

REGULATIONS

Realcoin Foundation, Inc., Regulations for the use of the Certification Trademark REALCOIN, International Trademark Registration No. 1618231, in classes 09 and 36 in Australia.

DEFINITIONS

For the purposes of these Regulations unless there by anything in the context inconsistent therewith:

“Certification Mark” means the trademark of the Corporation registered under International Trademark Registration No. 1618231.

“Corporation” means Realcoin Foundation, Inc. of 31 New Chardon Street, Boston, Massachusetts 02114, USA;

“Issuer” means a manufacturer or merchant whose name appears in the Lists in relations to goods and services.

“Listing” means the inclusion of the name of an Issuer in the Lists.

“Lists” means the lists published periodically by or on behalf of the Corporation including lists of Issuers.

“Proposed Issuer” means a manufacturer or merchant applying to be an Issuer.

“Procedure” means a document prepared by the Corporation in accordance with Regulation 10.

“Regulations” means these regulations.

“Report” means a report issued by the Corporation to a Proposed Issuer who has submitted goods and services for testing and examination.

REALCOIN Certification Description

1. Proprietorship

- a) REALCOIN is a Certification Mark owned by Realcoin Foundation, Inc. and may not be used by any person except as stated in these Regulations.
- b) Realcoin Foundation, Inc. owns the power to authorize and cancel the right to use REALCOIN as a Certification Mark.

2. Who is Authorized to Use the Mark

Use of the REALCOIN Certification Mark in Australia is limited to individuals or organizations that have completed the REALCOIN certification process as overseen by Realcoin Foundation, Inc., and is an Issuer in accordance with these Regulations.

3. Administration of Regulations

These Regulations shall be administered by the Corporation.

4. Record of Issuers

The Corporation shall maintain at the address given a record of Issuers that shall include the name, address and trade description of each Issuer together with the date of its Listing and (if appropriate) the date of the withdrawal of its authorization to use the Certification Mark or of voluntary cessation of its use thereof, and shall be open to inspection at reasonable times by the public.

5. Characteristics Certified by the Mark

The REALCOIN certification applies to any digital currency backed by assets with commercial value independent of the currency's digital ecosystem or payment networks associated with the assets themselves.

For example, this might include a digital currency that is backed by:

- Specific mineral or metal resources owned by the issuer
- Energy allotments produced or owned by the issuer
- Healthcare services or derivative revenue streams owned by the issuer
- Computing power credits produced or owned by the issuer

This excludes the following categories:

- Non-digital currencies
- Digital fiat currencies
- Digital currencies that are not backed by external assets or that derive their value primarily from characteristics of their digital ecosystem or payment networks, e.g. issuance caps, smart contract functionality, network effects based on scale
- Digital currencies backed by fiat assets

6. Certifiable Goods and Services

The REALCOIN Certification Mark may also be used for the following goods and services, provided the mark is used for these goods or services by an authorized user of the Certification Mark:

GOODS: Downloadable computer software for use as a cryptocurrency wallet, downloadable software for generating cryptographic keys for receiving and spending cryptocurrency; downloadable computer software for managing and verifying cryptocurrency transactions on a blockchain; downloadable computer software for managing and validating cryptocurrency transactions; cryptocurrency hardware wallets.

SERVICES: Cryptocurrency trading services; cryptocurrency exchange services featuring blockchain technology; real estate investment services; financial investment in the field of real estate; financial exchange of virtual currency; financial services, namely, providing a virtual currency for use by members of an online community via a global computer network; electronic transfer of virtual currencies.

7. Attributes for Approved Certifier / Declaration of Competency

The Corporation is organized as a social welfare organization tasked with overseeing the certification and use of the Certification Mark towards the goal of ensuring the reliable certification of digital currencies that derive their worth from external assets with material value. The Corporation seeks to provide information, education, and publicity to provide awareness to those providing goods and services certified with the Certification Mark. The Corporation will have an independent Board of Directors appointed by its founding members; preferably there will be five Directors on the Board. Trained agents and the Board will be responsible for certifying currencies as being compliant with the standards of the Certification Mark. The Corporation will be funded entirely by fees associated with its certification services and non-tax-deductible contributions.

8. How Certifying Body Tests Characteristics and Supervises Use of the Certification Mark

A certification agent of the Corporation will evaluate a currency to determine whether it meets the requirements laid out in section 5 above. The proposed issuer is responsible for submitting supporting documentation to demonstrate that the currency meets these requirements. Successful proposed issuers will be recorded on the Corporation's blockchain; proposed issuers may continue to use the Certification Mark as long as the currency in question remains compliant with the requirements laid out in Regulation 5 above. Testing to ensure that each currency remains compliant will occur annually, concurrent with the payment of the annual renewal fee. The Corporation will not discriminate against any issuer that has met the minimum

requirements. The Corporation may alter these conditions only with the approval of the Board; such alteration will not affect the use of the Certification Mark by previously authorized users without twelve months' written notice.

9. Application and Authorisation to use the Certification Mark

A Proposed Issuer shall sign an application to be an Issuer. Before giving authorization to use the Certification Mark, the Corporation shall be satisfied that

- (a) The Proposed Issuer is the manufacturer or merchant;
- (b) The goods and/or services submitted for testing, examination and Listing are already being manufactured for sale or are to be manufactured;
- (c) The Proposed Issuer has completed an application to be an Issuer; and
- (d) The goods and/or services submitted by the Proposed Issuer conform to the applicable requirements of the characteristics to be certified, including that the digital currency is backed by assets with commercial value independent of the currency's digital ecosystem or payment networks associated with the assets themselves.

On conclusion of the testing and examination, a Report shall be issued to the Proposed Issuer by the Corporation.

Every Proposed Issuer that satisfies the Corporation that it will issue a digital currency with Characteristics Certified by the Mark set forth in Regulation 5 and for Certifiable Goods and Services set forth in Regulation 6, shall have its name included in the Lists as an Issuer, and upon such inclusion in the Lists shall be authorized to use the Certification Mark in relation to its goods and services in accordance with the Service Agreement for such time as these goods and services continue to meet the applicable requirements of the characteristics to be certified.

Every manufacturer or merchant that has been authorized by the Corporation to use the Certification Mark shall be provided with a Procedure, which shall describe its certifiable goods and services' performance under the testing and examination specified in the applicable requirements of the characteristics to be certified. Such Procedure is the property of the Corporation.

10. User of Certification Mark

An Issuer shall only apply the Certification Mark to goods and/or services that are included in the Lists and that conform to the appropriate Procedure and the Issuer shall do so only by the following means:

- (a) a label that combines a representation of the Certification Mark with the identification given by the Corporation to the Issuer and such other data as may be specified by the Corporation; or
- (b) a representation of the Certification Mark stamped, cast, or molded directly on or in the goods.

An Issuer may print or otherwise represent the Certification Mark on its own lists, showcards, or other trade literature or in press advertisements or in any other manner authorized by the Corporation, all such use only being in respect of the Issuer's goods and/or services included in the Lists.

The Corporation will inform all of its Proposed Issuers and Issuers that they are not to use the Certification Mark in any printed advertisement or printed publicity matter directed primarily to the market in the European Union without indicating that it is a Certification Mark.

11. Examination of Goods and Services after Listing

Every manufacturer or merchant authorized by the Corporation to use the Certification Mark shall at any reasonable time within normal business hours permit representatives of the Corporation to enter the manufacturer's premises for the purpose of:

- (a) re-testing and re-examining goods and/or services of,
- (b) taking samples of the most recently manufactured certifiable goods for such testing and examination as may be required by the Corporation either on the Issuer's premises or elsewhere, so as to enable the Corporation to satisfy itself that the Standard or requirement is being conformed to.

The representatives of the Corporation may be employees of the Corporation or of suitable qualified inspectors instructed by the Corporation. Inspection of the Users' premises shall take place not less than once in each twelve-month period.

If action taken by representatives of the Corporation under Regulation 13 reveals deviations from the Standard, the Issuer shall forthwith either correct the deviations or cease using the Certification Mark.

12. Fees

The Corporation will set the fees for the certification of the goods and/or services. Initially, fees are set at \$100 USD for applying for the certification and a \$25 USD annual fee.

The Corporation shall be entitled to charge fees at a level to be determined from time to time by the Corporation having regard to its costs relating to the Listing of a manufacturer or merchant to

use the Mark as a Certification Mark. In addition, the Issuer shall pay additional fees to be determined for surveillance, inspection, examination, testing, re-examination, re-testing, supervision, re-Listing and administration such as shall from time to time be determined by the Corporation to be fair and appropriate.

Fees not payable in advance should be paid within sixty (60) days of the date of the invoice. There shall be no unfair discrimination in the level of fees paid under these Regulations.

13. Breach of Regulations and Withdrawal of Authorization

If a Proposed Issuer or manufacturer commits any substantial breach of these Regulations its authorization to use the Certification Mark shall be liable to be withdrawn.

The Corporation may, subject to the provision of this Regulation 13, revoke or refuse to grant a Listing to a Proposed Issuer or Issuer if it fails to use the Certification Mark on the listed goods and/or services for a period of two consecutive calendar years; the filing of any voluntary or involuntary petition for bankruptcy by or with respect to the Proposed Issuer or Issuer; the making of any arrangement or composition with creditors of the Proposed Issuer or Issuer; the appointment of a receiver of the business of the Proposed Issuer or Issuer; the voluntary or involuntary liquidation of the business of the Proposed Issuer or Issuer; or a conviction of an offense rendering to the discredit of the Proposed Issuer's or Issuer's reputation and good faith as a manufacturer or merchant. Such decisions, and the grounds for them, shall be communicated to the Proposed Issuer or Issuer in writing.

The Proposed Issuer or Issuer shall indemnify the Corporation against financial losses that the Corporation may incur or suffer as a result of the Proposed Issuer's or Issuer's failure to comply with these Regulations.

14. Dispute Resolution Process

Any Proposed Issuer aggrieved by the Corporation's refusal to authorize use of the Certification Mark or any Issuer's aggrieved by the Corporation's withdrawal of his authorization to use the Certification Mark shall direct a complaint first to help@realcoin.org.

15. Appeals

If the parties are unable to resolve a complaint via the Dispute Resolution Process, the dispute may be resolved using a confidential alternative dispute resolution process known as binding arbitration. The arbitration will be administered by an entity dependent on the country in which the Proposed Issuer seeks to use the Certification Mark. Unless the arbitrator rules to the

contrary, the cost of the arbitration and arbitrator's fees will be borne by the party that initiates arbitration proceedings.

16. Alteration of Regulations

The Corporation may apply to the Registrar of Trademarks to alter these Regulations or make new ones wholly or partly in lieu thereof, but no such alteration or such new Regulations shall affect an Issuer's right to use the Certification Mark until it has received six (6) calendar months' notice in writing of such alteration or such new Regulations.

An amendment of the regulations governing the use of a registered certification mark is not effective unless and until the amended regulations are filed with the registrar and accepted by him/her.

17. Notice

On each occasion that the applicable requirements of the characteristics to be certified are altered or replaced, the Corporation shall send notice to the Issuer. Such notice shall include:

- (a) information relating to the alteration or replacement, which information shall be sufficient in detail so as to enable the Issuer to comply with the altered or replaced requirements; and,
- (b) a date, which shall be not less than three calendar months following the issuing of the notice and which shall have been declared by the Corporation having given due consideration to the nature and complexity of the alteration or replaced requirements, by which compliance with any alteration or replacement by the Issuer, is required.

However, where an alteration or replacement is of immediate public interest a shorter implementation period may be required by the Corporation.