

Probable Risk of BlockChain Technology Instruments (Virtual Currency Transactions)

Please ensure you fully understand all the following potential risks before using our services .

It is considered that you have agreed to all risks at account creation time.

1. Price Change Risk

The price of virtual currency fluctuates day by day. Your virtual currency trade or balance could surge or drop suddenly. Please note that unexpected or specific events, including but not limited to changes in the balance of supply/demand; fluctuating prices of commodities, fiat currency, or other markets; natural disasters; wars; change to laws, regulations, statutes, and the government; and changes to virtual currency may cause drastic price fluctuations that can cause orders to fail to be fulfilled or transact as intended. The value of virtual currency fluctuates constantly, and your balance could surge or drop suddenly. There is also a possibility that the price of virtual currency could drop to zero.

2. Virtual Currency Network Risk

2.1 Virtual currency is not the same as fiat currency. It is composed of electronic data transactions that occur over the Internet. The value of virtual currency is not guaranteed by an established party. Moreover, it is not necessarily backed by actual assets.

2.2 Virtual currency transactions (transaction authentication on the Blockchain) will be held for a certain period of time until an adequate amount of trade confirmations have been received. While blockchain authentication is not required for transferring virtual currency within cryptocurrency wallets/ accounts, transfers of virtual currency between **Laxmicoin** and external services require the aforementioned authentication. Therefore, changes to the balance of your **Laxmicoin** account when conducting a transaction between **Laxmicoin** and a third-party service will not be reflected to your **Laxmicoin** account balance until an adequate amount of confirmations have been received on the virtual currency network and confirmed by **Laxmicoin**. The Company may conduct checks per laws etc., of any transfers of virtual currency (including external transfers from **Laxmicoin** and transfers between **Laxmicoin** accounts). In these cases, the virtual currency transfer will remain on hold until the confirmation is complete and may be canceled at our discretion. Note that the transfer of virtual currency from a customer's **Laxmicoin** account to an external service may take time, may not complete, or may be canceled on the blockchain. Also note that virtual currency is electronically recorded and may be lost during transfer across the network.

2.3 Note that in the event of a blockchain split such as a hard or soft fork etc., price may drastically drop or transactions may be made invalid after the fact. Before or after a chain split, the Company may set out a period of time during which transactions including but not limited to payments, deposits, and withdrawals of virtual currency cannot be performed. In cases that include but are not limited to where the Company deems that the split will not be permanent or other situations arise, the Company may stop supporting the relevant virtual currency, in whole or in part. The Company reserves the right to, in the event of a chain split or other change to virtual currency specifications, an airdrop, etc., decide whether to support a given currency and the nature of the support therein. The Company waives all

liability for damages sustained by customers or third parties due to non-support by the Company or discrepancies in and/or changes to the nature of the support provided therein.

- 2.4 The malicious implementation of mining speeds of 51% or more on the blockchain network of a virtual currency may result in risks such as the: (1) approval of fraudulent transactions; (2) denial of legitimate transactions; (3) monopoly of mining.
- 2.5 There is a risk of trades becoming invalidated after the fact in the event that the systems needed to establish and confirm a trade are not in place.

3. Risk of Losing the Private Key or Password of the External Wallet Services

In the case you use an external wallet, you may not be able to access your virtual currency if you lose your private key or password. Laxmicoin does not take any responsibility in this case.

4. System Risk

- 4.1 Virtual currency trades performed by customers make use of an electronic trading system. There may be cases where a transaction does not complete as intended or completes in an unintended manner due to factors such as customer error when entering data and/or other causes. Note that transactions may not complete as intended based on the type of order or market conditions. The Company waives all liability for damages sustained by a customer or a third party through the results of a trade.
- 4.2 As a result of causes that include but are not limited to damage to the telecommunications networks, systems, and equipment used by the Company and customers, damage to a connection, natural disasters such as earthquakes, lightning, and fires, and cyber attacks, etc., the electronic trading system may be rendered unusable temporarily, and transmission of customer orders may be delayed or fail to process, resulting in invalidation or completion in an unintended manner. Note that in the event of electronic trading system failure, all or part of the Service, including the execution of trades by the Company, may be suspended or restricted. In cases that include but are not limited to sudden market fluctuations, price data may experience lag causing the prevailing market price to differ from the price displayed on the electronic trading system. The Company waives all liability for damages sustained by a customer or a third party through the results of the above.
- 4.3 Login or other information (including but is not limited to e-mail addresses, login IDs, API keys, passwords, API secrets, privacy keys, and authentication codes, and the same when referred to by other names) used to electronically authenticate on the electronic trading system that it is stolen, intercepted, or otherwise leaked, may result in damages or losses to customers in the event that it is used maliciously by a third party. The Company waives all liability for damages sustained by customers due to cases that include but are not limited to improper management of user IDs and passwords, misuse, leak, and use or theft by third parties.
- 4.4 There is a risk that your transactions may be affected due to system failures resulting from events such as changes in the external environment.

A system failure is considered to have occurred when our company determines that a clear failure* has occurred in our system, and the customer is either unable to place orders on the internet** or is delayed in doing so, or otherwise not able.

4.5 * Excludes failures on the part of the network lines or problems such as those with a customer's computer.

4.6 ** Our company website, smartphone site, or application

With regards to opportunity loss (e.g. a customer's order could not be received and the customer lost the opportunity to place the order, resulting in loss of profits which could have been obtained) due to things such as emergency maintenance or system failure of our company's system, we shall not take corrective actions on such error because we are not able to determine the details of the original order which was attempted to be placed.

4.7 There may be a possibility that our system calculates an abnormal virtual currency buy or sell price. Please note that we reserve the right to render the listed price invalid and cancel transactions which have been completed in the event that the Company can reasonably determine that the listed price is, due to system abnormality or other causes, significantly different from the prevailing market price, incorrect, abnormal, or based on unfair valuations. The Company waives all liability for compensation for damages sustained directly or indirectly from the above.

Please also note that we cannot accept any settlements out of court or the likes.

5. Risks Associated with Changes in Fees/Costs

The Company may in the future alter rules associated with trading, including but not limited to fees and costs, per changes to the economy, society, laws, statutes, and regulations, service changes, and other circumstances. The Company waives all liability for compensation for damages or losses sustained from the above, whether directly or indirectly.

6. Bankruptcy Risk

There is a risk that we cannot continue our business due to events such as changes in the external environment. In the case that we cannot continue our business, all processes including the treatment of customers' assets shall be done according to insolvency law, corporation law, corporate rehabilitation law, civil rehabilitation law and other related laws.

7. Risk of Changes in Law and Tax Regulation

Regarding tax treatment on virtual currency transactions, please consult with your local tax office or a qualified tax adviser for further information. Tax authorities may issue guidance, which is subject to change at any time. Note that possession or trade of virtual currency may, due to future changes to laws, statutes, tax law, or government policy, be restricted or be less advantageous than at present. **Laxmicoin** does not take responsibility for the tax liability, tax returns, or damage to customers or third parties in any case.

- Capital gains resulting from trading activity in virtual currency (including exchange between virtual currencies and use of virtual currency) are subject to income tax.

8. Other Risks

Trading may be restricted due to natural disasters, changes to the government, strikes, sudden changes to the virtual currency markets, closing of virtual currency markets, or force majeure. This process carries the risk of customers being subject to unexpected damage or losses.

LaxmiCoin does not take any responsibility for the risks described above. The above is not intended to indicate all potential risks associated with blockchain or any virtual token or currency or any other instrument created of similar nature.

Please pay attention to the following points when dealing in virtual currency.

- Virtual currencies are not a "legal tender" with values guaranteed by the country/countries. They are electronic data exchanged on the Internet.
- The price of virtual currency may fluctuate. There is a possibility of losing money as the price of the virtual currency may plummet, suddenly become worthless, and so on.
- In some countries, the virtual currency exchange must register with the Financial Services Agency/Finance Bureau. Please check whether or not the exchange is a registered business owner if using their services.
- When trading virtual currency, please seek explanations from the exchange, fully understand the transaction details, and proceed at your own discretion.
- Discussions about virtual currencies and fraudulent coins are on the rise. Please be cautious of malicious and fraudulent businesses who are piggybacking on the use of virtual currencies and the development of the virtual currency exchange industry.

Disclaimer

Keeping in view the vision as laid down by the Ministry of Finance in Indian Budget 2018-19, we ensure that no illegality or violation of any of the laid down provisions of the law be encouraged or followed. We appreciate that use of Blockchain technology is upheld by the Ministry of Finance and is also promoted.

Any use of our website or any services provided by us should not be used for or used in regards to Section 2(ra) "Offence of Cross border transaction"; Section 2(u) "Proceeds of crime" and Section 3 "Offence of money-laundering" as mentioned in Prevention of Money Laundering Act 2002 enacted in India failing which we shall provide all support to the respective government authorities against you.

We strongly condemn the use of our portal in or any other instrument derived from our services or any use of our services for illegal financial assistance or using our mediums for illegal financial transactions.