assets, which is neither issued nor guaranteed by any country or jurisdiction and does not have legal tender status in any country or jurisdiction, typically including blockchain-based assets or rights including sovereign cryptocurrency or virtual currency such as bitcoins, Litecoins, and ethers;
- “Digital Tokens Address” means an alphanumeric identifier that represents a potential destination for a Digital Tokens transfer, which typically is associated with a user’s Digital Tokens Wallet;
- “Digital Tokens Wallet” means a software application (or other mechanism) that provides a means for holding, storing, and transferring Digital Tokens, including a user’s Digital Tokens Address, Digital Tokens balance, and cryptographic keys;
- “Economic Sanctions” means financial sanctions, trade embargoes, export or import controls, anti-boycott, and restrictive trade measures enacted, administered, enforced, or penalized by any Laws applicable to you or the Site;
- “Fiat” means the money or currency of any country or jurisdiction that is:
  - designated as legal tender; and,
  - circulated, customarily used, and accepted as a medium of exchange in the country or jurisdiction of issuance;
- “Person” includes an individual, association, partnership, corporation, other body corporate, trust, estate, and any form of organization, group, or entity recognizable as legal personalities;
- “Prohibited Jurisdictions” means Cuba; Democratic People’s Republic of Korea (North Korea); Iran; Pakistan; Syria; the Government of Venezuela; and Crimea;
- “Prohibited Use” has the meaning set out in paragraph 8 of these Terms of Service;



- “Reserves” means traditional currency and cash equivalents and, from time to time, may include other assets and receivables from loans made by FCH to third parties, which may include affiliated entities;
- “Sanctions List” means the “Specially Designated Nationals and Blocked Persons” (“SDN”) List and the Non-SDN List, including the “Sectoral Sanctions Identifications List”, published by OFAC; the Section 311 Special Measures for Jurisdictions, Financial Institutions, or International Transactions of Primary Money Laundering Concern published by FinCEN; and, any other foreign terrorist organization or other sanctioned, restricted, or debarred party list published by the FIA, or under Economic Sanctions, AML, or CTF Laws of or by Governments of the United States, the British Virgin Islands, the United Nations, or any other jurisdiction or Government, as applicable to you or to the Site, as amended, supplemented, or substituted from time to time;
- “Sanctioned Person” refers to any Person or Digital Tokens Address that is: (i) specifically listed in any Sanctions List; or (ii) directly or indirectly owned 50 percent or more by any Person or group of Persons in the aggregate, or a Digital Tokens Wallet associated with such Person or Persons, referred to in any Sanctions List, or Government or Government Official of any Prohibited Jurisdiction, and (iii) that is not subject to any Government Approval or otherwise not sanctioned, restricted, or penalized under applicable Laws;
- “USDF Token” means the USDF Digital Token issued and redeemed by FCH;

## **RISKS AND LIMITATION OF LIABILITY**

. Trading markets in Digital Tokens are volatile and shift quickly in terms of price, liquidity, market depth, and trading dynamics. Digital Tokens also are subject to cybersecurity risk, including the risk of a cyberattack or breach. You are solely responsible and liable: for any and all trading and non-trading activity on the Site and for your Digital Tokens Wallet on the Site; and, for knowing the true status of your USDF Tokens on the Site, even if presented incorrectly by the Site at any time. You acknowledge and agree: (i) to be fully responsible and liable for your trading and non-trading actions and inactions on the Site and all gains and losses sustained from your use of the Site and any of the Services; (ii) to be fully responsible for safeguarding access to, and any information provided through, the Site and any of the Services, including, but not limited to, Digital Tokens Wallet, Digital Tokens Address, private keys, usernames, passwords, and bank account details; and (iii) that FCH does not have control of, or liability for, any products or services that are purchased or sold by third parties using the Site and any of the Services. Digital Tokens in a given Digital Tokens Wallet or other wallet or address are controlled by your private key and Digital Tokens in a Digital Tokens Wallet or other wallet or address may be stolen or lost and otherwise unrecoverable if the private key is compromised or lost. You further acknowledge and agree that FCH is not liable for any losses or issues that may arise from third-party transactions, including, but not limited to, legality (including any consequences for illegal transactions that may be triggered under these Terms of Service), quality, delivery, or satisfaction with any products purchased by means of a Digital Token transfer. In the event that you are not satisfied with any goods or services purchased from, or sold to, a third party using the Services, you must handle those issues directly with the third-party seller or buyer, as applicable. Digital Tokens may be compatible with third-party software or other technology provided by a third party.



FCH does not guarantee the security or functionality of third-party software or technology and is not liable for losses of Digital Tokens due to the failure or malfunction of third-party software or technology.

## **WITHDRAWS AND DEPOSITS**

In the course of processing and sending any withdrawals, or when processing and receiving deposits, FCH may be required to share your user information with other contractual third parties, including financial institutions, or as required under applicable Laws or demanded upon a lawful request by any Government. You hereby irrevocably grant full permission and authority for FCH to share this information with such contractual third parties, or as required under applicable Laws or demanded upon a lawful request by any Government, and release FCH from any liability, error, mistake, or negligence related thereto. You accept all consequences of sending Digital Tokens, including USDF Tokens, off of the Site. Digital Token transactions are not reversible. Once you send Digital Tokens to an address, whether intentionally or by a fraudulent or accidental transaction, you accept the risk that you may lose access to, and any claim on, those Digital Tokens indefinitely or permanently. You acknowledge that FCH may delay or suspend redemption under various circumstances, including but not limited to, in the event that FCH determines that you have engaged in a Prohibited Use (as defined in paragraph 8); when FCH is directed to do so by any Government; if your Digital Tokens Wallet or other account or wallet is subject to pending litigation, investigation, or Government proceedings; or when FCH believes that someone is attempting to gain unauthorized access to your Digital Tokens Wallet or other account or wallet. Digital Tokens are not legal tender and are not backed by any Government. Digital Tokens are not subject to Federal Deposit Insurance Corporation (“FDIC”) or Securities Investor Protection Corporation protections.

## **PROHIBITED USES**

You may not:

- Use USDF or any related FCH service in order to disguise the origin or nature of illicit proceeds of, or to further, any breach of applicable Laws, or to transact or deal in, any contraband Digital Tokens, Fiat, funds, property, or proceeds;
- Use USDF or any related FCH service if any applicable Laws, including but not limited to AML Laws, CTF Laws, Anti-Corruption Laws, Economic Sanctions Laws, prohibit, penalize, sanction, or expose the Site to liability for any Services furnished or offered to you or any of your Digital Tokens Wallet(s) or Digital Tokens Address(es) under these Terms of Service;
- Use the Site or any of the Services, or any financial services of any U.S. Financial Institution, whether or not an Affiliate or Associate of FCH, to facilitate, approve, evade, avoid, violate, attempt to violate, aid or abet the violation of, or circumvent any applicable Laws, including but not limited to AML Laws, CTF Laws, Anti-Corruption Laws, and Economic Sanctions Laws;
- Use USDF or any related FCH service to evade taxes under the Laws of the British Virgin Islands, the United States, or any other jurisdiction(s) applicable to you or the Site;
- Use USDF or any related FCH service with anything other than Fiat, funds, keys, property, or Digital Tokens that have been legally obtained by you and that belong to you;





- Use USDF or any related FCH service to interfere with or subvert the rights or obligations of FCH or the rights or obligations of any other Site user or any other third party or cause legal liability for FCH or other Site user;
- take advantage of any technical glitch, malfunction, failure, delay, default, or security breach on the Site;
- Use USDF or any related FCH service to engage in conduct that is detrimental to FCH or to any other Site user or any other third party;
- Use USDF or any related FCH service to: (i) engage or attempt to engage in wash trading, spoofing, fictitious trading or price manipulation; (ii) enter orders or quotes in any Digital Token market with the intent to disrupt, or with reckless disregard for the adverse impact on, the orderly conduct of trading or the fair execution of transactions; or (iii) enter orders or quotes in any Digital Token market with the intent of creating the false impression of market depth or market interest;
- Falsify any account, Digital Tokens Wallet, or Digital Tokens Address registration, exchange, or administration details provided to FCH, impersonate another Person or misrepresent your affiliation with a Person;
- Falsify or materially omit any information or provide misleading or inaccurate information requested by FCH, including at registration or during the course of administering any Services to you;
- Cause injury to, or attempt to harm, FCH or any third party through your access to the Site or any Services;
- Have more than one account and more than one Digital Tokens Wallet on the Site, or use any Digital Tokens Wallet on a one-time, 'throwaway' basis; any such additional Digital Tokens Wallets or one time 'throwaway' Digital Tokens Wallet may be terminated or suspended at the absolute discretion of FCH;
- Where you are subject to prohibitions or restrictions as set forth in paragraph 3, access the Site or use any Services utilizing any virtual private network, proxy service, or any other third party service, network, or product with the effect of disguising your IP address or location, or access the Site or use any Services using a Digital Tokens Address in or subject to the jurisdiction of any Prohibited Jurisdiction or Government or Government Official thereof; or,
- violate, cause a violation of, or conspire or attempt to violate these Terms of Service or applicable Laws.

Any use, whether actual or suspected, as described in this paragraph shall constitute a "Prohibited Use". If FCH determines that you have engaged in any Prohibited Use, FCH may address such Prohibited Use through an appropriate sanction, in its sole and absolute discretion. Such sanction may include, but is not limited to, making a report to any Government, law enforcement, or other authorities, without providing any notice of you about any such report; confiscation of any Fiat, funds, property, proceeds, or Digital Tokens in any Digital Tokens Wallet that you have on the Site; and, suspending or terminating your access to any Services or Fiat, funds, property, or Digital Tokens from any Digital Tokens Address. FCH may, at its sole and absolute discretion, seize and deliver your property to any applicable Government, law enforcement, or other authorities where circumstances warrant. In addition, should your actions or inaction result in the imposition of economic costs to FCH, you shall pay an amount to FCH so as to render FCH whole, including without limitation, the amount of taxes or penalties that might be imposed on FCH.



## **DUE DILLIGENCE, KNOW YOUR CUSTOMER, ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING**

FCH is committed to providing safe, compliant, and reputable Services to identify, detect, prevent, and report on money laundering, terrorist financing, and other improper activities under applicable AML Laws, CTF Laws, Anti-Corruption Laws, and Economic Sanctions Laws. Accordingly, FCH insists on a comprehensive and thorough user due diligence process implementation and ongoing analysis and reporting. By agreeing to these Terms of Service, you shall affirmatively certify whether (i) you are a U.S. Person or your account would be regarded as a U.S. Account or (ii) you are not a U.S. Person and your account would not be regarded as a U.S. Account, and must provide promptly all information requested and necessary to satisfy due diligence requirements and obligations pursuant to applicable Laws and the compliance policies or procedures of FCH. Additionally, FCH may assess whether you will make, or intend to make, a deposit, withdrawal, or transfer of Fiat or Digital Tokens to, from, or through any U.S. Financial Institution to facilitate the provision of the Services, and if applicable, you must provide all information requested and necessary to satisfy due diligence requirements and obligations pursuant to applicable Laws and the compliance policies or procedures of FCH. You agree to provide promptly documentation, information, or records requested by FCH at any time, including, without limitation, a self-certification permitting the determination of tax residence and status under FATCA and under CRS or other applicable Laws. Such information may include, but is not limited to, self-certifications as to Controlling Persons. FCH needs to retain certain information, documentation, and records on file pursuant to applicable Laws and its contractual relationships, and FCH hereby expressly reserves the right to keep such information, documentation, and records. Based on documentation, information, or records provided by you, requested by FCH, or otherwise available, Such determination will be communicated to you. Additionally, FCH monitors for and assesses suspicious or sanctionable transactions under applicable AML, Anti-Corruption, and Economic Sanctions Laws, as well as undertakes mandatory reporting to FinCEN, OFAC, FIA, and international regulators. These undertakings shall apply even when you suspend or terminate your relationship with FCH or abandon your application to have a Digital Tokens Wallet with FCH. Our policies apply to any and all Digital Tokens, Fiat, and other funds or property being exchanged on or through the Site or by any of you, your Affiliates, of any of FCH's Associates.

FCH reserves the right to refuse registration to, to bar transactions from or to, or to suspend or terminate the administration of Services, Digital Tokens Address, or Digital Tokens Wallet for or with, any user for any reason (or for no reason) at any time, including but not limited to the provisions of paragraphs 8 and 11, subject to any limitations imposed by applicable Laws. Without limiting the generality of the foregoing, this includes, but is not limited to, any transfer, transaction, business, or dealing with a: (i) Sanctioned Person, (ii) a Person from or in jurisdictions that does not meet international AML-CTF standards as set out by the FATF as high-risk, non-cooperative, and strategically deficient jurisdictions, including but not limited to the Democratic People's Republic of Korea (North Korea), Ethiopia, Iran, Iraq, Serbia, Sri Lanka, Syria, Trinidad & Tobago, Tunisia, Vanuatu, or Yemen;



(iii) Person that is a Government Official or Politically Exposed Person within the meaning of the FATF's 40 Recommendations; (iv) Person that presents a risk of any exposure to penalties, sanctions, or other liabilities under AML Laws, CTF Laws, Anti-Corruption Laws, Economic Sanctions Laws, or tax Laws that may apply; (v) Person that FCH determines is acting in the United States or Territory or Insular Possession of the United States (whether or not by, to, through, or from any U.S. Financial Institution) in violation of, causing any other Person, including any of the Associates, to violate, attempting or conspiring to violate, or evading or circumventing these Terms of Service or applicable Laws; and (vi) any Person that fails to meet any user due diligence standards, requests, or requirements of FCH, or otherwise appears to be of high risk, including but not limited to any of the foregoing factors. In lieu of refusing registration or ongoing administration of your Digital Tokens Wallet, FCH may perform enhanced due diligence procedures. At all times, you may be subject to enhanced due diligence procedures in your use of the Site and any Service. If you decline to provide requested due diligence information or otherwise do not reply timely or substantively with the documentation or data requested, the Site has the absolute discretion to suspend or terminate Services to you immediately.

## REPRESENTATIONS AND WARRANTIES

You represent and warrant to FCH as follows:

- that, if you are an individual user, you are 18 years of age or older and that you have the capacity to contract under applicable Laws;
- that, if you are registering to use the Site on behalf of a legal entity, (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;
- that you understand the risks associated with using the Site, that you are not prohibited or restricted from using the Site by paragraph 3 of these Terms, and that you are not otherwise prohibited by applicable Laws from using the Site;
- that you will not Use USDF or any related FCH service in order to conceal or disguise the origin or nature of proceeds of crime or terrorist financing, or blocked property, frozen assets, economic resources, or corruption related to any Person or Government Official under any applicable Laws, or to further any breach of applicable AML Laws or CTF Laws, or to deal in any unlawful Digital Tokens, Fiat, property, funds, or proceeds;
- that you will not trade or obtain financing on the Site or use any Services with anything other than Fiat, funds, or Digital Tokens that have been legally obtained by you and that belong to you;
- that, to the extent not penalized by or in conflict with United States Laws, you are currently in compliance with, and must, at your own cost and expense, comply with all Laws that relate to or affect the Services conducted under these Terms of Service, including but not limited to AML Laws, CTF Laws, Anti-Corruption Laws, Economic Sanctions Laws, or tax Laws, including FATCA and CRS;
- that you consent to any and all tax and information reporting under AML Laws, CTF Laws, Anti-Corruption Laws, Economic Sanctions Laws, or tax Laws, including FATCA and CRS, as FCH may reasonably determine;



- that neither you nor any of your Affiliates shall use any Digital Tokens, Fiat, property, proceeds or funds subject to the Services of the Site directly or indirectly (i) on behalf of or for the benefit of a Sanctioned Person or any Person subject to the jurisdiction of a Prohibited Jurisdiction, except where authorized under any Government Approval or not restricted by applicable Laws; (ii) in violation of or as prohibited, restricted, or penalized under applicable Economic Sanctions Laws; or (iii) in any way that would violate, be inconsistent with, penalized under, or cause the omission of filing of any report required under applicable AML Laws, CTF Laws, or Economic Sanctions Laws;
- that you have not (i) violated; (ii) been fined, debarred, sanctioned, the subject of Economic Sanctions-related restrictions, or otherwise penalized under; (iii) received any oral or written notice from any Government concerning actual or possible violation by you under; or (iv) received any other report that you are the subject or target of sanctions, restrictions, penalties, or enforcement action or investigation under, any applicable Laws, including AML Laws, CTF Laws, Anti-Corruption Laws, or Economic Sanctions Laws;
- that neither you nor any of your Affiliates is: (i) itself or owned or controlled by a Sanctioned Person; (ii) involved in any transaction, transfer, or conduct, whether or not by using or receiving the Services from any Digital Tokens Wallet or Digital Tokens Address, that is likely to result in you or your Affiliates becoming a Sanctioned Person; or (iii) residing or domiciled in, or transferring Digital Tokens, Fiat, funds, or property to, from, or through any Digital Tokens Wallet, Digital Tokens Address, or other account in, a Prohibited Jurisdiction or Government or Government Official of a Prohibited Jurisdiction;
- that neither you nor any of your Affiliates has directly or indirectly offered, promised, given, or authorized any payment, or offered, promised, given, or authorized the giving of anything else of value, including any Digital Tokens, to a Government Official or individual employed by another entity in the private sector in violation of any applicable Anti-Corruption Laws;
- that you will not falsify any Digital Tokens Wallet registration or administration details provided to FCH;
- that you will not falsify or materially omit any information or provide misleading or inaccurate information requested by FCH in the course of, directly or indirectly relating to, or arising from your activities on the Site or use of any Services, including at registration or during administration or other due diligence processes, and that if any information provided to FCH becomes incorrect, you will promptly provide corrected information to FCH;
- that any instructions received or undertaken through your login credentials or from your authorized e-mail address on file with FCH are deemed to be valid, binding, and conclusive, and that FCH may act upon those instructions without any liability or responsibility attaching to it;
- that you will fairly and promptly report all income associated with your activity on the Site pursuant to applicable Laws and pay any and all taxes exigible thereon; and
- that you will accurately and promptly inform FCH if you know or have reason to know whether any of the foregoing representations or warranties no longer is correct or becomes incorrect.





fch  
future capital holding

