

STAKING AGREEMENT

This Staking Agreement (“**Agreement**”) is made as of [DATE OF AGREEMENT], 2019 (“**Effective Date**”), by and between:

- 1) **TokenStars Group Limited**, a company registered in the British Virgin Islands with company registration number 1953160, whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, the British Virgin Islands (“**TokenStars**”), and
- 2) [PLAYER’S DETAILS: full name, passport/ID details, registered address] (“**Player**”),

hereinafter collectively referred to as the “**Parties**” and individually as a “**Party**”.

WHEREAS TokenStars is a talent management platform. TokenStars supports the career development of promising athletes and players and provides marketing promotion to them.

WHEREAS Player is a talented poker player who is committed to developing his/her professional career.

WHEREAS TokenStars and Player wish to enter into this Agreement to cooperate and outline their respective rights and obligations and have confirmed this by signing a copy of this Agreement.

NOW, THEREFORE, in consideration of the mutual benefits and covenants herein provided, TokenStars and Player agree as follows:

1. Objectives

- 1.1. The ultimate goal of this Agreement is the support of Player’s professional career development in poker by providing the funding (**Staking**) and marketing assistance on mutually beneficial financial terms.
- 1.2. TokenStars aims to the long-term cooperation with the players it supports and may assist them in other poker-related activities, like providing coaching to Player and opportunity to coach TokenStars’ website users, personal brand development, advertising. The good Player’s performance will result in increase of buy-in limits and extension of this Agreement.
- 1.3. TokenStars aims to support and motivate Player and, therefore, this Agreement provides Player with basic 50% and bonus (up to 80%) shares in profit and 50% share in rakeback.
- 1.4. TokenStars understands the risks regarding the game and wants to align the risk with the player, therefore, TokenStars agrees in some cases to waive the Player’s outstanding makeup (if any) partially or fully.
- 1.5. The Parties acknowledge that this Agreement is not a contract of employment and the signing of the Agreement will not create an employment relationship between Player and TokenStars.
- 1.6. This Agreement is drafted in accordance with good faith and current Parties’ understandings.

2. Definitions

- 2.1. In addition to the definitions contained elsewhere in the text of this Agreement, the following terms and expressions shall have the meaning ascribed to them here below:

“**Buy-in**” means the amount of money the Player is obliged to pay to take part in an online poker tournament. For the purpose of this Agreement, term Buy-in includes any commission (“**Rake**”) Player will have to pay to poker website for participation in a poker tournament.

“**Tournaments**” means poker tournaments specified in Clause 4.

“**Session**” means Tournament Player will play during 1 (one) day.

“**Stake**” means the money provided by TokenStars to Player for playing in Tournaments.

“**Accounts**” means Player’s accounts within electronic payment service or poker websites for transferring Stake that shall be provided to TokenStars additionally.

“**Unused Stake**” means any amount of Stake held on Accounts less the amount necessary to play 2 (two) following Sessions. For example, after losing \$2,000 in a row, Player has won \$1,500, he is still in the makeup of \$500, but \$1,500 are held on Accounts. In this case, Player shall transfer to TokenStars \$1,500 less the amount needed to play 2 (two) following Sessions.

“**Profit**” means the total prize amount won by Player in Tournaments less the total amount of Buy-ins for these Tournaments. Profit will be split between TokenStars and Player in accordance with the terms and conditions of this Agreement.

“**Makeup**” means the outstanding amount of funding, received by Player from TokenStars, calculated according to the following formula: *(Stake actually transferred to Player) — (any money paid by Player to TokenStars)*. Before any Profit can be split, all prize amounts will be used to repay the amount of Makeup. “Being in Makeup” means that Player owes Makeup to TokenStars.

“**Reporting Date**” means every Monday or the date of termination of this Agreement.

“**ROI**” is the return of investment and shall be calculated according to the following formula: *(Total amount of Profit) / (Total amount of Buy-ins) x 100%*. For example, in the case when the total amount of Profit is \$2,500, Total amount of Buy-ins (incl. Rake) is \$10,000, ROI will be 25% and the calculation will be \$2,500 / \$10,000 x 100%.

3. Stake

- 3.1. TokenStars will provide Player with Stake of up to _____ [150 X THE AMOUNT SPECIFIED IN CLAUSE 4.2]. Stake will be transferred to Accounts in parts via electronic payment service agreed by the Parties or via poker website’s services. The first part of Stake to be transferred to Player will be in the amount necessary to play 2 (two) Sessions.
- 3.2. Player shall use Stake to pay for Buy-ins in the Tournaments specified herein.

4. Tournaments [SPECIFIC TOURNAMENT GRID CAN BE AGREED]

- 4.1. Poker websites where Player will play: _____.
- 4.2. Player will play under the following screen names:
 - 4.2.1. _____ (Sharkscope link _____);
 - 4.2.2. _____ (Sharkscope link _____).
- 4.3. Player may play the following types of Tournaments with following Buy-in limits: _____.
- 4.4. The initial number of Tournaments Player will play under this Agreement is _____ (“Set”). However, after each Set, this Agreement will be automatically extended for the same number of Tournaments if no Party expresses its intent to terminate this Agreement.
- 4.5. The minimum number of Tournaments Player shall play during the month is _____.
- 4.6. Player will start playing Tournaments within 2 (two) days after TokenStars transfers the first part of Stake.

5. Profit

- 5.1. Under this Agreement Player is entitled to receive the share in Profit on the following terms. The higher results Player shows the higher share in Profit he gets.

ROI for the SET	Additional share of Profit	Example WITH BONUS SPLIT for \$10,000 Stake	Extra Profit in Player's favor
≤15%	50%	Profit = \$1,500 Player's share = \$1,500*50% = \$750	-
>15% — ≤30%	60% of additional profit	Profit = \$3,000	\$150

		Player's share = $\$1,500 \times 50\% + \$1,500 \times 60\%$ = \$1,650	
>30% — ≤45%	70% of additional profit	Profit - \$4,500 Player's share = $\$1,500 \times 50\% + \$1,500 \times 60\%$ $+ \$1,500 \times 70\% =$ \$2,700	\$450
>45%	80% of additional profit	Profit - \$6,000 Player's share = $\$1,500 \times 50\% + \$1,500 \times 60\%$ $+ \$1,500 \times 70\% +$ $\$1,500 \times 80\% =$ \$3,900	\$900

- 5.2. For the purpose of this Agreement, the term Profit includes 50% (fifty percent) of a part of poker website's commission that can be repaid to Player ("Rakeback"). Other 50% (fifty percent) of Rakeback belongs solely to Player.
- 5.3. Any poker websites bonuses other that prize amounts for playing Tournaments belong solely to Player.
- 5.4. Profit can be split only if Player isn't in Makeup. Before Player is in profit all prize amounts won by Player will be used to cover Makeup.
- 5.5. On every Reporting Date:
 - 5.5.1. If Player isn't in Makeup, Parties will split Profit;
 - 5.5.2. Player will calculate Unused Stake if any;
 - 5.5.3. Player will provide to TokenStars reports specifying results of all Tournaments, he has played since the last Reporting Date, including Buy-in and prize amounts, the balances of Player's Accounts and the history of transactions within Accounts.
- 5.6. All additional shares in Profit (ROI >15%) will be calculated and split between Player and TokenStars after Player has played each Set.
- 5.7. Player shall transfer the TokenStars' share in Profit and/or Unused Stake in accordance with Clause 10 within 5 (five) days after the Reporting Date.
- 5.8. In the case when after any 100 Tournaments Player is in profit, TokenStars may each time increase the Buy-in limits up to 100%. However, in the case when Player shows negative results, TokenStars may at any time to decrease the Buy-in limits. If after some time Player improves his results, TokenStars may allow Player to play higher Buy-in limits again.
- 5.9. Player may at any time repay Makeup from personal funds and, therefore, will be entitled to his share in Profit.
- 6. Player's Obligations**
 - 6.1. Player represents and warrants that as of the date of this Agreement and at any time during the term of this Agreement Player doesn't and won't have any debt to other stakers and/or players, except when Player sells shares in Buy-ins during the online poker series.
 - 6.2. At the moment when TokenStars transfers first part of Stake to Player, Accounts shall be empty (balance is \$0). Otherwise, Parties shall record the existing balances. Player shall agree on all withdrawals and transactions with TokenStars.
 - 6.3. During the term of this Agreement, Player may not enter into any staking agreement with any third party without express permission of TokenStars, except when Player sells shares in Buy-ins during the online poker series.

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- 6.4. Upon TokenStars' request Player shall provide TokenStars with reports regarding Player's performance under this Agreement and the history of the transaction within agreed poker websites. Information that should be included in the reports will be prescribed by TokenStars.
 - 6.5. During the term of this Agreement, all information for Player's screen names must be unblocked and available on Sharkscope (<https://www.sharkscope.com/>).
 - 6.6. Player is fully responsible for the security of his account on poker websites. In the case of hacking, Player will still be obliged to make all payments due to TokenStars.
 - 6.7. During the term of this Agreement, Player may with prior TokenStars' consent play on his own behalf those poker games that are not listed in this Agreement. Player shall play these games in such a manner as to maintain TokenStars' trust and to provide the highest level of play while playing Tournaments under this Agreement. Player shall not allow himself to become exhausted and shall not risk his bankroll in such a manner that it can endanger Stake.

7. Representation and Additional Monetization

- 7.1. During the term of this Agreement Player agrees to be endorsed in the TokenStars informational materials and marketing communications, including the following:
 - 7.1.1. to be represented on the TokenStars' official website and in any marketing and promoting materials of TokenStars in media, social media, etc.;
 - 7.1.2. to take part in marketing & PR activities with TokenStars website users to increase Player's recognition among poker audience and create monetization opportunities. These activities conducted upon TokenStars' request, may include personal coaching (provided by the Player to users), small group coaching, taking part in tournaments organized by TokenStars, ask-me-anything sessions, interviews, and other activities for the poker fans to be proposed by TokenStars. If these activities will be provided to the users on a paid basis, the Player will be entitled to receive commissions from the proceeds.

8. Term of the Agreement

- 8.1. The term of this Agreement shall commence on the Effective Date and is intended to remain in force until all obligations of the Parties under this Agreement are satisfied but may be terminated earlier in accordance with the provisions of Clause 9.

9. Termination of the Agreement

- 9.1. If Player isn't in Makeup:
 - 9.1.1. Player may at any time unilaterally terminate this Agreement after transferring TokenStars' share in Profit and any Stake held on Accounts.
 - 9.1.2. TokenStars may at any time terminate this Agreement. In this case Player shall pay any amounts due to TokenStars, including TokenStars' share in profit, any Stake held on Accounts, etc., within 5 (five) days after the date of such termination.
- 9.2. If Player is in Makeup:
 - 9.2.1. Player can unilaterally terminate this Agreement only after repaying the full amount of Makeup and any Stake held on Accounts.
 - 9.2.2. TokenStars may at any time stop providing Stake until Player repays 50% (fifty percent) of the Makeup (other 50% will be forgiven). After repayment of Makeup and any Stake held on Accounts TokenStars may continue to provide Stake or terminate Agreement.
- 9.3. TokenStars may demand repayment of any outstanding debt, including Makeup, TokenStars' share in Profit, any Stake held on Accounts and terminate this Agreement if Player:

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- 9.3.1. uses Stake for any purposes not set forth in this Agreement (e.g. plays tournaments with Buy-ins above limits or other types of tournaments, or casino, etc.);
 - 9.3.2. fails to transfer any amounts due under this Agreement to TokenStars within prescribed timing;
 - 9.3.3. is in breach of any of Clauses 6.1 — 6.5.

In the cases set forth in this Clause Player shall transfer Makeup, TokenStars' share in Profit, any Stake held on Accounts within 5 (five) days after TokenStars' demand in the manner described in Clause 10.

- 9.4. If Player terminates this Agreement before he has played Set, he shall repay to TokenStars the full amount of scouting award received in accordance with Scouting Rewards (https://tokenstars.com/pdfs/TS_Scouting_Rewards.pdf) to TokenStars' wallet address provided additionally.
- 9.5. If any sport's governing body (international or domestic) having authority over either Party prohibits or will prohibit the type of arrangements similar to this Agreement, this Agreement shall be terminated automatically, except the provisions regarding the Name and Likeness Rights Section.

10. Profit Sharing and Makeup Terms

- 10.1. In the cases set forth in Clauses 9.2, 9.3, Player shall repay to TokenStars Makeup and/or any Stake held on Accounts in USD to the account and in the manner specified by TokenStars.
- 10.2. The TokenStars' share in Profit shall be paid in TEAM tokens created by TokenStars. The USD/token exchange rate calculated as an average of trading close prices for the last ten (10) days set on Coinmarketcap (<https://coinmarketcap.com/>) or, when Coinmarketcap is not available, on CoinGecko (<https://www.coingecko.com/>) shall apply.
- 10.3. If for any legal reasons the Player will not be entitled to transfer the TokenStars' share in Profit in TEAM tokens, the transfer shall be made in USD to the account and in the manner specified by TokenStars.

11. Name and Likeness Rights

- 11.1. Player hereby grants to TokenStars the right, license, and authority (but not the obligation) during the term of this Agreement to use and display the Player's name, image, likeness, voice, signature, face, photographs, other likeness, and biography (the "**Image Rights**") on TokenStars' website (<http://www.tokenstars.com/>), in publications, channels, promotional and publicity materials, and other means of distribution as TokenStars may determine at any time and from time to time throughout the world, in connection with the business of TokenStars.
- 11.2. In case of termination of this Agreement TokenStars retains the right to publicize and mention the former Player's association with TokenStars and the activities performed by Player during the term of such association with retaining of Image Rights for this purpose.

12. Confidential Information

- 12.1. Player may obtain access to information related to the TokenStars' business (including trade secrets, technical information, business forecasts and strategies, marketing plans, customer and supplier lists, personal information, financial data, and proprietary information of third parties provided to TokenStars in confidence) that TokenStars considers to be confidential or proprietary or has a duty to treat as confidential, excluding such information as Player can demonstrate existed in the public domain as of the date of this Agreement ("**Confidential Information**"). The term Confidential Information also includes the fact of existence, facts, terms, or amount of this Agreement, and the substance of the negotiations leading to this Agreement.

12.2. Player will (a) hold all Confidential Information in strict trust and confidence; (b) not use or permit others to use Confidential Information in any manner or for any purpose not expressly permitted or required by this Agreement; (c) without obtaining the TokenStars' express prior written consent on a case-by-case basis or unless required to do so by law, not disclose or permit others to disclose any Confidential Information to any third party other than his personal counsel or attorney, personal accountants, or personal tax preparer, any such disclosure to such persons to be made only if the relevant person must have such information for the performance of his or her responsibilities.

13. Intellectual Property

13.1. TokenStars warrants and Player acknowledges that the Intellectual Property and all rights in, attaching to or relating to TokenStars, are owned by TokenStars and that Player will not make use of such Intellectual Property, except where permitted or required to do so in accordance with his/her obligations under this Agreement. Player agrees that he/she will not use the Intellectual Property in conjunction with any personal commercial arrangements of Player without the prior written approval of TokenStars.

14. Applicable law

14.1. This Agreement will be governed by and construed and enforced in accordance with the laws of the British Virgin Islands, without regard to conflict of law rules or principles (whether of the British Virgin Islands or any other jurisdiction) that would cause the application of the laws of any other jurisdiction.

15. Disputes Resolution

15.1. The Company and Player shall cooperate in good faith to resolve any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity, interpretation, breach or termination, and any non-contractual obligation or other matter arising out of or in connection with it ("**Disputes**"). If the Parties are unable to resolve a Dispute within 30 (thirty) days after a notice of such Dispute being received by either Party, such Dispute shall be finally settled in an arbitration in accordance with applicable law.

16. Notices

16.1. All notices, demands, documentation regarding this Agreement, including counterparts of this Agreement, or other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given or made when delivered by hand or the day after delivery to an overnight courier service postage prepaid, or in the case of transmission by facsimile, when confirmation of receipt is obtained, or in the case of or email, when email is sent, if addressed/delivered to the other Party as set forth below:

As for TokenStars:

Address: Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, the British Virgin Islands

Email: staking@tokenstars.com

CC email: tokenstars@tokenstars.com

As for Player:

Address: [_____]

Email: [_____]

17. Miscellaneous

17.1. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and, upon its effectiveness, shall supersede all prior agreements, understandings, and arrangements, both oral and written, between TokenStars and

Player (or any of its affiliates) with respect to such subject matter. This Agreement may not be modified in any way unless by a written instrument signed by both TokenStars and Player.

- 17.2. **Survival.** The provisions of Clauses 12 – 17 will survive any termination of this Agreement.
- 17.3. **Severability.** Should any provision of this Agreement, or any provision incorporated into this Agreement in the future, be or become illegal, invalid or unenforceable under the laws of any jurisdiction, the legality, validity or enforceability in that jurisdiction of the other provisions of this Agreement shall not be affected thereby.
- 17.4. **Additional Documents.** The Parties shall execute any and all additional documents and take all appropriate actions as may be necessary to give effect to this Agreement.
- 17.5. **Assignment.** Neither Party shall assign or transfer any of its rights or obligations hereunder without the prior written consent of the other Party.
- 17.6. **Counterparts.** This Agreement may be executed in any number of counterparts and by the Parties to it on separate counterparts and each such counterpart shall constitute an original of this Agreement but all of which together constitute one and the same instrument.
- 17.7. **Interpretation.** In this Agreement:
 - 17.7.1. references to "Clauses" are references to Clauses of this Agreement;
 - 17.7.2. words in headings are for information only and shall not affect the construction of this Agreement; and
 - 17.7.3. references to the singular include the plural and vice versa.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date set forth above.

By TokenStars

By Player

[_____]
 Director
 TokenStars Group Limited

[_____]