

# **HAMILTON DEVELOPMENT FOUNDATION**

## **WHITE PAPER**

An offering for the subscription and purchase of HST Tokens for usage on the Hamilton  
Systems Network

**05 OCTOBER 2020**

Hamilton Development Foundation is an Anguilla Foundation established under and in accordance with the Anguilla Foundations Act (c. A62) of Anguilla.

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**Token Generator & Issuer**

Hamilton Development Foundation  
Spencer House  
The Valley, Anguilla  
British West Indies

**AUTO Administrator**

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Babrow Building  
The Valley, Anguilla  
British West Indies

**Escrow Custodian**

Hamilton Trust Company (Nevis) Ltd  
Morton House, Government Road  
Nevis, West Indies

**Legal Counsel  
(Anguilla)**

Chancery Lane Chambers  
Spencer House  
The Valley, Anguilla  
British West Indies

**Offering Administrator**

Hamilton Trust Company (Nevis) Ltd  
Morton House, Government Road  
Nevis, West Indies

**Anti Money Laundering & Countering Financing of Terrorism Service Provider**

Hamilton Trust Company (Nevis) Ltd  
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**Technical Consultant**

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**Technical Advisor**

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Eden Island, Seychelles

**Auditor**

Grant Thornton  
Corner Bank Street & West Independence Square  
Basseterre, St. Kitts, West Indies

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HAMILTON DEVELOPMENT FOUNDATION (“the Issuer”) is an Anguilla foundation established in accordance with the Anguilla Foundation Act (c. A62) and shall generate and issue 100,000,000 (One Hundred Million) HST Tokens for sale and/or distribution.

This White Paper describes the utility token offering of HST Tokens whereby 20,000,000 (Twenty Million) HST Tokens shall be offered for subscription and purchase by qualifying persons.

The HST Token is a utility token designed for use on or within the Hamilton Systems Network platform in the manner detailed in this White Paper.

HST TOKENS ARE UTILITY TOKENS AND ARE NOT INTENDED, AND SHOULD NOT BE CONSTRUED, AS AN INVESTMENT. HST TOKENS ARE NOT INTENDED, AND SHOULD NOT BE CONSTRUED, AS A SECURITY WITHIN OR WITHOUT ANGUILLA AND THIS WHITE PAPER IS NOT INTENDED, AND SHOULD NOT BE CONSTRUED, AS AN OFFERING OF SECURITIES WITHIN OR WITHOUT ANGUILLA.

ALL SUBSCRIPTIONS FOR HST TOKENS ARE FINAL AND NON-REFUNDABLE.

THE SUBSCRIPTION FOR HST TOKENS CARRIES SIGNIFICANT RISKS. ALL PERSONS SHOULD CAREFULLY REVIEW AND CONSIDER THE RISKS SET OUT IN THE RISK SECTION AND DISCLAIMER AND WAIVER SECTION OF THIS WHITE PAPER AND ANY RELEVANT SUBSCRIPTION AGREEMENT PRIOR TO UNDERTAKING ANY SUBSCRIPTION FOR HST TOKENS. ALL PERSONS SHOULD OBTAIN INDEPENDENT LEGAL, FINANCIAL AND TAX ADVICE PRIOR TO MAKING ANY DETERMINATION AS TO WHETHER OR NOT TO SUBSCRIBE FOR THE HST TOKENS.

A subscription for HST Tokens should not be regarded as an investment and HST Tokens are solely designed for use as a utility token on or within the Hamilton Systems Network platform in the manner set forth in this White Paper.

HST Tokens are designed only for experienced and sophisticated persons who are able to bear the risk of subscription for HST Tokens. Subscriptions for HST Tokens should be undertaken only by persons that have significant experience with, and understanding of, the usage and intricacies of digital ledger technology and blockchain based software systems. Subscribers should have a functional understanding of the storage and transmission mechanisms associated with digital ledger technology or blockchain based tokens. Neither the Issuer nor any council member, manager, officer, employee, consultant, advisor, parent, subsidiary affiliate, servant or agent, past, present or future (if any) thereof shall be responsible in any way for loss of any tokens (including but not limited to HST Tokens) or fiat currency (if any) resulting from actions taken by, or omissions of the Subscribers. Persons who do not have the required experience or expertise, as aforesaid, should not subscribe for or purchase HST Tokens.

This White Paper contains particulars relating to the Hamilton Systems Network, and the utility of HST Tokens thereon, for the purpose of providing information in connection with the offer to subscribe for 20,000,000 HST Tokens. The Issuer intends to generate an initial total supply of 100,000,000 HST Tokens of which 20,000,000 are offered in the utility token offering described in this White Paper.

THE ISSUER RESERVES ALL RIGHTS TO GENERATE, ISSUE AND/OR DISTRIBUTE HST TOKENS IN EXCESS OF THE INITIAL TOTAL SUPPLY FROM TIME TO TIME.

Persons should read this White Paper in its entirety and rely only upon such statements made herein. The HST Tokens described herein are offered solely on the basis of the information contained in this White Paper and any further information given or representations made by any person may not be considered as having been authorised by the Issuer. The delivery of this White Paper and the offer to subscribe for HST Tokens do not constitute a representation that the information contained herein is correct subsequent to the date of this White Paper, subject always to the provisions of the Anguilla Utility Token Offering Act (No. 4/2018). The Issuer has taken all reasonable care to ensure that the facts stated herein are true and correct in all material respects, as of

the date of publication, and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion.

The law in certain jurisdictions may restrict the circulation and distribution of this White Paper and the offer, sale and/or purchase of the HST Token. Prospective Subscribers should inform themselves as to the legal requirements and tax consequences with regard to the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of HST Tokens and any foreign exchange restrictions that may be relevant thereto. This White Paper does not constitute an offer to sell any tokens in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer in such jurisdiction. Persons into whose possession this White Paper may come are required to inform themselves of and to observe any such restrictions.

PERSONS ARE NOT ELIGIBLE TO, AND SHALL NOT, SUBSCRIBE, PURCHASE OR HOLD HST TOKENS IF SUCH PERSONS ARE CITIZENS OR RESIDENTS OR DOMICILES OF ANY JURISDICTION WHERE THE SALE OR PURCHASE OR HOLDING OF HST TOKENS IS PROHIBITED OR WHERE THE SALE OR PURCHASE OR HOLDING OF HST TOKENS MAY NOT BE COMPLIANT WITH ANY APPLICABLE LAWS OR REGULATIONS.

This White Paper has been prepared in accordance with the Anguilla Utility Token Offering (White Paper) Regulations 2018.

This utility token offering has been registered by the Anguilla Financial Services Commission pursuant to the Anguilla Utility Token Offering Act (No. 4/2018).

**IMPORTANT:**

If any person is in any doubt about the contents of this White Paper, such person should obtain independent legal, financial and/or tax advice

HST Tokens are not intended to rise or fall in value, However, the utility and/or value of HST Tokens may not be accepted, either partially or wholly, by participants in the Hamilton Systems Network and consequently the HST Token may become of limited or no utility and/or value.

HST Tokens are not redeemable by or from the Issuer

This White Paper and the offer to subscribe for HST Tokens are prepared in compliance with the Laws of Anguilla only and the situs of the offer to subscribe for HST Tokens shall be Anguilla.

Each prospective subscriber shall be required to execute a Subscription Agreement (as amended, restated and/or otherwise modified by the Issuer, in its sole discretion and from time to time) and complete AML/KYC screening prior to being permitted to effect any subscription and purchase of HST Tokens. Each prospective subscriber should review the Subscription Agreement and other applicable documents for complete information concerning the rights, privileges and obligations of subscribers and purchasers of HST Tokens. If any of the terms, conditions or other provisions of the Subscription Agreement or such other applicable documents are inconsistent with or contrary to the descriptions in this White Paper, the Subscription Agreement or such other document shall control, to the extent that such inconsistency or contradiction is more onerous to the subscriber of the HST Token in the Subscription Agreement or other applicable documents.

THIS WHITE PAPER DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, AN INTEREST IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. THIS WHITE PAPER HAS BEEN REGISTERED WITH THE ANGUILLA FINANCIAL SERVICES COMMISSION PURSUANT TO THE PROVISIONS OF THE ANGUILLA UTILITY TOKEN OFFERING ACT (NO. 4/2018). THIS WHITE PAPER HAS NOT BEEN REVIEWED OR APPROVED BY ANY OTHER REGULATORY AUTHORITY OUTSIDE OF ANGUILLA, BRITISH WEST INDIES. A COPY OF THIS WHITE PAPER (AND ANY AMENDMENTS) MAY BE VIEWED AT [WWW.HAMILTON-FOUNDATION.COM](http://WWW.HAMILTON-FOUNDATION.COM)

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## ABSTRACT

Since the advent of the blockchain in 2008, digital ledger technology tokens, commonly referred to as cryptocurrencies, have gained exponential popularity amongst the global community and have been adopted and used by millions of people across the world as an efficient medium of exchange, store of value and/or unit of account. In addition to, or perhaps as the reason for, these attributes, cryptocurrencies are secured by high-level cryptography, which allows for a highly secure transactional medium.

Conversely, whilst transactional risk is demonstrably reduced by the use of cryptocurrencies as a medium of exchange, a user's access to and control of his/her store of cryptocurrency is dependent on such user's safekeeping of a private cryptographic 'key' attendant to a particular blockchain. A user's private key enables a user to exercise control over his/her store of cryptocurrency on a blockchain. As a result, risks have emerged whereby if a private key has been lost or if the cryptocurrency owner passes away, this digital store of cryptocurrency may (and likely will) be lost forever. The Hamilton Systems Network aims to provide a solution to mitigate these risks with an innovative consumer faced technology that is universal, user-friendly, decentralized and cost effective.

Research conducted by the Hamilton Systems Network team found that the possibility of losing access or control of one's wallet or private key is a major concern to cryptocurrency users and frequently happens to such users. The primary reason for this dilemma is that users typically rely on unsecured key storage methods such as writing the key's alphanumeric identifier on a piece of paper or keeping such identifier in digital forms. These methods are perishable, not fail-safe and are susceptible to the possibility of loss, or even theft, of such private key.

In the unfortunate event of a lost key, the loss of cryptocurrencies controlled by such key can be total and devastating. Most, if not all, blockchains have no on-chain feature to allow for the recovery of lost private keys. Therefore, prevention of loss is imperative as there is "no cure" in the event of such loss. All cryptocurrency users should take the necessary measures to safeguard their cryptocurrencies, coins and tokens. The Hamilton Systems Network aims to transform the inevitable, challenge of the irrevocable and to provide an alternative to the traditional by leveraging blockchain technology to create a solution for the blockchain community.

The Hamilton Systems Network is not positioned as a substitute product to replace traditional or the hardware methods that the crypto-wallet users are accustomed to, but rather, it is a complementary product that seeks to provide the crypto-community with an alternative option for storing and transacting their cryptocurrencies whilst providing a secure medium for availing of such option. The Hamilton System Network is dedicated to solving a blockchain problem with a blockchain solution.

The Hamilton Systems Network consists of (a) AML/KYC compliant and feature rich cryptocurrency/token repository accounts operated and administered by Hamilton Systems Limited and utilizing the HSYSTEMS architecture (b) the HST Token which allows for decentralized, secure and frictionless payment of repository fees to Hamilton Systems Limited and other permissioned participants to the Network (c) a payment network allowing for transfers of cryptocurrencies between repository accounts within an insulated AML/KYC compliant system and (d) a modular ecosystem for additional participants to the Network.

The utility token offering described in this White Paper is undertaken subject to and in accordance with the Anguilla Utility Token Offering Act (No. 4/2018), the Regulations thereunder ("Regulations") and Guidelines therefor ("Guidelines")

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|----------------------------------|------------------------------------------------------------------------------|
| <b>Platform:</b>                 | <b>Hamilton Systems Network</b>                                              |
| <b>Token name:</b>               | <b>Hamilton Token</b>                                                        |
| <b>Token ticker:</b>             | <b>HST</b>                                                                   |
| <b>Token Issuer:</b>             | <b>Hamilton Development Foundation</b>                                       |
| <b>Repository Administrator:</b> | <b>Hamilton Systems Limited</b>                                              |
| <b>Official Website:</b>         | <a href="http://www.hamilton-foundation.com">www.hamilton-foundation.com</a> |

## 1. OBJECTIVES OF ISSUER

[Including (a) business of Issuer and affiliates and (b) operation of blockchain project]

The primary objective of the Issuer is to sponsor, promote and support the establishment of a blockchain focused network that provides for a regulated, secure and user-friendly repository for tokens or cryptocurrencies and an effective and efficient medium to accommodate the storage and transactions of such tokens or cryptocurrencies. The Issuer believes that the Hamilton Systems Network allows for the solution to this objective.

### Overview of the Hamilton Systems Network

The Hamilton Systems Network (or “Network”) aims to create a perfect blockchain experience for users, applications, and developers. The Network shall initially consist of:

- **Hamilton Systems Network** – allows for convenient and secure token storage and management, for seamless access and usage of decentralized applications, for safe and fully customizable payments and escrow smart contracts and a convenient medium for the settlement of repository and administrative fees.
- **Tokenization** – HST utility tokens distributed to consumers who are willing to spend tokens for services provided by other participants of the Network, including but not limited to the repository service provider(s), and including features that allow for scheduled and pull payments, instant payment with high performance technology and low fees.
- **Repository** – access to cryptocurrency repository service for safe keeping and transactions utilizing a wide range of existing utility token cryptocurrencies such as Bitcoin, Ethereum and Stellar XLM as well as other utility tokens built on leading smart contract enabled blockchains, along with exchange functionality for HST Tokens
- **Regulation** – Utility Token issuances are mostly unregulated by governments in various jurisdictions at present, therefore token Issuer, and thereafter, Repository Administrator, intends to make every effort to be licensed and regulated, and/or to maintain robust Anti Money Laundering and Know Your Customer procedures. [The Issuer is registered and regulated for the purposes of undertaking an utility token offering of the HST Tokens pursuant to the Anguilla Utility Token Offering Act (No. 4/2018)]
- **Expansion** – expansion of Network to allow independent service and product providers to, inter alia, receive cryptocurrency payments (including but not limited to HST Tokens) in AML/KYC regulated repository accounts established within the Network.

### Repository Service

NO STATEMENT, REPRESENTATION, WARRANTY OR COVENANT IS MADE, OR INTENDED TO BE MADE IN THIS WHITE PAPER PERTAINING TO HAMILTON SYSTEMS LIMITED, THE HSYSTEMS SOFTWARE OR ANY FUNCTION OR SERVICE RELATED THERETO. ANY INFORMATION PROVIDED THERETO IS FOR ILLUSTRATIVE PURPOSES ONLY AND IS NOT INTENDED TO, AND SHOULD NOT BE RELIED UPON, TO INFORM ANY DECISION AS TO WHETHER OR NOT TO SUBSCRIBE FOR HST TOKENS. PERSONS INTERESTED IN LEARNING

ABOUT HAMILTON SYSTEMS LIMITED OR THE HSYSTEMS SOFTWARE MAY DO SO BY VISITING WWW.HAMILTON-SYSTEMS.IO

Hamilton Systems Limited has designed, developed and implemented the HSystems software (“HSYSTEMS”) to allow for users to establish repository accounts, held with and administered by Hamilton Systems Limited (“Repository Administrator”). The Repository Administrator shall offer repository services within the Hamilton Systems Network platform and may accept compensation in the form of HST Tokens.

The Repository Administrator will operate and administer a smart repository, which allows users of the Network to deposit existing utility token cryptocurrencies, such as Bitcoin, Ethereum and Stellar XLM as well as other utility tokens built on leading smart contract enabled blockchains, and to control the use of, and transactions with, such tokens through user accounts established through or with the smart repository operated by the Repository Administrator (“Repository Account”).

Repository Accounts will employ high-end security measures such as multi-factor authentication and email/SMS notifications to enable safeguards against improper access by persons other than an authorized user. Users will be able to access their Repository Accounts through a user-friendly web based and/or application based interface. The Repository Administrator shall maintain overarching administrative rights over Repository Accounts and shall be entitled to freeze user access to accounts to minimize exposure to unauthorized access or lost user login credentials.

Repository Accounts will maintain additional features such as pull payments and instant payment as required by users between Repository Accounts established within the Hamilton Systems Network.

Each Repository Account shall be subject to the highest international standards of AML/KYC oversight by the Repository Administrator. See further Anti Money Laundering and Know Your Client section.

The Repository Administrator shall be entitled to compensation for carrying out the operation and administration of the Smart Repository/Repository Accounts, in the form of repository and administrative fees. The Repository Administrator may, but shall not be required, to accept payment of repository and administrative fees in HST Tokens. The Repository Administrator may, but shall not be required to, accept HST Tokens in settlement of repository and administrative fees at a value established at the offering of the Hamilton Token or subsequent sale price of the HST Token by the Repository Administrator.

Users will be required to deposit and hold HST Tokens in order to activate a Repository Account, after which such accounts shall be available to hold HST Tokens, as well as other user selected cryptocurrencies. Users will thereafter be able to effect transactions with HST Tokens or other cryptocurrencies by accessing their individual Repository Account.

A distinguishing feature of the Hamilton System Network will be the Issuer’s and Repository Administrator’s adherence to the highest international standards of AML/KYC compliance.

#### **(a) AML/KYC Program**

An anti-money laundering/countering financing of terrorism and know your customer program (AML/KYC program) is an essential component of the Repository Administrator’s compliance regime. The primary goal of an AML/KYC program is to protect institutions against money laundering, terrorist financing and other financial crimes and to ensure compliance with relevant laws and regulations.

The Financial Action Task Force (FATF), along with numerous member countries, such as the UK and United States, urge risk-based controls. Per FATF, there are circumstances where the risk of money laundering or terrorist financing is higher, and enhanced customer due diligence (CDD) measures have to be taken. The risks institutions may face depend on many factors, including the geographical regions involved, customer types and the products and services offered.

The participants of the Hamilton Systems Network believe that embedding a culture of compliance into the

overall structure of the Network is critical to the development and ongoing administration of an effective AML/KYC program within the Network.

Although policies and procedures provide important guidance, an effective AML/KYC program also relies on a variety of internal controls, including management reports and other built-in safeguards that keep the program working. These internal controls shall enable the recognition of deviations from standard procedures and safety protocols. Other effective controls use technology, such as account opening systems that force the entry of required information, aggregation systems that detect reportable currency transactions and automated account monitoring programs.

In the first instance the Issuer, Hamilton Development Foundation, shall undertake a vigorous AML/KYC program, with respect to any subscribers to the utility token offering, to comply with, and exceed, the Anguilla Utility Token Offering (Anti-Money Laundering and Terrorist Financing) Regulations 2018.

Thereafter the Repository Administrator shall ensure that all Repository Accounts are fully subject to continuing AML/KYC monitoring and scrutiny.

The Repository Administrator shall appoint a qualified individual as the Repository Administrator's AML/KYC Compliance Officer. This individual shall be responsible for managing all aspects of the AML/KYC compliance program for Repository Accounts. This includes, but is not limited to, designing and implementing the program, making necessary changes and updates, disseminating information about the program's successes and failures to key personnel, constructing AML/KYC-related content for personnel training programs and managing the Repository Administrator's adherence to applicable AML/KYC laws and regulations (including staying up-to-date on legal and regulatory developments in the field).

The Hamilton Systems Network believes that training is one of the most important ways to emphasize the importance of AML/KYC efforts, as well as educating personnel about what to do if they encounter potential money laundering. Training also acts as an important control in the mitigation of money laundering risks to which the Repository Administrator may be exposed. The Repository Administrator shall effect both formal training courses and ongoing communications that serve to educate personnel and maintain their ongoing awareness about AML/KYC requirements.

The participants of the Hamilton Systems Network believe that the extensive use of AML/KYC screening of users of the Network will serve as a critical point of differentiation between the Hamilton Systems Network and HST Token, and other blockchain and cryptocurrencies paradigms currently in use.

## **(b) Security**

Hamilton Systems Limited shall implement multi level security protocols in order to safeguard users' cryptocurrency held via Repository Accounts. Such security protocols include but are not limited to:

- Warm Storage Wallets - multi signature and private key security with continual blockchain monitoring for incoming transfers for user balances
- Cold Storage wallets – multi signature and private key managed security including but not limited to safety deposit boxes, with certified third party audits of cold storage management protocols and implementation

Hamilton Systems Limited shall constantly review, and where necessary, enhance its security protocols.

A summary of the security protocols employed by Hamilton Systems Limited and/or HYSTEMS can be found at the Appendix to this White Paper.

Full details of the security protocols of Hamilton Systems Limited and/or HSYSTEMS can be found at:

[www.hamilton-systems.io](http://www.hamilton-systems.io)

**(c) Network Transactions**

The availability of secure and monitored Repository Accounts within the Network will enable users of the Network to seamlessly effect transactions amongst and between Repository Accounts for the purpose of making and receiving payments between users and service providers within the Network.

**(d) Repository Fees and Charges**

The repository and administration fees and charges of Hamilton Systems Limited can be found at:

[www.hamilton-systems.io](http://www.hamilton-systems.io)

**(e) Terms and Conditions**

Any services provided by Hamilton Systems Limited shall be subject to such terms and conditions, exclusions and waivers as may be determined by Hamilton Systems Limited in its absolute discretion and from time to time. A copy of the current terms and conditions for said services may can be found at:

[www.hamilton-systems.io](http://www.hamilton-systems.io)

**(f) Technical Description of the HSYSTEMS**

The HSYSTEMS software does not form part of this White Paper or relate to the utility token offering described in this White Paper. Only information pertaining to the HST Tokens and its potential utility on or within the Hamilton Systems Network is provided in this White Paper.

NO STATEMENTS, REPRESENTATIONS, WARRANTIES OR COVENANTS IS MADE, OR INTENDED TO BE MADE IN THIS WHITE PAPER PERTAINING TO HAMILTON SYSTEMS LTD, THE HSYSTEMS SOFTWARE OR ANY FUNCTION OR SERVICE RELATED THERETO. ANY INFORMATION PROFFERED THERETO IS FOR ILLUSTRATIVE PURPOSES ONLY AND IS NOT INTENDED TO, AND SHOULD NOT, BE RELIED UPON TO INFORM ANY DECISION AS TO WHETHER OR NOT TO SUBSCRIBE FOR HST TOKENS

For illustration purposes only, a technical description of the HSYSTEMS software is set out in the Appendix to this White Paper.

**2. THE ISSUER**

[Including (a) corporate structure and location, ownership structure and affiliated companies and (b) officers and directors and relevant backgrounds]

The issuer of the HST Token is the Hamilton Development Foundation, which will generate, issue and/or distribute the HST Token.

The Hamilton Development Foundation (“Issuer”) is a purpose foundation established in Anguilla, British West Indies, with its primary purposes being to ensure the establishment of the HAMILTON SYSTEMS NETWORK and to undertake research and development and promotion of the Network and the participants thereof.

The registered office for Hamilton Development Foundation is Spencer House, The Valley, Anguilla.

The Issuer shall be managed by a foundation council, established by the Declaration of Establishment for the

foundation, and as constituted from time to time. The current members of the Foundation Council are as follows:

- Ivor Omson (T.E.P)

Mr. Ivor Omson is the Chairman of Hamilton Systems Limited, he is a member of The Society of Trust and Estates Practitioners (STEP). Mr. Omson has in excess of 20 years of experience in trust and corporate services and is involved in the strategic research and development, day-to-day administration and promotion of the technology aspects of Hamilton Systems Limited. Mr. Omson also sits as a director of Hamilton Trust Company (Nevis) Limited.

- Ksenia Pauls

Ms. Ksenia Pauls is the Director of Omega International Agents in Mahe Seychelles and a member of the The Society of Trust & Estate Practitioners (STEP). Ms. Pauls has in excess of 20 years of experience in accounting and business analysis, as well as trust and corporate services.

The purpose(s) of the Issuer foundation is set forth in the Declaration of Establishment constituting the foundation, and includes:

“To sponsor, promote and support the Hamilton Systems Network, including but not limited to contributing to the development of blockchain and software components underlying or participating in the Hamilton Systems Network”

A copy of the Declaration of Establishment for the Hamilton Development Foundation is contained in the Appendix to the White Paper.

### **Other Participants in the Hamilton Systems Network**

Hamilton Systems Limited is an initial participant in the Hamilton Systems Network (“Repository Administrator”) and shall provide Repository Services within the Network.

The directors of Hamilton Systems Limited are:

- Ivor Omson (T.E.P)

Mr. Ivor Omson is the Chairman of Hamilton Systems Limited, he is a member of The Society of Trust and Estates Practitioners (STEP). Mr. Omson has in excess of 20 years of experience in trust and corporate services and is involved in the strategic research and development, day-to-day administration and promotion of the technology aspects of Hamilton Systems Limited. Mr. Omson also sits as a director of Hamilton Trust Company (Nevis) Limited.

- Evelina Didrihsone

Mrs. Didrihsone is a qualified lawyer and ACCA qualified accounting professional with more than, 20 years of experience corporate services and international banking. Mrs. Didrihsone is responsible for full compliance with national and international laws, as well as all regulatory compliance. Ms. Didrihsone is an ACAMS certified anti-money laundering specialist. Ms. Didrihsone also sits as a director of Hamilton Trust Company (Nevis) Limited.

HAMILTON SYSTEMS LIMITED HAS COMPLETED DEVELOPMENT OF THE HSYSTEMS REPOSITORY SOFTWARE PRIOR TO THE UTILITY TOKEN OFFERING DESCRIBED IN THIS WHITE PAPER.

### **3. THE HST TOKEN**

[Including (a) the technical functionality of the token (b) the contractual and/or legal rights provided by the tokens (c) the rights or obligations of the holders of tokens to have their tokens redeemed by the issuer or affiliates and (d) proposed uses of the tokens within the project or platform]

The Hamilton Systems Token (“HST” Token) is generated, issued and distributed by the Hamilton Development Foundation.

The HST Token is built upon the Stellar blockchain and utilizes the Stellar blockchain consensus platform for the purposes of effecting transactions of the HST Token. The Stellar blockchain is an open-source, decentralized open network utilizing the Stellar Consensus Protocol to synchronize and verify the Stellar digital ledger.

Hamilton Systems Limited is a participant on the Hamilton Systems Network and has indicated its willingness, but not obligation, to accept HST Tokens:

- (a) For the purpose of activation of Repository Accounts; and
- (b) In payment for repository and administrative services provided by users of the Network. To the extent Hamilton Systems Limited accepts HST Tokens as a medium for payment, subscribers for the HST Tokens will be entitled to settle repository and administration fees charged by Hamilton Systems Limited using HST Tokens.

AT THE DATE OF THE UTILITY TOKEN OFFERING OF THE HST TOKEN, HAMILTON SYSTEMS LIMITED HAS UNDERTAKEN TO ACCEPT THE HST TOKEN FOR A MINIMUM PERIOD OF SIX (6) CALENDAR MONTHS FOLLOWING THE CONCLUSION OF THE UTILITY TOKEN OFFERING DESCRIBED IN THIS WHITE PAPER, FOR THE PURPOSES OF (A) ESTABLISHING AND ACTIVATING REPOSITORY ACCOUNTS AND (B) SETTLING REPOSITORY AND ADMINISTRATION FEES AT A VALUE EQUIVALENT TO THE SUBSCRIPTION PRICE OF THE HST TOKEN AT THE UTILITY TOKEN OFFERING AND FOR THE PURPOSES OF.

FOR A MINIMUM PERIOD OF SIX (6) CALENDAR MONTHS FOLLOWING THE CONCLUSION OF THE UTILITY TOKEN OFFERING DESCRIBED IN THIS WHITE PAPER, HAMILTON SYSTEMS LIMITED HAS UNDERTAKEN TO RESTRICT THE PROVISION OF REPOSITORY SERVICES TO ONLY SUCH PERSONS HOLDING BALANCES IN HST TOKENS.

A full schedule of the fees and charges for the services provided by Hamilton Systems Limited may be found at [www.hamilton-systems.io](http://www.hamilton-systems.io)

HST Tokens shall carry NO RIGHTS OF REDEMPTION by either subscribers (or subsequent holders) of the HST Token or by the Issuer. All subscriptions and purchase of HST Tokens shall be final and non-refundable.

The sole utility function of the HST Tokens is to permit the holder thereof to store, transfer and use the HST Token as a medium of exchange amongst such participants of the Network that are willing and able to accept HST Tokens as a store of value, medium of exchange and/or unit of account. HST Tokens do not have any other rights, use, purpose, value, attributes, functionalities or features, whether expressed or implied.

No participant of the Network shall be obligated to recognize or accept the HST Tokens as a store of value, medium of exchange or unit of account.

IN THE EVENT THAT NO PARTICIPANT OF THE NETWORK IS WILLING TO ACCEPT HST TOKENS AS A STORE OF VALUE, MEDIUM OF EXCHANGE AND/OR UNIT OF ACCOUNT, HST TOKENS MAY BE OF NO UTILITY OR VALUE.

Neither Hamilton Development Foundation nor any participant of the Network (including Hamilton Systems Limited) represents or shall be taken as representing, that the HST Tokens have, or will continue to have any utility or value, whether within or without the Network.

HST Tokens are not intended to be redeemed, purchased or otherwise transacted for profit.

Subscribers, purchasers and/or holders of the HST Token shall not receive any profit, income, return or other benefit purely by virtue of holding the HST Token.

HST TOKENS SHALL NOT REPRESENT ANY RIGHT OR INTEREST IN THE ISSUER, NETWORK, IN ANY PERSON OR ENTITY PARTICIPATING IN OR ON THE NETWORK (INCLUDING BUT NOT LIMITED TO HAMILTON SYSTEMS LIMITED) OR ANY SOFTWARE UTILIZED BY OR ON THE NETWORK (INCLUDING BUT NOT LIMITED TO THE HSYSTEMS SOFTWARE)

HST Tokens are not intended to be, and shall not to be understood, deemed, interpreted or construed to be or to be representative of, any kind of:

- currency, legal tender, money or deposit, whether fiat or otherwise, nor a substitute for such currency, legal tender, money or deposit;
- investment (whether secured or unsecured), equity interest, proprietary interest, economic rights (including any kind of right to payment, income, dividend, return, profit, or other return, or any sums to be paid, or likely to be paid, out of such), share or similar interest in or claim against any person, asset, entity, organization, scheme, venture or project;
- equity, debt or hybrid instrument, security, collective investment scheme, managed fund, financial derivative, futures contract, deposit, commercial paper, negotiable instrument, investment contract, note, bond, warrant, certificate or instrument entitling the holder to interest, dividends or any kind of return, nor any other financial instrument;
- right, title, interest or benefit whatsoever in whole or in part, in any person or property, or any assets whatsoever; or
- any commodity that is regulated under any applicable law or which any person is obliged to redeem or purchase.

HST Tokens are not guaranteed or secured by any person, asset, entity, organization, scheme, venture or project, including but not limited to the Issuer, in any way.

The Issuer is under no obligation to issue replacement HST Tokens in the event that any HST Token or attendant private key is lost, stolen, malfunctioning, destroyed or otherwise inaccessible for any reason.

IN ORDER TO ENSURE THE UTILITY AND INTEGRITY OF THE NETWORK AND THE OBJECTIVES THEREOF, FOR A MINIMUM PERIOD OF SIX (6) MONTHS FOLLOWING THE CONCLUSION OF THE UTILITY TOKEN OFFERING DESCRIBED IN THIS WHITE PAPER, HST TOKENS WILL BE RESTRICTED TO STORAGE AND TRANSACTIONS IN AND THROUGH REPOSITORY ACCOUNTS ADMINISTERED BY HAMILTON SYSTEMS LIMITED.

HST TOKENS MAY BE PURCHASED ONLY FROM THE ISSUER AT THE UTILITY TOKEN OFFERING DESCRIBED IN THIS WHITE PAPER OR, SUBSEQUENT TO SUCH UTILITY TOKEN OFFERING, FROM THE ISSUER AND/OR HAMILTON SYSTEMS LIMITED IN SUCH AMOUNTS, AT SUCH PRICES AND UPON SUCH TERMS AND CONDITIONS AS MAY BE DETERMINED BY SAID PERSONS, FROM TIME TO TIME AND IN THEIR ABSOLUTE DISCRETION.

NO SECONDARY MARKET IN HST TOKENS IS INTENDED OR ANTICIPATED BY THE ISSUER AND SURPLUS HST TOKENS MAY ONLY BE SOLD TO AND PURCHASED BY SUCH PERSONS AUTHORIZED BY THE ISSUER FROM TIME TO TIME. AT THE DATE OF THE UTILITY TOKEN OFFERING DESCRIBED BY THIS WHITE PAPER, AND FOR A MINIMUM PERIOD OF SIX (6) CALENDAR MONTHS FOLLOWING THE CONCLUSION OF SUCH OFFERING, THE ISSUER HAS AUTHORIZED HAMILTON SYSTEMS LIMITED TO PURCHASE HST TOKENS FROM ANY HOLDER THEREOF AND IN SUCH QUANTITIES, PRICES AND TERMS AS HAMILTON SYSTEMS LIMITED DEEMS FIT.

#### 4. THE OFFERING OF HST TOKENS

[Including (a) total amount of tokens issued in offering and/or in future offerings (b) timeline for token offering (c) any discounts based on time, amount, auction or staged investment/subscription (d) actual or projected cap on offering (e) any geographical information and restrictions on offering (f) mechanism for offering issue (g) maximum/minimum subscription and (h) any subscription restrictions]

##### (a) Utility Token Offering

The token supply and distribution by Hamilton Development Foundation will be as follows:

Token Ticker: HST

Total Initial Supply: 100,000,000

Initial Circulation: 20,000,000

Fixed Offering Price: \$0.1

Official Website: [www.hamilton-foundation.com](http://www.hamilton-foundation.com)

Token Distribution:

| Category           | Allocation | Note                                           |
|--------------------|------------|------------------------------------------------|
| Token Sale         | 20%        | Private and Public Sale over Period of 2 Years |
| Administrators     | 15%        | Distributed Quarterly over Period of 2 Years   |
| Bounty and Rewards | 15%        | Distributed Quarterly over Period of 2 Years   |
| Marketing          | 15%        | Distributed Quarterly over Period of 5 Years   |
| Advisors           | 5%         | Distributed Quarterly over Period of 2 Years   |
| Reserve            | 30%        | Lock Up Period of 2 Years                      |

THE FIRST QUANTITY OF HST TOKENS OFFERED FOR SALE PURSUANT TO THE UTILITY TOKEN OFFERING (“SUBSCRIPTION TOKENS”) DESCRIBED BY THIS WHITE PAPER IS:

- 5,000,000 (Five Million) HST TOKENS (“Tranche 1 Subscription Tokens”)

##### (b) Offering Period

The utility token offering for the Tranche 1 Subscription Tokens is projected to commence on the **01 NOVEMBER 2020** and is projected to take place over a period of six (6) months (“Tranche 1 Subscription Period”).

THE BALANCE OF THE SUBSCRIPTION TOKENS ALLOCATED FOR SALE SHALL BE DISPOSED OF BY THE ISSUER AND SUCH TIMES, IN SUCH QUANTITIES AND TO SUCH PERSONS AS THE ISSUER DEEMS FIT IN ITS ABSOLUTE DISCRETION AND FROM TIME TO TIME AND SHALL BE NOTIFIED IN THE FORM OF AMENDMENT SCHEDULE(S) TO THIS WHITE PAPER

The Issuer reserves all rights to terminate the Tranche 1 Subscription Period at any time and in its absolute discretion.

All subscriptions and/or purchases received by Issuer prior to the expiration or sooner termination of the Tranche 1 Subscription Period shall be final and non-refundable.

Any subsequent utility token offering carried out under the auspices of the Anguilla Utility Token Offering Act (No. 4/2018) shall be as described in this White Paper but subject to such amendments as set out in Amendment Schedule(s) to this White Paper.

**(c) Discounts**

No discounts are offered for this utility token offering

**(d) Subscription Cap**

There shall be no fixed or minimum cap for the utility token offering described in this white paper although the Issuer projects receipt of subscriptions for the Tranche 1 Subscription Tokens in the amount of \$500,000.00.

**(e) Geographical Information and Restrictions on Utility Token Offering**

Hamilton Development Foundation is registered under the Anguilla Utility Token Offering Act (No. 4/2018) for the purpose of the utility token offering described in this White Paper.

**The situs of the utility token offering is: ANGUILLA, BRITISH WEST INDIES**

All subscriptions and purchases for HST Tokens shall be governed by the Laws of Anguilla and subject to the provisions of the Anguilla Utility Token Offering Act (No. 4/2018)

PERSONS ARE NOT ELIGIBLE TO, AND SHALL NOT, SUBSCRIBE OR PURCHASE HST TOKENS IF SUCH PERSONS ARE CITIZENS OR RESIDENTS OR DOMICILES OF ANY JURISDICTION WHERE THE SALE OR PURCHASE OF HST TOKENS ARE PROHIBITED OR WHERE THE SALE OR PURCHASE OF HST TOKENS MAY NOT BE COMPLIANT WITH ANY APPLICABLE LAWS OR REGULATIONS.

**(f) Mechanism for Utility Token Offering (Tranche 1 Subscription Tokens)**

|                           |                                    |
|---------------------------|------------------------------------|
| Issuer:                   | Hamilton Development Foundation    |
| Offering Administrator:   | Hamilton Trust Company (Nevis) Ltd |
| AML/KYC Provider:         | Hamilton Trust Company (Nevis) Ltd |
| Escrow Custodian:         | Hamilton Trust Company (Nevis) Ltd |
| Repository Administrator: | Hamilton Systems Limited           |
| Subscription Currency:    | US\$*                              |

\*Subscriptions in specified alternative currencies may be accepted but shall be converted to US\$ using the daily exchange rate at the day of the funds' clearance at the Escrow Custodian's account

In order to subscribe for HST Tokens, interested persons must apply for registration with the Offering Administrator and be approved for AML/KYC compliance with the Anguilla Utility Token Offering (Anti-Money Laundering and Terrorist Financing) Regulations 2018. Upon such approval, the Offering Administrator shall (a) register the prospective subscriber and (b) open a non-active Repository Account with the Repository Administrator for such prospective subscriber.

Note: The Offering Administrator and Anti Money Laundering & Countering Financing of Terrorism Service Provider shall maintain absolute discretion to refuse registration of any prospective subscriber, whether for reasons relating to AML/KYC or for any other reason whatsoever.

Upon the registration of prospective subscriber, such Subscriber shall:

- (a) Download and complete the Subscription Agreement in the prescribed form that accompanies this White Paper;
- (b) Forward such completed form to the Offering Administrator; and
- (c) Transfer the requisite subscription funds by bank wire transfer to the wire coordinates provided by the Escrow Custodian.

Note: The invitation to subscribe for HST Tokens contained in the Subscription Agreement shall not be effective until receipt of the relevant subscription funds by the Escrow Custodian.

Note: All Subscriptions for HST Tokens are final and non-refundable PROVIDED ALWAYS and WITHOUT PREJUDICE to the final and non-refundable nature of Subscriptions, if any refund is effected pursuant to the Act, Regulations or Guidelines such refund shall bear no interest and shall be subject to any bank or other financial institution charges deducted during the transmission, maintenance and refund of such funds.

The acceptance and closing of the Subscription Agreement shall be effected at the earlier of:

- 1. Receipt by the Escrow Custodian of subscription funds in the amount of \$500,000;
- 2. The expiration of the Tranche 1 Subscription Period; or
- 3. The termination of the Tranche 1 Subscription Period by the Issuer.

Upon the closing of the Subscription Agreement, and subject to the provisions of the Anguilla Utility Token Offering Act (No. 4/2018) and Regulations:

- (A) The Issuer shall publish a notification on the official website ([www.hamilton-foundation.com](http://www.hamilton-foundation.com)) that the required conditions for the release of the subscription funds have been met (a copy of which notification shall be filed with the Anguilla Financial Services Commission);
- (B) The Escrow Custodian shall release and transfer the subscription funds to the Issuer;
- (C) The Issuer shall transmit the requisite HST Tokens to the Offering Administrator who shall then transmit and arrange the allocation and credit to the Repository Accounts of each successful subscriber with the relevant amount of HST Tokens.
- (D) Upon credit of the HST Tokens to each Repository Account:
  - a. The Repository Administrator shall notify the relevant holder of the Repository Account; and
  - b. Said Repository Account shall become “active” and entitled to commence operation.

THE DELIVERY OF THE HST TOKENS TO OR THROUGH THE REPOSITORY ACCOUNT ASCRIBED TO INDIVIDUAL SUBSCRIBERS SHALL CONSTITUTE FULL AND FINAL DELIVERY OF THE HST TOKENS TO SUCH SUBSCRIBER PURSUANT TO THE SUBSCRIPTION AGREEMENT

**(g) Maximum and Minimum Subscription**

Subscribers shall be subject to the following restrictions on the quantity of HST Tokens that may be subscribed for:

Minimum: 10,000 HST Tokens

Maximum: 1,000,000 HST Tokens

**(h) Other Subscription Restrictions**

PRIOR TO THE ACCEPTANCE AND CLOSING OF THE SUBSCRIPTION AGREEMENT, THE ISSUER RESERVES ALL RIGHTS TO DECLINE ANY OFFER TO SUBSCRIBE FOR HST TOKENS, AS CONTAINED IN A COMPLETED SUBSCRIPTION AGREEMENT, AND IN SUCH EVENT THE ISSUER SHALL NOTIFY THE ESCROW CUSTODIAN AND THE ESCROW CUSTODIAN SHALL INITIATE THE REFUND THE RELEVANT SUBSCRIPTION FUNDS (LESS BANKING CHARGES) TO THE RELEVANT SUBSCRIBER WITHIN FIVE (5) WORKING DAYS OF RECEIPT OF ALL INFORMATION NECESSARY TO EFFECT SUCH REFUND.

**(i) AML/KYC Program for the Utility Token Offering**

The utility token offering described by this White Paper shall be registered under the Anguilla Utility Token Offering Act (No. 4/2018). Pursuant to such Act certain AML/KYC information must and shall be collected with respect to each prospective subscriber, as described more fully in the Anguilla Utility Token Offering (Anti-Money Laundering and Terrorist Financing) Regulations 2018.

FAILURE TO PROVIDE THE REQUIRED AML/KYC INFORMATION SHALL DISQUALIFY ANY PERSON FROM SUBSCRIBING TO THIS UTILITY TOKEN OFFERING

Hamilton Trust Company (Nevis) Limited shall act as the AML/KYC service provider for the utility token offering.

All AML/KYC information collected by Hamilton Trust Company (Nevis) Limited shall be transmitted to the AUTO Administrator for the offering, and copies maintained (in physical or digital form) in or from within Anguilla.

AML/KYC INFORMATION COLLECTED BY HAMILTON TRUST COMPANY (NEVIS) LIMITED MAY BE SHARED WITH THIRD PARTIES, IN THEIR ABSOLUTE DISCRETION, INCLUDING BUT NOT LIMITED TO ANY BANKING INSTITUTIONS AND REGULATORS WITH RESPECT TO ANY MATTER ARISING OUT OF OR RELATED TO THIS OFFERING

The closing of the utility token offering, and distribution of HST Tokens to successful subscribers shall be subject, inter alia, confirmation by the Anguilla Financial Services Commission that all AML/KYC information has been collected and maintained by the relevant parties.

For more information on the operation of the AML/KYC program for the utility token offering, see Mechanism for Utility Token Offering (supra)

## 5. USE OF PROCEEDS OF UTILITY TOKEN OFFERING

The Issuer intends to use the proceeds of the utility token offering described by this White Paper to:

“To sponsor, promote and support the Hamilton Systems Network, including but not limited to contributing to the development of blockchain and software components underlying or participating in the Hamilton Systems Network”

From the proceeds from the Tranche 1 Subscription Tokens the Issuer intends to make the following grants and/or allocations:

- \$ 100,000.00 - To Hamilton Systems Limited to pay, defray or reimburse the costs, fees and expenses of the professional service providers, advisors, consultants and administrators attendant to the utility token offering described in this White Paper.
- \$ 100,000.00 - To Hamilton Systems Limited for the purpose of defraying the expenses incurred in the development and implementation of the HSYSTEMS Software.
- Balance of Proceeds of the Tranche 1 Subscription Tokens shall be applied to such purposes, persons or entities as the Issuer determines in its absolute discretion, including but not limited to further grants to Hamilton Systems Limited or any related party thereof.

Proceeds from any further sale of Subscription Tokens, effected pursuant to the Anguilla Utility Token Offering Act (No. 4/2018), shall be applied as notified by any relevant Amendment Schedule(s) to this White Paper.

## 6. RISK FACTORS

Prospective subscribers should consider the following risk factors in evaluating the merits and suitability of subscribing for HST tokens. The following does not purport to be a summary of all the risks associated with the subscription, purchase, holding and/or use of HST Tokens. Rather, the following pertains only to certain risks, which the Issuer encourages prospective subscribers to discuss in detail with their independent professional advisors.

- (a) **Blockchain Industry Risks:** The regulatory regime governing the blockchain technologies, cryptocurrencies, tokens and token offerings such as Hamilton Systems Network and the HST Tokens is uncertain, and new regulations or policies may materially adversely affect the development of the Network and the utility and/or value of the HST Tokens. Regulation of tokens such as the HST Token and token offerings, cryptocurrencies, blockchain technologies, and cryptocurrency exchanges is currently undeveloped and likely to rapidly evolve, varies significantly among international and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in the in other jurisdictions may in the future, enact laws, regulations, guidance, or other actions, which may severely impact the development and growth of the Hamilton Systems Network and the adoption, utility and/or value of the HST Tokens. Failure by the Issuer, Repository Administrator or users of the Hamilton Systems Network to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines. As blockchain networks and blockchain assets have grown in popularity and in market size, international regulatory agencies have begun to take interest in, and in some cases regulate, their use and operation. In the case of virtual currencies, certain jurisdictions have created new regulatory frameworks. Other jurisdictions have published guidance on how their existing regulatory regimes apply to virtual currencies. Some jurisdictions have amended their statutes to include virtual currencies in the existing licensing regimes. The regulation of non-currency use of blockchain assets in certain jurisdictions is also uncertain. To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a blockchain network or asset, the Hamilton Systems Network and the HST Tokens may be materially and adversely affected. Blockchain networks also face an uncertain regulatory landscape in many foreign jurisdictions such as the United States of

America, European Union, China and Russia. Various foreign jurisdictions may, in the near future enact, or may have already enacted, laws, regulations or directives that affect the Hamilton Systems Network. Such laws, regulations or directives may conflict with those of Anguilla or may directly and negatively impact the operation of the Hamilton Systems Network and/or the participants thereon, including but not limited to the Repository Administrator. The effect of any future regulatory changes is impossible to predict, but such changes could be substantial and materially adverse to the development and growth of the Hamilton Systems Network and the adoption, utility and/or value of the HST Tokens. New or changing laws and regulations or interpretations of existing laws and regulations, in Anguilla and other jurisdictions, may materially and adversely impact the value of the currency in which the HST Tokens may be exchanged, the liquidity, value or price of the HST Tokens, the ability to access authorized purchasers for the HST Tokens, and the structure, rights and transferability of HST Tokens.

PERSONS ARE NOT ELIGIBLE TO, AND SHALL NOT, SUBSCRIBE, PURCHASE OR HOLD HST TOKENS IF SUCH PERSONS ARE CITIZENS OR RESIDENTS OR DOMICILES OF ANY JURISDICTION WHERE THE SALE OR PURCHASE OR HOLDING OF HST TOKENS ARE PROHIBITED OR WHERE THE SALE OR PURCHASE OF HST TOKENS MAY NOT BE COMPLIANT WITH ANY APPLICABLE LAWS OR REGULATIONS.

In the event that the HST Tokens ever become transferable, such token transactions may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable. In the event that the HST Tokens become tradable on a token exchange or pursuant to permitted peer-to-peer transfers, transactions in the HST Tokens may be irreversible, and, accordingly, a subscriber or purchaser of the HST Tokens may lose all of his or her HST Tokens in a variety of circumstances, including in connection with fraudulent or accidental transactions, technology failures or cyber-security breaches. If applicable, real-time settlement would further increase the risk that correction of trading errors may be impossible and losses due to fraudulent or accidental transactions may not be recoverable.

Subscribers will have no control over the operations of the Issuer. Subscribers are not and will not be entitled, to vote or be deemed the holder of any interest of the Issuer for any purpose, nor will anything be construed to confer on the Subscribers any of the rights of a member, beneficiary or shareholder of the Issuer or any right to vote for the election of managers, council members or directors or upon any matter submitted to members, beneficiaries or shareholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise.

Issuer may only have limited control once the Hamilton Systems Network is launched. The HST Token utilizes the STELLAR BLOCKCHAIN NETWORK that is comprised of open-source technologies that depend on a network of computers to run certain software programs to process transactions of HST Tokens. Because of this less centralized model, the Issuer has limited or no control over the HST Token once launched.

The Issuer will not support or otherwise facilitate any secondary trading or external valuation of the HST Tokens. This could therefore create illiquidity risk with respect to the HST Tokens owned by the Subscriber. Even if secondary trading of the HST Tokens is facilitated by third party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to fraud or manipulation. Furthermore, to the extent that third parties do ascribe an external exchange value to HST Tokens (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile and diminish to zero. TO THE EXTENT THAT THE HST TOKENS ARE DESIGNED TO BE HELD AND/OR TRANSACTED ONLY BY OR THROUGH THE REPOSITORY ACCOUNTS ESTABLISHED WITH THE REPOSITORY ADMINISTRATOR, IT IS NOT INTENDED THAT THERE SHALL BE ANY SECONDARY MARKET FOR HST TOKENS, WHETHER ON EXTERNAL EXCHANGES OR OTHERWISE. AT THE TIME OF THIS WHITE PAPER, ONLY THE REPOSITORY ADMINISTRATOR IS AUTHORIZED TO PURCHASE HST TOKENS FROM OR SELL HST TO SUBSCRIBERS OR OTHER THIRD PARTIES.

Notwithstanding the intended restriction for storing and transacting HST Token by or through the use of the Repository Accounts, Subscribers may have difficulty storing and managing HST Tokens if available outside of Repository Accounts and/or directly on or through the STELLAR BLOCKCHAIN NETWORK. In such circumstances, the management of crypto assets is onerous, and the Subscriber is responsible for implementing reasonable measures for securing the wallet, vault or other storage mechanism the Subscriber uses to receive and hold HST Tokens subscribed or purchased from the Issuer, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If the Subscribers private key(s) or other access credentials are lost, the Subscriber may lose access to their HST Tokens. The Issuer is not responsible for any losses, costs or expenses relating to lost access credentials. Moreover, even to the extent that HST Tokens are stored and transacted by or through Repository Accounts, Subscriber is responsible for implementing reasonable measures for securing such Repository Accounts. THE UTILITY UTILITY TOKEN OFFERING DESCRIBED IN THIS WHITE PAPER DOES NOT PROFFER ANY ASSURANCE OR GUARANTEE BY THE ISSUER WITH RESPECT TO THE SECURITY, SERVICES OR SYSTEMS UTILIZED BY THE REPOSITORY ACCOUNTS AND SUBSCRIBERS SHOULD FAMILIARIZE THEMSELVES WITH THE TERMS AND LIMITATIONS AND SECURITY PROTOCOLS ATTENDANT TO THE USE OF THE REPOSITORY SERVICES OFFERED BY THE REPOSITORY ADMINISTRATOR AT [WWW.HAMILTON-SYSTEMS.IO](http://WWW.HAMILTON-SYSTEMS.IO)

- (b) General Business Risks: The Issuer is a newly formed Foundation and has no previous operating history, revenue or profits. Additionally, the primary utility and/or value of the HST Token at the time of this White Paper is the willingness of the Repository Administrator to accept HST Tokens for the purposes of activating users' Repository Accounts and to settle fees and charges with respect to same. The Repository Administrator and the HSystems Software utilized by the Repository Administrator to provide the repository services are new and untested. Accordingly, the Repository Administrator may not successfully implement the Repository Accounts or, if implemented, the Repository Accounts may be of limited or on utility. In such circumstances there will be little or no utility or value for the HST Tokens.

There is no minimum cap that the Issuer must realize through the subscription of HST Tokens before it can accept, access and use subscription funds. Accordingly, if the Issuer is unable to raise sufficient subscription funds, and to make the request grants or endowments anticipated by this White Paper, the Hamilton Systems Network may fail or be of limited utility and Subscribers may lose some or all the utility and/or value their HST Tokens.

The utility and/or value of the HST Token is dependent on the success of other third-party participants of the Hamilton Systems Network, including but not limited to the Repository Administrator. Blockchain technologies and token-based blockchain platforms, systems or networks are largely unproven business models. While many of these new types of blockchain projects have raised substantial funds from the public and privately over the past few years, it has become apparent during the last several years that public subscription pressures, subscriber pressures, regulatory pressures, project failures and other unknown causes have led to a very substantial decrease in most if not all publicly offered blockchain projects. It is unknown at this time whether the perceived or actual utility or value of these blockchain projects will ever increase or the projects will launch and operate successfully or profitably. These risks are generally outside the control of the Issuer and its management, and could result in a complete failure of the Issuer's objectives, which would result in a loss of subscriber funds and/or loss of utility and/or value of HST Tokens.

The management of the Issuer has no experience in sponsoring, promoting and supporting or launching and operating a blockchain-based project. This lack of specific experience makes a subscription of HST Tokens issued by the Issuer a high-risk transaction.

- (c) Additional Network Risks: Insofar as the primary utility and/or value of the HST Tokens at the time of this White Paper is the willingness of the Repository Administrator to accept HST Tokens for the purposes of activating users' Repository Accounts and to settle fees and charges with respect to same, the Repository Administrator may not successfully develop, launch or operate the Minimum

Viable Product to allow usage of the HST Tokens and, in those circumstances, the HST Tokens may be of little or no utility and/or value.

There is no minimum cap that the Issuer must realize through the subscription of HST Tokens before it can accept, access and use subscription funds. Subscribers may not know at the time of subscription how much funds is being or has been raised, nor whether the amount being raised or actually raised will be sufficient for the Issuer to carry out its objectives and purposes. Additionally, the utility of the HST Token relies, at the time of this White Paper, to a large degree on the ability of the Repository Administrator to successfully develop, launch and operate the HSystems Software and/or Repository Accounts, which matters are outside the control of the Issuer. To the extent that the Issuer intends to make a grant from the proceeds of the utility token offering to defray the costs incurred by the Repository Administrator in developing the HSystems Software and/or for the initial operations of the Repository Accounts, the failure of the Issuer to take in sufficient subscription funds may result in the failure of the Repository Administrator and/or Repository Accounts, in which circumstance the utility of the HST Tokens may be lost and consequently the funds used to subscribe for such HST Tokens may be lost.

The Hamilton Systems Network has not yet been fully developed by the Issuer and it will require significant capital funding, expertise of the Issuer, time and effort in order to fully develop and successfully launch the Network in its entirety and/or to promote the expansion of the Network once launched. The Issuer may have to make changes to the specifications of the Network or HST Tokens for any number of legitimate reasons or the Issuer may be unable to sponsor, promote and support the Network in a way that realizes those specifications or any form of a functioning network. It is possible that the HST Tokens and the Hamilton Systems Network may not ever be launched and there may never be an operational HST Token or the HST Token may have little or no utility and/or value. The Hamilton Systems Network or HST Tokens, if successfully developed and maintained, may not meet subscriber expectations at the time of subscription and purchase. Furthermore, despite good faith efforts to develop and launch the Hamilton Systems Network and subsequently to sponsor, promote and support the Network, it is still possible that the Network will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Network and HST Tokens.

The Issuer will use certain of the proceeds of the utility token offering described in this White Paper to make significant allocations to sponsor, promote and support a viable Network and subsequently to build a fulsome network upon which users can realize utility and/or value. Neither the Issuer nor third party participants of the Network may have or may be able to obtain the technical skills and expertise needed to successfully develop the Network and progress it to a successful launch or operation. While the Issuer understands that other participants of the Network, including the Repository Administrator, has sought to retain and continue to competitively recruit experts, there is a general scarcity of management, technical, scientific, research and marketing personnel with appropriate training to develop and maintain the Hamilton Systems Network. If the participants of the Network are not successful in its efforts to demonstrate to users the utility and value of the Hamilton Systems Network, there may not be sufficient demand for the HST Tokens for the Issuer to proceed with the launch of the Network by issuing the HST Tokens. As a result, or if the Network does not launch, Subscribers may lose all or some of their subscription funds.

The Hamilton Systems Network will operate in a highly regulated industry. While the Issuer intends to structure its technology and to operate in accordance with all applicable laws of Anguilla, existing and new laws in Anguilla could materially impact the Issuer's ability to effectively execute the objectives of the issuer, or prohibit certain features from operating on the Network. If any of these events occur, the Issuer may incur substantial legal costs in defending itself, or could even be prohibited from sponsoring, promoting or supporting or otherwise operating, as well as the Issuer may be sanctioned or otherwise negatively impacted. In any such events, Subscribers may lose the utility of their HST Tokens and/or value of their entire subscription funds.

The Hamilton Systems Network may not reach self-sustainability. Whilst the Issuer shall not carry out any business, save and except for the issue of the HST Tokens,

other participants in the Hamilton Systems Network will determine the failure or success of the utility and/or value of the HST Token. Notwithstanding such participants may have identified revenue generating opportunities, such participants may not be able to implement a sufficient and scalable revenue model that would enable such participants to continue operations. In the event that such participants fail to reach profitability, with or without sponsorship from the Issuer, and fails to generate enough capital to further continuing to operate, such participants may become insolvent and, in such circumstances, the utility and/or value of the HST Tokens would be negatively impacted.

The Hamilton Systems Network may not be widely adopted and may have limited users. It is possible that the Hamilton Systems Network will not be used by a large number of persons or that there will be limited public interest in use of repository accounts participating in the Network. Such a lack of use or interest could negatively impact the development of the Hamilton Systems Network, the acceptance of HST Tokens by participants in the Network and, consequently, the utility and/or value of the HST Tokens.

Alternative networks may be established that compete with or are more widely used the Hamilton Systems Network. It is possible that alternative networks could be established that utilize the same or similar project design underlying the Hamilton Systems Network, including but not limited to alternative networks utilising repository accounts to manage the storing and transaction of cryptocurrencies in a safe and regulated matter. The Network, and participants in the Network, may compete with these alternative networks, which could negatively impact the Network, the participants in the Network and, ultimately, the utility and/or value of the HST Tokens.

- (d) **Blockchain Environmental Risks:** The HST Token is built on the STELLAR BLOCKCHAIN NETWORK. The open-source structure of the software underlying the Stellar Blockchain may be susceptible to developments by users or contributors that could damage the Stellar Blockchain's reputation and could affect the utilization of the HST Token of the Stellar Blockchain, and consequently, the utility and/or value of the HST Tokens. Furthermore, the HST Token is designed and will operate based on certain open-source software maintained by the Issuer and/or other contributors. An open source project is not represented, maintained or monitored by an official organization or authority. The open-source nature of software underlying the HST Tokens means that it may be difficult for the Issuer and/or contributors to maintain or develop the HST Token and the Issuer may not have adequate resources to address emerging issues or malicious programs that develop within the Stellar Blockchain adequately or in a timely manner. Third parties not affiliated with the Issuer may introduce weaknesses or bugs into the core infrastructure elements of the Stellar Blockchain and open-source code, which may negatively impact the storing or operation of HST Tokens. Such events may result in a loss of trust in the security and operation of the underlying Stellar Blockchain and a decline in user activity and could negatively impact the utility and/or value of the HST Tokens.

The Issuer may maintain some or all of the proceeds of the utility token offering described in this White Paper in the form of cryptocurrencies. Whilst the Issuer intends to take all reasonable measures to secure such cryptocurrency holdings against theft or malicious attacks, such attacks are endemic in the digital blockchain environment. Accordingly, there is the risk that such balances may be lost by reason of such attacks thereby reducing or eliminating the funds available for the sponsorship, promotion and support of the Hamilton Systems Network. Moreover, in the event that the Issuer maintains any balances in the form of cryptocurrencies, the market for most cryptocurrencies fluctuate wildly (e.g. BTC ETH or EOS). Accordingly, the value of such balances may decrease significantly or absolutely. In any of these circumstances the Network, and the participants of the Network relying on such support from the Issuer, may fail and the utility and/or value of the HST Token may correspondingly be negatively impacted.

The Hamilton Systems Network utilizes the HST Token as a store of value, medium of exchange and/or unit of account for such third party participants of the Network that are willing and able to accept the HST Tokens for such purposes. Whilst the Issuer can not and does not provide any assurance or guarantee with respect to such third party participants, including but not limited to the Repository Administrator, Subscribers should take cognisance of the fact that the Network operates in a highly digital environment that is highly susceptible to digital theft attacks and

malicious attacks at all times. Accordingly, in the event that the Repository Administrator, Repository Accounts and/or the HSystems software are the subject to such attacks, the Subscribers store of HST Tokens (and other cryptocurrencies stored in Repository Accounts) may be lost in part or in full.

- (e) **No Secondary Market:** In order to ensure the utility and integrity of the Hamilton Systems Network and the objectives thereof, HST TOKENS MAY ONLY BE STORED IN AND TRANSACTED THROUGH REPOSITORY ACCOUNTS OPERATED BY THE REPOSITORY ADMINISTRATOR. HST Tokens may be purchased only from the issuer at the utility token offering described in this White Paper or, subsequent to such utility token offering, from the Issuer and/or authorized Repository Administrator in such amounts, at such prices and upon such terms and conditions as may be determined by said persons, from time to time and in their absolute discretion. HST Tokens may only be sold to and purchased by such persons authorized by the issuer from time to time. At the date of the utility token offering described by this White Paper, the Issuer has authorized the Repository Administrator to purchase HST Tokens from any holder thereof and in such quantities, prices and terms as the Repository Administrator deems fit. ACCORDINGLY, NO SECONDARY MARKET IN HST TOKENS IS INTENDED OR ANTICIPATED BY THE ISSUER AND SUCH SITUATION COULD CREATE ILLIQUIDITY RISKS WITH RESPECT TO HST TOKENS HELD BY SUBSCRIBERS. Even if a secondary market developed for the HST Tokens, whether by reason of facilitation by third part exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to fraud or manipulation. Furthermore, to the extent that third parties ascribe an external value to the HST Tokens (e.g. as denominated in a cryptocurrency or fiat currency), such value may be extremely volatile and diminish to zero.

By reason of the objectives and design of the HST Token as described in this White Paper, (a) HST Tokens may have no value, (b) there is no representation, assurance or guaranty by the Issuer of the liquidity of the HST Tokens and (c) the transferability of the HST Tokens may be limited or non-existent.

- (f) **Tax Treatment:** The tax characterization and consequences in relation to the purchase, holding and disposition of cryptocurrencies and digital ledger technology based tokens is uncertain and varies from jurisdiction to jurisdiction and each Subscriber must seek and rely upon his/her own tax advice in connection with a subscription of HST Tokens.
- (g) **Information:** A copy of White Paper shall be published on the internet at [www.hamilton-foundation.com](http://www.hamilton-foundation.com) in accordance with the Anguilla Utility Token Offering Act (No. 4/2018). Any material change to this White Paper shall be updated at said website within a reasonable time thereafter and, in any event, no later than seven (7) days following the determination and/or implementation of such material change, unless otherwise exempted under the Anguilla Utility Token Offering Act (No. 4/2018). Notwithstanding the foregoing, prior to the issuance and/or delivery of the HST Tokens to Subscribers, the Issuer may modify the terms or features of the HST Tokens or the Hamilton Systems Network. Consequently, Subscribers to the utility token offering described in this White Paper may not have all relevant information to determine whether or not they wish to proceed with their subscription and purchase of HST Tokens and the potential utility and/or value of the HST Tokens at the time of their subscription or purchase.

Subscribers may not be able to obtain all information they may require or wish, in relation to the Issuer and/or any participant or intended participant of the Hamilton Systems Network (including but not limited to the Repository Administrator), in a timely manner or at all. Additionally, it is possible that Subscribers may not be made aware on a timely basis of material adverse changes that have occurred with respect to the HST Tokens, the Hamilton Systems Network and/or in relation to participants in the Network – whether by reason of such material adverse changes not being within the knowledge of the Issuer, failure of the Issuer to publish such material adverse changes in a timely manner or at all or failure of Subscribers to apprise themselves of such information. As a result of these matters, as well as other uncertainties, prospective Subscribers and/or Subscribers may not have accurate or up to date information about the Issuer, the Hamilton Systems Network and/or the HST Tokens at the time of their determination as to whether or not to subscribe for HST Tokens or prior to the delivery of the HST Tokens pursuant to a Subscription Agreement.

- (h) New Technology: Digital Ledger technology, blockchain technology and tokens related thereto are in their technological, legal and social infancy. In order to comply with or conform to changes in any of these categories (whether voluntary or mandatory) the features or utility of the Hamilton Systems Network and/or the HST Token may be varied, modified or amended from time to time resulting in delays and/or a reduction or loss of features, utility and/or usability. Additionally, and by reason of the aforesaid, the HST Tokens, the Stellar Blockchain and/or any participant in the Hamilton Systems Network may be subject to technological legal (including regulatory) or social impediments or adverse actions, resulting in loss or loss of usability of HST Tokens and/or delays in, or termination of, services on the Hamilton Systems Network (including but not limited to services provided by the Repository Administrator). In such circumstances, HST Tokens held by Subscribers and the subscription funds of such Subscribers may be lost or rendered effectively or actually valueless. THE ISSUER OFFERS NO ASSURANCES OR GUARANTEES WITH RESPECT TO THE FUNCTIONALITY OR OPERATIONS OF THE STELLAR BLOCKCHAIN OR ANY PARTICIPANT ON THE HAMILTON SYSTEMS NETWORK AND SUBSCRIBERS SHOULD APPRISE THEMSELVES, AND KEEP THEMSELVES APPRISED, WITH REGARD TO SAME.

## **7. CONFLICTS OF INTEREST**

The Issuer is a purpose Anguillan Foundation established under and in accordance with the Anguilla Foundations Act (c. A62) of Anguilla. There are no beneficiaries or shareholders of the Foundation. A foundation council, the composition of which may change from time to time, will manage the affairs of the Foundation. The Repository Administrator is a limited liability company incorporated or continued under the Anguilla International Business Companies Act (c. I20) consisting of shareholders and a board of directors. Notwithstanding the Issuer and the Repository Administrator standing as separate and distinct legal personalities, there may be some overlap between the members of the foundation council of the Foundation and the board of directors and/or shareholders of the Repository Administrator. As part of the objectives of the Issuer to sponsor, promote and support the Hamilton Systems Network, the Issuer intends to make grants or donations of a significant portion of the proceeds from the utility token offering described in this White Paper to the Repository Administrator, to assist in the defrayment of costs incurred by the Repository Administrator in the preliminary organization of the utility token offering described in this White Paper and in developing the proprietary HSYSTEMS Software. The Issuer may also, in the future, make further or other grants or donations to the Repository Administrator, or make periodical grants to the Repository Administrator, to assist in the defrayment of operational costs of the Repository Administrator. In the event that other participants are included in the Hamilton Systems Network, the Issuer may, but shall not be obligated to, make certain grants to such other participants in such amounts and in such manner as the Issuer deems fit and in its absolute discretion.

Subscribers and purchasers of the HST Tokens are not beneficiaries under the Hamilton Development Foundation and no fiduciary duty is owned by the Foundation to such Subscribers or purchasers, in relation to the management of the Foundation or the allocation of the funds of the Foundation. The sole obligation of the Foundation is to further the purpose(s) of the objective(s) set forth in the Declaration of Establishment constituting the Foundation.

Hamilton Trust Company (Nevis) Limited is a service provider in the conduct of the offering described in this White Paper and acts as the Escrow Custodian, Offering Administrator and AML/CFT Service Provider thereof. There may be some overlap between the members of the foundation council of the Foundation, the board of directors and/or shareholders of the Repository Administrator and the board of directors and/or shareholders of Hamilton Trust Company (Nevis) Limited.

## **8. DISCLAIMERS AND WAIVERS**

THE FOLLOWING DISCLAIMERS AND WAIVERS ARE SUBJECT TO THE STATUTORY RIGHTS AND OBLIGATIONS PRESCRIBED BY THE ANGUILLA UTILITY TOKEN OFFERING ACT (NO. 4/2018) AND NO DISCLAIMER HEREIN SHALL, OR IS INTENDED TO, NEGATE OR AMELIORATE SUCH STATUTORY RIGHTS AND OBLIGATIONS

- (a) This White Paper and the utility token offering described therein, is not intended to, and shall not, be considered as an invitation to any person enter into an investment and is not intended to, and do not, constitute or relate in any way as an offering of investment opportunities, units in a collective investment scheme or securities in any jurisdiction. This White Paper does not include or contain any information that may or should be considered a recommendation or that may be used as a basis for any investment decision.
- (b) Any information in this White Paper is given for general information purpose only and neither the Issuer nor any council member, manager, officer, employee, consultant, advisor, parent, subsidiary affiliate, servant or agent, past, present or future, thereof, shall be construed as providing any representation or warranty as to the accuracy and completeness of such information.
- (c) The HST Tokens are not, and are not intended to be, interests, shares or securities of any type, and do not entitle the holder thereof to any ownership or other interest, in the Issuer or any person or entity related thereto.
- (d) This White Paper does not contain, nor should be considered to contain, any representations, warranties, promises or guarantees, express, implied or statutory, arising or related to the HST Tokens or the Hamilton Systems Network and same are expressly disclaimed, including but not limited to any representations, warranties, promises or guarantees, express, implied or statutory, relating to title, non infringement, merchantability, usage, suitability or fitness for any particular purpose, or as to workmanship or technology (including technical coding), or the absence of any defects, whether latent or patent.
- (e) By accepting delivery of HST Tokens, subscribers and purchasers accepts the terms of this White Paper (along with the terms and conditions of any relevant Subscription Agreement or other operative document), including but not limited to the waiver by any subscriber or purchaser of HST Tokens of any claim, right or remedy that such subscriber or purchaser may otherwise have at law, equity or otherwise, against the Issuer, and any council member, manager, officer, employee, consultant, advisor, parent, subsidiary affiliate, servant or agent, past, present or future, thereof, arising out of or related to the holding or HST usage of the Token, save and except with respect to the statutory benefits and obligations prescribed by the Anguilla Utility Token Offering Act (No. 4/2018).
- (f) The Issuer shall use best endeavours to sponsor, promote and support the Hamilton Systems Network. There is, however, no guarantee (and any such guarantee is expressly disclaimed by the Issuer) that such Network shall be successfully launched or operated in the form or manner described in this White Paper, or at all. Subscribers and purchasers acknowledge, understand and agree to said risks, and further, to the fullest extent permitted by law, and in relation to same, expressly waive, relinquish and release, as against Issuer and any council member, manager, officer, employee, consultant, advisor, parent, subsidiary affiliate, servant or agent, past, present or future, thereof (collectively "Disclaimed Parties"), any claim, right or remedy that such subscriber or purchaser may otherwise have at law, equity or otherwise.
- (g) To the fullest extent permitted by law, and except as otherwise expressly stated in this White Paper, the Disclaimed Parties disclaim any representations, warranties, promises or guarantees arising out of or related to the Issuer, the Hamilton Systems Network, and/or the HST Token, and further, to the fullest extent permitted by law, and in relation to same, subscribers and purchasers of the HST Token expressly waive, relinquish and release, as against the Disclaimed Parties, any claim, right or remedy that such subscriber and purchaser may otherwise have at law, equity or otherwise.

- (h) Each subscriber expressly acknowledges, understands and agrees that it is accepting and holding the HST Tokens, at their sole risk and that the HST Tokens are provided to, and used and acquired by, such subscriber and purchaser on an “AS IS” and “AS AVAILABLE” basis without any representations, warranties, promises or guarantees whatsoever by the Disclaimed Parties and the subscriber and purchaser shall have relied on its own examinations and investigations thereof and further, to the fullest extent permitted by law, and in relation to same, each subscriber and purchasers expressly waives, relinquishes and releases, as against the Disclaimed Parties, any claim, right or remedy that such subscriber and purchaser may otherwise have at law, equity or otherwise.
- (i) Each subscriber acknowledges that the Issuer is a purpose foundation established under the Anguilla Foundation Act (c. A62). Each subscriber and purchaser acknowledges that, without prejudice to the disclaimers hereinbefore, no claim may be commenced or continued against any council member or related party to the Foundation for any matter arising out of or related to any matter described in this White Paper, and to that end, each subscriber waives, relinquishes and releases, as against such persons, any claim, right or remedy that such subscriber and purchaser may otherwise have at law, equity or otherwise.
- (j) Each subscriber acknowledges, understands and agrees that acceptance and holding of HST Tokens and storage thereof involves various risks, and accepts the HST Tokens subject to such risks, as set out in this White Paper and otherwise, without any claim, right or remedy that such subscriber and purchaser may otherwise have at law, equity or otherwise, including but not limited to any claims for compensation, damages, refunds or redemptions, against the Disclaimed Parties.
- (k) Insofar as the object and design of the Hamilton System Network relies on the willingness of third parties participating in the Network and accepting the HST Tokens, each subscriber acknowledges, understands and agrees to the risk that the Issuer may not be able to, or be able to participate in, the launch of the network or sponsor, promote and support the Network and there participants thereof and, accordingly, the Network may not provide any benefits to such subscriber. Accordingly, prior to acceptance of HST Tokens, each subscriber confirms that it has considered the risks, costs, and benefits of the subscription and purchase of HST Tokens and, if necessary, shall have obtained any and all independent and professional advice in this regard.
- (l) Each subscriber acknowledges, understands and agrees that HST Tokens and/or Hamilton Systems Network, beyond such potential utility and benefits set out in this White Paper, have no rights, uses, purpose, attributes, functionalities or features express or implied.
- (m) Each subscriber acknowledges, understands and agrees that the objectives and mechanisms of the Hamilton Systems Network, as described in this White Paper, are new and untested and that the Network and related technology, may not be capable of completion, implementation or adoption and, even if the Network, and related technology, is completed, implemented and adopted, and third parties become participants in the Network, it may not function as intended and/or many not have the functionality that is necessary or desirable and/or may become out-dated and/or may be subject to technical errors and delays.
- (n) Each subscriber acknowledges, understands and agrees that the software associated with the Hamilton Systems Network (if any) is under development and/or continuously being upgraded, and may undergo significant modifications over time and new related or replacement software may be developed from time to time and such development, upgrade and modifications may result in added or reduced features to those set forth in this White Paper. Additionally, each subscriber acknowledges, understands and agrees that the software intended to be utilized by third party participants in the Hamilton Systems Network (if any) is under development and/or continuously being upgraded, and may undergo significant modifications over time and new related or replacement software may be

developed from time to time and such development, upgrade and modifications may result in added or reduced features to those set forth in this White Paper.

- (o) Each subscriber acknowledges, understands and agrees that the development of the Hamilton Systems Network and/or any third party participant thereof may be abandoned for a number of reasons including but not limited to lack of interest from subscriber or potential subscribers, lack of funding, lack of prospects or the departure of valuable personnel and technicians related to or utilized by the Issuer (if any) and/or any third party participants of the Network.
- (p) Each subscriber acknowledges, understands and agrees that the HST Tokens may be or become non-transferrable prior to or following the delivery of the HST, whether by reason of the technical error or inability or through the actions of third party participants of the Network.
- (q) Each subscriber acknowledges, understands and agrees that the regulatory status of cryptographic tokens, digital assets, blockchain technology and distributed ledger technology is unsettled and/or unclear in many jurisdictions, and it is difficult to predict how or whether international, governmental, regulatory and judicial authorities will regulate such technologies and organizations and how or whether such international, governmental, regulatory and judicial authorities may interpret or modify existing laws, regulations or rules that affect such matters. Each subscriber acknowledges, understands and agrees that such interpretation or modification may have adverse consequences to the HST Tokens, and their holders and usage thereof and the Hamilton Systems Network as a whole; such interpretations and modifications including but not limited to characterizing the HST Tokens as regulated financial instruments or characterizing the Issuer as a regulated entity or carrying out a regulated business. Each subscriber acknowledges, understands and agrees the Issuer may cease activities in any jurisdiction, and, to the extent technically possible (if any) disable the HST Tokens of any persons residing or affected by any jurisdiction, in the event that the laws or regulations in such jurisdictions render it unlawful or commercially undesirable to maintain any link with such jurisdictions or persons that are citizens, residents or domiciles therein.
- (r) Each subscriber acknowledges, understands and agrees that the embryonic nature cryptographic tokens, digital assets, blockchain technology and distributed ledger technology may result in increased and/or disproportionate oversight and scrutiny from international, governmental, regulatory and judicial authorities with respect the HST Tokens, the Hamilton Systems Network and/or any third party participant of the Network, and that there can be no assurance that such authorities will not examine same or pursue investigatory, enforcement, compliance or other actions against the Issuer, the Hamilton Systems Network, HST Tokens or any third party participant of the Network. Each subscriber acknowledges, understands and agrees that such actions may subject the Issuer, the Hamilton Systems Network, any third party participants of the Network and/or the subscriber itself, to judgments, settlements, fines or penalties and/or may cause the Hamilton Systems Network to be restructured and/or lead to damage to the Network's reputation, operational costs or viability.

## **9. LIMITATION OF LIABILITY**

Without prejudice to any Disclaimer and Waiver:

- (a) To the fullest extent permitted by applicable law, neither Issuer nor any council member, manager, officer, employee, consultant advisor, parent, subsidiary affiliate, servant or agent, past, present or future, thereof ("Released Parties"), assumes any liability or responsibility for any loss arising or related to the HST Token, delivery of the HST Token following the closing of the utility token offering describe in this White Paper and/or any subsequent transfer or assignment of HST Tokens, or any technical, interruption or malfunction of thereof.

- (b) To the fullest extent permitted by applicable law, each subscriber disclaims any right or cause of action against the Released Parties, of any kind and in any jurisdiction, that would give rise to any damages, losses, liabilities, costs or expenses of any kind, whether direct or indirect, consequential, compensatory, incidental, actual, exemplary, punitive or special and including, without limitation, any loss of business, revenues, profits, data, use, goodwill or other intangible losses (collectively, “Damages”) whatsoever, on the part of any of the Released Parties. Each of the Released Parties shall not be liable to any subscriber for any type of Damages, even if and notwithstanding the extent any of the Released Parties has been advised of the possibility of such Damages. Each subscriber agrees not to seek any refund, compensation or reimbursement from any of the Released Parties, regardless of the reason, and regardless of whether the reason is identified in this White Paper or any Subscription Agreement or any other document.
- (c) Without prejudice to the foregoing, in no circumstances shall the aggregate liability of the Released Parties, whether in contract, warrant, strict liability, tort or other theory (including, without limitation, negligence of any kind and to the fullest extent permitted by law), for Damages to any subscriber exceed the amount of monetary value received by the Issuer (if any) pursuant to the utility token offering described in this White Paper.
- (d) Each subscriber acknowledges, understands and agrees that none of the Released Parties shall be liable, and such Released Parties disclaim all liability to such subscriber, in connection with any force majeure event, including acts of God, labour disputes or other industrial disturbances, electrical, telecommunications, hardware, software or other utility failures, software or smart contract bugs or weaknesses, earthquakes, storms, or other nature-related events, blockages, embargoes, riots, acts or orders of government, acts of terrorism or war, technological change, changes in interest rates or other monetary conditions, and, for the avoidance of doubt, changes to any blockchain-related technology.
- (e) To the fullest extent permitted by applicable law, each subscriber releases the Released Parties from any and all responsibility, liability, claims, demands, and/or Damages of every kind and nature, known and unknown (including, but not limited to, claims of negligence), including but not limited to claims arising out of or related to disputes arising out of or related to the acts or omissions of third party participants of the Hamilton Systems Network.
- (f) Indemnification: To the fullest extent permitted by any applicable law, each subscriber shall indemnify, defend and hold harmless and reimburse the Released Parties from and against any and all actions, proceedings, claims, Damages, demands and actions (including without limitation fees and expenses of counsel) commenced by such subscriber against any of the Released Parties, arising from or relating to any matter disclaimed by the Issuer and/or any Released Parties in this White Paper or any Subscription Agreement or other applicable documents.

## 10. **ARBITRATION**

Section 12 of the Anguilla Utility Token Offering Act (No. 4/2018) provides:

- (1) An issuer may elect to stipulate that any disputes arising out of or related to a subscription to the utility token offering (whether initial, secondary or otherwise) shall be restricted to resolution by arbitration.
- (2) In the event of such election pursuant to subsection (1), and subject to section 10(5), any subscriber wishing to exercise any right of recourse, including the right to invoke sections 10 and 11 of this Act, shall be limited to resolving such claims by such arbitration.

THE ISSUER ELECTS TO STIPULATE THE RESOLUTION OF ANY DISPUTES ARISING OUT OF OR RELATED TO THE UTILITY TOKEN OFFERING DESCRIBED IN THIS WHITE PAPER BE

## RESOLVED BY ARBITRATION.

- (a) Informal Dispute Resolution: Each subscriber shall cooperate in good faith to resolve any dispute, controversy or claim arising out of, relating to or in connection with this White Paper and the utility token offering described herein, including with respect to the formation, applicability, breach, termination, validity or enforceability thereof (“Dispute”). If the parties to any Dispute are unable to resolve a Dispute within ninety (90) days of notice of such Dispute being received by all parties thereof, such Dispute shall be finally settled by Binding Arbitration, as defined hereinafter.
- (b) Binding Arbitration: Any Dispute not resolved within 90 days as set forth hereinbefore shall be referred to and finally resolved by arbitration under the London Court of International Arbitration (LCIA) Rules in effect at the time of the arbitration, except as they may be modified herein or by mutual agreement of the parties to such arbitration. The number of arbitrators shall be one who shall be selected by the parties to the arbitration. The seat, or legal place, of arbitration, and the situs of the arbitration, shall be ANGUILLA. The language to be used in the arbitral proceedings shall be English. The governing law of this White Paper and the utility token offering described herein, for the purposes of the interpretation and constructions of the provisions of the White Paper, utility token offering described herein and the contractual relations created thereby, shall be the Law of Anguilla. The arbitration award shall be final and binding on the parties thereto (“Binding Arbitration”). Each party to the arbitration undertakes to carry out any award without delay and waive its right to any form of recourse insofar as such waiver can validly be made. Judgment upon the award may be entered by any court having jurisdiction thereof or having jurisdiction over the relevant party or its assets. Without prejudice to any indemnification provision set forth in this White Paper, the Subscription Agreement or any other applicable documents, each party to arbitration shall pay their respective attorneys’ fees and expenses.
- (c) No Class Arbitrations, Class Actions or Representative Actions: Any dispute arising out of or related to the utility token offering described in this White Paper shall be personal to the parties to the arbitration and shall not be brought as a class arbitration, class action or any other type of representative proceeding. There shall be no class arbitration or arbitration in which an individual attempts to resolve a dispute as a representative of another individual or group of individuals. Further, and to the furthest extent permitted by applicable law, a dispute cannot be brought as a class or other type of representative action, whether within or outside of arbitration, or on behalf of any other individual or group of individuals.

## 11. ACCOUNTING

The Issuer is a newly established Foundation and has not completed a financial year in operation. Accordingly there are no financial statements available for the Foundation at the time of the preparation of this White Paper.

From the date of commencement of the utility token offering described by this White Paper, and ending at the date of the general release to, or availability of access by, the public of the Hamilton Systems Network (“Reporting Period”), the Issuer shall maintain adequate accounting records and prepare financial statements in respect of each financial year and in accordance with generally accepted accounting principles. Copies of such accounting records and financial statement shall be (a) filed with the Anguilla Financial Services Commission (b) kept at the registered office of the Issuer and (c) published on the internet and available to subscribers at [www.hamilton-foundation.com](http://www.hamilton-foundation.com)

During the Reporting Period, the Issuer shall publish at reasonable intervals, but no less than once each calendar quarter, information detailing the current financial and operations status of the Issuer.

PRIOR TO THE UTILITY TOKEN OFFERING DESCRIBED IN THIS WHITE PAPER, THE ISSUER SHALL HAVE COMPLETED GENERATION OF THE HST TOKEN AND SAME SHALL BE AVAILABLE FOR SUBSCRIPTION IN THE MANNER DESCRIBED IN THIS WHITE PAPER. THE DELIVERY OF HST TOKENS TO SUBSCRIBERS AND PURCHASERS OF THE HST TOKEN SHALL COMPLETE THE LAUNCH OF THE HAMILTON SYSTEMS NETWORK PLATFORM, WHICH PLATFORM SHALL THEREAFTER BE AVAILABLE TO OTHER PARTICIPANTS THAT MAY SEEK TO JOIN THE NETWORK. ACCORDINGLY, IT IS NOT CONTEMPLATED BY THE ISSUER THAT THERE WILL BE ANY REPORTING PERIOD WITH RESPECT TO THE UTILITY TOKEN OFFERING DESCRIBED IN THIS WHITE PAPER.

## **12. TAXATION**

### **Anguilla Tax Aspects**

Under the existing legislation in Anguilla, there are no income, capital gains or withholding taxes payable by the Issuer, or any subscriber to the utility token offering described in this White Paper, due or payable in Anguilla, save and except such levies as are prescribed by the Anguilla Utility Token Offering (Levies) Regulations.

ALL PERSONS SHOULD OBTAIN INDEPENDENT LEGAL, FINANCIAL AND TAX ADVICE IN THEIR JURISDICTION OF CITIZENSHIP, RESIDENT OR DOMICILE PRIOR TO MAKING ANY DETERMINATION AS TO WHETHER OR NOT TO SUBSCRIBE FOR THE HST TOKENS AND ANY TAX CONSEQUENCES THEREOF.

## **13. JURISDICTION**

The utility token offering described in this White Paper, and the contractual relations created thereby and performance thereof, along with the Subscription Agreement and other applicable documents, shall be governed exclusively by the Laws of Anguilla, without giving effect to its principles or rules of conflict of laws, to the extent such principles or rules are not mandatorily applicable by statute and would permit or require the application of the laws of another jurisdiction.

Without prejudice and expressly subject to any Arbitration Clauses incorporated in this White Paper, the Subscription Agreement or other applicable documents, the Eastern Caribbean Court (Anguilla Circuit) shall be the exclusive forum with respect to any matter arising out of related to this White Paper, the Subscription Agreement or other applicable documents.

[This White Paper may be translated into other languages but in the event of any inconsistency or ambiguity as to the meaning of any word or phrase in any such translation, the English text shall prevail.]

## **14. DOCUMENTS AVAILABLE**

The Declaration of Establishment of the Issuer is set out in the Appendix to this White Paper.

## **15. SUBSCRIBERS' RIGHTS**

Section 10 of the Anguilla Utility Token Offering Act (No. 4/2018) provides as follows:

- (1) If a registered issuer publishes a white paper or any amendment thereto that contains a material misrepresentation relating to any of the disclosures required under section 9(3)(a), a person who subscribed for utility tokens pursuant to such white paper or amendment thereto is deemed to have relied upon the misrepresentation and shall have the rights provided in subsection (2).
- (2) A person referred to in subsection (1) may elect to exercise a right of action against the issuer –
  - (a) for the rescission of the subscription, or
  - (b) for damages.
- (3) For the purposes of this section, “misrepresentation” means –
  - (a) an untrue or misleading statement of any of the disclosures required under the sections 9(3)(a) and 9(5); or
  - (b) an omission to disclose any of such disclosures.
- (4) An issuer shall not be liable under this section if such issuer proves that the subscriber subscribed for the utility tokens offered by the white paper or amendment thereto with knowledge of the misrepresentation.
- (5) The right of action against an issuer for rescission or for damages conferred by subsection (2) shall be the sole right of recourse the plaintiff may have at law, with the exception of a claim for civil fraud, whether or not, but for this provision, a plaintiff would otherwise have had a right of recourse, in law or in equity, against any issuer or parent, subsidiary or affiliate thereof, or any principal, director, officer, shareholder, partner, member, advisor, representative, servant, employee or agent thereof.

### **Limitation**

Section 11 of the Anguilla Utility Token Offering Act (No. 4/2018) provides as follows:

- (1) Notwithstanding any provision of law to the contrary, proceedings pursuant to section 10 (2) may not be commenced after –
  - (a) 180 days from the day that the plaintiff first had knowledge of the misrepresentation, or
  - (b) one year from the date of the subscription transaction that gave rise to the cause of action, whichever is earlier.
- (2) Proceedings may be commenced after the limitation periods prescribed in section 11(1) have expired, if a plaintiff can demonstrate to the satisfaction of the court that it is in the interest of justice for the limitation period to be extended.
- (3) In any action under section 10(2), the amount recoverable shall not exceed the subscription price for which the utility tokens were subscribed, along with any fees or other charges paid by the Plaintiff with respect to such subscription.

### **16. DISCLOSURE OF INFORMATION**

This White Paper provides a full and accurate disclosure of all such information as potential subscribers to the utility token offering described herein reasonably would require and expect to find for the purpose of making

an informed decision to subscribe for the HST Tokens, including any information as may be prescribed by regulations prescribed under the Anguilla Utility Token Offering Act (No. 4/2018)

#### 17. MODIFICATION

The Issuer may vary, modify, amend or repeal/replace this White Paper, in part or in full, at any time by publishing a revised version thereof on the internet at [www.hamilton-foundation.com](http://www.hamilton-foundation.com)

The varied, modified, amendment or repealed/replaced version of this White Paper will become effective immediately upon the publishing thereof. It is the subscribers responsibility to regularly check the aforesaid website for same.

#### 18. ELECTRONIC COMMUNICATIONS

Subscriber agrees and acknowledges that all agreements, notices, disclosures and other communications that issuer provides Purchaser in connection with or related to the subscription for HST Tokens, including this White Paper, the Subscription Agreement or other applicable documents, may be provided by the Issuer, in its sole discretion, to subscriber, in electronic form.

#### 19. REGULATION

The Issuer for the utility token offering described in this White Paper is registered under Section 11 of the Anguilla Utility Token Offering Act (No. 4/2018 and subject to the regulation of the Anguilla Financial Services Commission.

Approved by the Foundation Council of Hamilton Development Foundation as of this 05<sup>th</sup> October 2020

  
Council Member

  
Council Member

## **APPENDIX**

### **TECHNICAL DESCRIPTION OF THE HSYSTEMS SOFTWARE**

The HSYSTEMS software is the core component of the repository service provided by Hamilton Systems Limited. It acts as the backbone for all user, account and transaction management. In addition, it offers a wide set of endpoints to make it easier for developers to build transactional applications and systems.

The software provides a wide range of resources that make it easier to administer financial technology solutions. A total of five core resources are pivotal to using the software. These resources are:

- (1) Users
- (2) Assets
- (3) Accounts
- (4) Transaction Collections
- (5) Transactions

Beside of the users, the software platform supports the creation/registration of users under specific groups (roles) and permissions. Users have access to a multitude of attributes and properties that can be used to store identity information as well as the other settings.

Before transactions can be made within the software system at least two areas need to be defined first: a currency and an account. Currencies are those that the resource system of the software uses to define common value (or assets) in the software. In the initial iteration of the HSYSTEMS software, the currency will consist of a specified utility tokens or cryptocurrency such as Bitcoin, Ethereum or the HST Token, although the software is capable of allowing a currency to represent any token, a fiat currency, or other cryptographic representation.

The second requirement for creating transactions (after the currency) is an account. Accounts will be the containers that store user balances in relation to specific tokens or cryptocurrencies. In addition, accounts may have other settings or permissions attached to them depending on the use-case. Generally, every user of the HSYSTEMS will require one or more accounts and each one of these accounts may have several distinctive cryptocurrencies inside it. These accounts are identified as Repository Accounts.

Transaction collections are a way to group multiple transactions under a single identifier. Every transaction is part of a single transaction collection. A transaction collection can contain multiple different transactions, with different types, subtypes and accounts.

In simple terms transaction collections are used to “organize” transactions. As an organization structure, transaction-collections allow for the creation of multiple transactions within an atomic batch. These transactions can have complex relationships with each other: partners (transfers i.e. transactions that are transfers between two accounts), parents (transactions that need to be defined as a child of another transaction) and inferred (transactions created internally within the software due to defined settings).

Transactions are a way to manage value on and between Repository Accounts. Every transaction can be either a debit or a credit. In simple terms debit reduces an account’s balance and a credit increases an account’s balance. A transfer can be thought of as a 2-step transaction where one user’s Repository Account is debited and another user’s Repository Account is credited with the corresponding amount. This structure allows for easy verification of balances and can be used to back track to a specific point in time to discover what the balance was.

Transactions can be made by both admin users and end-users. However, end-users are not permitted to alter the default status (Pending) of a transaction or modify the status after the transaction is created. Only admin users have permission to make changes to an already saved object.

Once a user has logged in and received authorization to access his Repository Account, each subsequent request should include that authorization in the HTTP Authorization header. Authorizations expire 10 hours after creation. Once an authorization has expired, login is required in order to re-authenticate.

The authorization protocol allows for a single user to have multiple active authorizations on separate devices as well as the ability for users to create authorizations that do not expire.

There are two base resources for users - the dashboard and client login page (or application). The dashboard allows administrator users to create, modify, delete and approve core resources in the system.

The core software offers several extensions that can be used to extend the functionality of the software. These extensions are designed to work alongside the software in order to provide additional functionality like cryptocurrency compatibility, notifications, and rewards.

The software uses industry-standard public-key cryptography tools and techniques, which means the code is well tested and well understood. All transactions occur within the network, which means the movement of cryptocurrencies can always be audited by the Repository Administrator.

It's critical for any software managing the flow of cryptocurrency to be designed to follow security best-practices. Cryptocurrency-enabled software and applications are significant targets for malicious actors as they enable the attacker to realize immediate monetary gain from exploits. All necessary security measures implemented in the software to cover the most common vulnerabilities.

Apart from any IT measures the software allows to use the most common security measures for the user accounts such as multi-factor authentication and email/SMS notifications. To prevent the loss of user login credentials the Repository Administrator shall have the rights to freeze any core resources in a Repository Account as well as to resend email verification or password reset links.

## APPENDIX

[Summary of Security Protocols of Hamilton Systems Limited]

### Repository Management System

- HSL employs a Repository Management System whereby the private key material required to access aggregated user derived tokens is managed by a third party (HSL) and user tokens are represented in a secondary ledger within the HYSTEMS software

### Blockchain Integrity

- General decentralized and geographically distributed infrastructure underlying blockchain technology for primary tokens managed by HSL e.g. Stellar, BTC and ETH
- HST Token built on Stellar blockchain with inherent resilience against brute force, ransomware and 51% attacks
- Low incentive to attacks aimed at asset theft or HSL system corruption

### Ledger Integrity

- HYSTEMS secondary (private) ledger and database geographically distributed
- Low incentive to attacks aimed at asset theft or HSL system corruption

### Crypto Asset Risk Management

- User derived tokens are aggregated in one or several tranches with private key material stored via -
  - Hot/Warm wallets with multi signature and private key managed security
  - Cold Storage with multi signature and private key managed security including but not limited to geographically distributed vaults for holding drives and paper backups
- Hot/Warm wallets limited to +/- 2% of aggregate user derived tokens, subject to review based on transactional rate on HYSTEMS
- Security protocols subject to certified third party audits of hot/warm and cold storage management protocols and implementation

### User Access

- Secondary ledger representation of user tokens
- Strong password checker and password reset feature on user accounts
- User account pre-access verification protocol, including telephone number and email address
- Optional Multi Factor Authentication when accessing user accounts including but not limited to mobile phone code retrieval and Google Authenticator
- Closed circuit transaction system within HYSTEMS
- No “off-ramp” permissions for HST Tokens
- Internet access via encrypted SSL (https)
- Rate limited actions (e.g. login attempts)

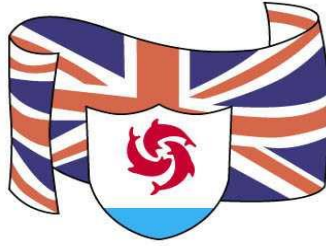
### Personnel

- HSL personnel subject to criminal background checks
- HSL hard drives required to be encrypted and utilizing strong passwords
- Mandatory device screen lock

SECURITY PROTOCOLS SUBJECT TO CHANGE WITHOUT NOTICE TO MITIGATE AGAINST ARCHITECTURE ANALYSIS, PLANNED ATTACKS AND KNOWN SYSTEM VULNERABILITIES

## **APPENDIX**

[Declaration of Establishment for the Hamilton Development Foundation]



**ANGUILLA**

**ANGUILLA FOUNDATION ACT, 2008**

**Section (13) (5) (B)**

**CERTIFICATE OF REGISTRATION**

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Foundation Number: **0121**

*The Registrar of Foundations hereby certifies that*

**Hamilton Development Foundation**

*has been registered as a Foundation in Anguilla.*



Registrar of Commercial Activities

Dated this 22nd day of April 2020



**EXTRACT FROM THE COMMERCIAL REGISTER**  
**(In accordance with the Anguilla Foundation Act, 2008)**  
**Section (13) (5) (C)**  
**Hamilton Development Foundation**  
**("the Foundation")**

The Registrar of Foundations hereby confirms and certifies that the information extracted from the foundation register is as follows:

1. The Foundation exists and operates under the laws of Anguilla and is in full force and good standing.
2. The Foundation was registered in Anguilla on the 22nd day of April, 2020.
3. The registered number of the Foundation is 0121.
4. The Purpose of the Foundation is:

The Hamilton Systems Network consists of (a) AML/KYC compliant and feature rich cryptocurrency repository accounts operated and administered by Hamilton Systems Limited, an Anguilla incorporated limited company (b) the HST Token which allows for decentralized, secure and frictionless payment of repository fees to Hamilton Systems Limited and (c) a payment network allowing for transfers of cryptocurrencies between repository accounts within an insulated AML/KYC compliant system.

The purpose of the Hamilton Development Foundation is to generate issue and/or distribute HST Tokens and thereupon to sponsor, promote and support the Hamilton Systems Network, including but not limited to contributing to the development of blockchain and software components underlying or participating in the Hamilton Systems Network.

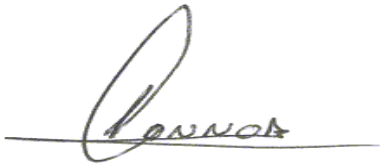
5. The Foundation Council of the Foundation as at the date of this extract are:

Ivor Omson of Dolphin House, Jones Estate, St. Thomas Parish, Nevis, St. Kitts & Nevis.

Ksenia Pauls of Dolphin House, Jones Estate, St. Thomas Parish, Nevis, St. Kitts & Nevis.

6. The Registered Agent of the Foundation as at the date of this extract is:

Centurion Financial Services Inc., Spencer House, The Valley, Anguilla, AI2640

A handwritten signature in black ink, appearing to read "P. ANNOR", is written over a horizontal line.

Dated this 22nd day of April 2020  
Registrar of Commercial Activities

## ANGUILLA FOUNDATION ACT

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### DECLARATION OF ESTABLISHMENT

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The undersigned, being a natural or legal person, acting as Founder(s) in accordance with the provisions of the Anguilla Foundation Act (c. A62) (the "Act") hereby establishes a Foundation, being a legal entity constituted in and governed by the Laws of Anguilla as follows:

#### Name of Foundation

1. The name of the Foundation shall be: Hamilton Development Foundation  
(Hereinafter the "Foundation")

#### Initial Property Endowment

2. The Initial Property Endowment of the Foundation shall be in the form of money or property to the value of US\$ 10, 000.00 (Ten Thousand Dollars United States Currency).

The Initial Property Endowment has been, or will be prior to the registration of the Foundation or deposit of the Foundation documents, placed under the control of the designated Registered Agent of the Foundation and shall become the property of the Foundation upon registration of the Foundation or deposit of the Foundation documents, as applicable.

A certified confirmation, by the designated Registered Agent, accompanies this Declaration of Establishment ("Declaration") that such Initial Property Endowment shall be readily available to the Foundation and will be vested in or under its legal control immediately upon the acquisition of legal personality by the Foundation pursuant the Act.

#### Founder(s)

3. The name of the Founder(s) is/are: Ivor Omson  
Dolphin House, Jones Estate



St. Thomas Parish, Nevis, St. Kitts & Nevis

(Hereinafter the "Founder" or "Founders")

#### **Foundation Council**

4. The first member(s) of the Foundation Council shall be as follows:

- a. Ivor Omson of Dolphin House, Jones Estate, St. Thomas Parish, Nevis, St. Kitts & Nevis
- b. Ksenia Pauls of Dolphin House, Jones Estate, St. Thomas Parish, Nevis, St. Kitts & Nevis

Unless otherwise limited, extended or modified in any By Laws of the Foundation, the member(s) of the Foundation Council shall have, and be subject to, the powers, duties and responsibilities set forth in sections 20 and 21 of the Act and shall be entitled to indemnification as set forth in section 22 of the Act.

#### **Registered Agent**

5. The Registered Agent of the Foundation is/shall be:

Centurion Financial Services Inc.  
Spencer House, The Valley, Anguilla  
AI2640

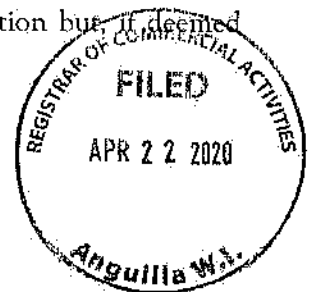
#### **Secretary**

6. The Secretary of the Foundation is/shall be:

Centurion Financial Services Inc.  
Spencer House, The Valley, Anguilla  
AI2640

#### **Guardian**

7. No Guardian shall be appointed at the establishment of the Foundation but, if deemed necessary, may be appointed by the Foundation Council thereafter.



#### **Purpose(s) of Foundation**

8. The purposes of the Foundation shall be as follows:

The Hamilton Systems Network consists of (a) AML/KYC compliant and feature rich cryptocurrency repository accounts operated and administered by Hamilton Systems Limited, an Anguilla incorporated limited company (b) the HST Token which allows for decentralized, secure and frictionless payment of repository fees to Hamilton Systems Limited and (c) a payment network allowing for transfers of cryptocurrencies between repository accounts within an insulated AML/KYC compliant system.

The purpose of the Hamilton Development Foundation is to generate, issue and/or distribute HST Tokens and thereupon to sponsor, promote and support the Hamilton Systems Network, including but not limited to contributing to the development of blockchain and software components underlying or participating in the Hamilton Systems Network

#### **Provision for Beneficiaries**

9. The Foundation may, in its By Laws or otherwise, establish and implement such procedures, provisions and requirements, as it deems fit, for the designation of Beneficiaries, from time to time.

#### **Designated Beneficiaries**

10. There are no designated Beneficiaries at the establishment of the Foundation.

#### **Other Exercise of Powers**

11. There are no provisions for the exercise of powers, with respect to the Foundation, otherwise than by the Foundation Council, save as set forth in the By Laws, from time to time.

#### **Appointment and Removal of Foundation Council**



12. Members of the Foundation Council shall be appointed, removed or otherwise changed, in accordance with the provisions set forth in the By Laws, from time to time.

#### **By Laws and Amendment of By Laws**

13. The Foundation Council may adopt, amend, repeal or otherwise modify such By Laws of the Foundation (or any part thereof) as may be deemed fit, following the establishment of the Foundation and from time to time.

The first By Laws of the Foundation may be adopted by majority vote of the Foundation Council and shall be signed by each member of the Foundation Council at the time of such adoption.

Any By Laws of the Foundation may include regulations:

- (a) Concerning distributions or applications of the Initial Property Endowment or other additions thereto;
- (b) Naming beneficiaries, defining classes of beneficiaries or providing for additional beneficiaries of the Foundation;
- (c) Providing for the identification of the residual beneficiary on a dissolution of the Foundation;
- (d) Providing guidelines, policies and procedures of the Foundation Council; and/or
- (e) Providing for any other lawful matter compatible with the purposes of the Foundation.

#### **Amendment of Declaration of Establishment**

14. The Declaration of Establishment (or any part thereof) may be amended, repealed or otherwise modified from time to time, by no less than a two-third (2/3) majority vote of the Foundation Council or as otherwise set forth in the By Laws, from time to time.

#### **Application of Property upon Dissolution**

15. Provisions concerning the application of the property of the Foundation in the dissolution of the Foundation shall be as set forth in the By Laws, from time to time.



#### Term of Foundation

16. Subject to the Act, the term of the Foundation shall be INDEFINITE, unless (a) the Foundation Council shall resolve to terminate and/or dissolve the Foundation in accordance with any relevant provisions of the By Laws or (b) the Foundation is terminated and/or dissolved in accordance with the terms of an Order of any competent Court of Law in Anguilla.

#### Governing Law

17. This Declaration of Establishment shall be interpreted in accordance with the Laws of Anguilla, British West Indies and any dispute or controversy arising out of or related to this Declaration of Establishment, or the Foundation established therefrom, shall be governed by the Laws of Anguilla, British West Indies.

#### Registration/Deposit

18. This Declaration of Establishment shall be REGISTERED in accordance with section 13 of the Act and any amendment or change to the Declaration of Establishment thereafter shall be notified to the Registrar of Foundations in accordance with section 16 of the Act.

DECLARED this 20th day of April 2020 by the above named Founder(s):

Ivor Omson  
Ivor Omson

Witness:  
Ksenia Pauls

Ksenia Pauls

