



Rulebook

August 2020

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Rulebook

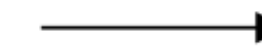
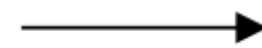
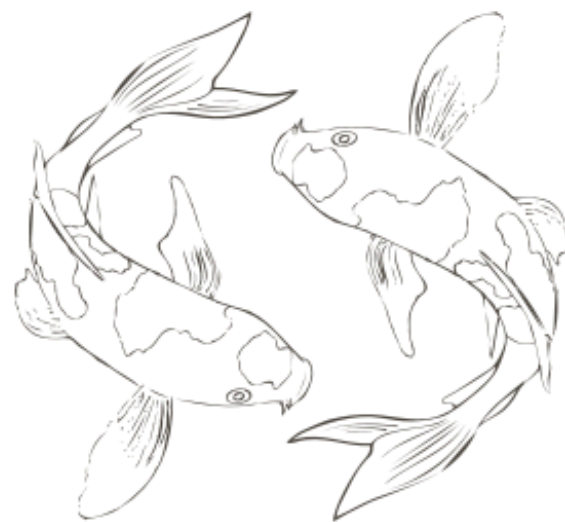
Corporate Info

About Koindex

- Koindex (Koindex Teknoloji Ltd Şti.), is an exchange slated to be operated in Turkey and to be deployed worldwide.
- Koindex is a best of class digital asset exchange with a diverse set of high-quality trading and listing services.
- Koindex puts its global community of users to first by delivering a secure, reliable, transparent, efficient and stable trading platform.
- Koindex offers a unique user-friendly experience towards trade mining that generates gains and rewards.
- Koindex users enjoy an easy, simple and fun interface through slick designs.

Branding

- The name derived from a fish group named 'KOI' well known as a Japanese symbol for wealth and prosperity. Apart from its exceptional beauty, the Koi poses a strong ability to survive and adapt in many climates and water conditions. This ability is directly related to the stability of the KOI token when the market is bearish.
- The symmetrical movement of two KOI represents a state of Balance and Harmony.
- An abstraction forms as they rotate into each other and shape a symbol similar to the Yin-Yang, which stands for opposite or contrary forces being complementary, interconnected, and interdependent in the natural world.
- Any contrast within the Investment world such as Bearish vs. Bullish, Traditional vs. Crypto, Centralized vs. Distributed is melted within the Harmony of the two koi's swimming into each other and forming the symbol of KOI.
- The symbol represents the wealth promised by Koindex's native token KOI, but also a well-balanced investment portfolio to reach prosperity in the long term.



Corporate Principles

Koindex shall adhere to the principles of fairness, integrity, competence, authority and supervision by putting in place proper rules and policies with respect to:

- a. Providing equal access to the market for users towards fairness and non-discretion;
- b. Ensuring integrity and sound business ethics and supervision of financial solvency, capital requirements and adequacy and professionalism;
- c. Maintaining consistent and up-to-date rules and regulations for trading, mining and post-trading;
- d. Continuous, timely and adequate disclosure of information with respect to listed assets and pairs;
- e. Full transparency regarding the pricing of the digital assets trading;
- f. Processing, prioritization and display of market data within the market in order to be equitable and fair to all members;
- g. Ensuring security of users, trades, data and other applications for a sustaining and reliable business continuity operation
- h. Improving the services of clearing, netting and settlement of transactions through a solid wallet and account service;
- i. Maintaining a system of support service for inquiries of users;
- j. Educating personnel and users in order to achieve a more effective and efficient market.

Operational Principles

- Koindex shall maintain a recognized status and accept the obligations that correspond to rights to operate a critical component of the digital asset market.
- Koindex' legal structure shall be of sound financial and operational standing. In this regard, it shall provide the resources available to meet ongoing costs, and have investments, contingency reserves in order to meet assessed risk obligations.
- The organizational structure of Koindex shall be formalized so as to allow for the sound management of commercial operations. In particular: a) The staff and management shall be fit and properly qualified for the responsibilities held; b) The governing body shall establish performance standards and ensure that management fulfills its responsibilities to the users and stakeholders.
- The segregation of liabilities within the organization shall ensure that appropriate and timely measures are applied in terms of: a) Admission of digital assets to trading and suspension or termination of trading in certain cases; b) Admission of users and suspension or termination of user accounts in certain cases; c) Definition and publication of the terms and procedures for transaction execution; c) Description and publication of privacy policy d) Clear definition and publication of fees collected, rebates or awards provided; e) Any other processes described in private rules and regulations which directly or indirectly concern users or other stakeholders.
- Koindex shall make the following information public: a) A short description of all services offered and their respective prices, including any applicable terms and conditions, b) All discount, rebate and award schemes and the applicable eligibility criteria, and c) Examples that explain pricing, as well as discount, rebates and awards schemes for users.

Rulebook

Account Services

Users and Service Access

- Koindex shall enable physical and legal persons to register and sign up for digital assets services.
- There will be additional requirements for legal persons to be admitted to trading on Koindex.
- In order to fully benefit from Koindex offerings, users shall be expected to create an online account towards below sequence of online registration: a) filling out and submitting a form of personal info, b) inserting a verification code that has been received via email, c) setting password and approving terms and conditions
- Users shall have to login every time to access to Koindex services through a 2-factor authentication
- IP checks, password resetting, periodic password change requests, account lock and sign-out functionality shall be incorporated to ensure the security of user's account towards prevention of fraud, unauthorized withdrawals and hacking attempts
- A functioning KYC feature shall be available in order for users to fully access to and manage their accounts.

Account Management

- Koindex shall provide a user-friendly layer of fundamental account services i.e. deposits, withdrawals and other trading-related conducts
- The users' dashboard of accounts shall make following functions available:
 - a. Wallet featuring wallet balance and wallet history
 - b. Orders featuring order history, trades history and margin transactions
 - c. Wallet address/key that is available both in digits/letters and QR code
 - d. Minimum and maximum amounts of deposits and withdrawals
 - e. Tools of verification both for deposits, withdrawals and other trading-related conducts
 - f. Means to address inquiries of users for incomplete or pending transactions
 - g. Listed digital assets that are available for transaction and margin trading
 - h. Transaction window that enables users to trade with adequate information (quantity/amount, type of asset, amount of transaction fee, margin transactions, etc.)
 - i. Payment method i.e. debit account, credit card, ID verification, 2-factor authentication, email notification, etc.
 - j. The updated policies of transaction fees, trade mining, rewards, discounts, etc.
 - k. Important notifications

Rulebook

Exchange Services

Listing

- Koindex shall ensure that a transparent listing process is in place towards exact procedure and timetable for listing, suspension and delisting of digital assets.
- Koindex shall list, suspend or delist digital asset pairs on a discretionary basis by considering a variety of criteria such as prominence, issuer reliability, volume, turnover, number of trades, volatility, relevance, etc.
- Koindex shall disclose users the categories of listings in case there is more than one
- Koindex shall publish and update timely the list of asset pairs on its website
- Koindex shall share the trade boards and orders with trading partners to strengthen the liquidity
- For listing pairs, Koindex will initially begin with the pairs listing in the Pre-Mining section below. After Pre-Mining, it will precipitously list new digital assets on our platform as decided by management.

Pre-Mining	
Day 1 & 2	Other Days
XEX/BTC	BTC/USDT
XEX/USDT	BTC/KUSD
XEX/KUSD	BTC/IUSD
XEX/IUSD	ETH/USDT
	ETH/KUSD
	ETH/IUSD
	KUSD/USDT
	IUSD/USDT
	ETH/BTC
	KUSD/IUSD

Trading

- The trading methodology of Koindex shall be transparent and defined in accordance with the principles of fairness, equality and investor protection.
- The market model and trading principles shall be documented for the perusal of users. They shall be made clear and shall be publicly available to all parties. These principles shall cover the entire trading environment and the full lifecycle of a single order from its entry to the successful completion of the trade upon its execution. The trading shall be order-driven on Koindex platform.
- The trading methodology shall include also rules on termination, suspension and circuit breakers.
- The trading board shall be accessible online by users via Koindex' website or mobile app.
- The order types that are available on Koindex are as below:
 - a. Limit order: orders to buy or sell a particular amount of assets at a specified limit price
 - b. Market order: orders to buy or sell a particular amount of assets at the prevailing market price at the time of its entry
 - c. Stop-Limit order: orders which are intended to limit potential losses or to take realized profits
- As defined by Koindex, margin trading is a process of trading digital assets with leverage, which allows traders to deposit a fixed amount of assets as collateral and borrow multiple times the amount of assets from the exchange (while paying a small amount in borrowing fees) to trade with a larger amount of funds than a trader actually owns.
- Margin Trading by Koindex shall be liquid since it deploys the same trading board as regular trading. This function shall allow traders to use it as a hedge at the time of a market decline by holding an asset in cash and having a new selling (short) position through Margin Trading.
- The rules and policies of margin trading shall be made available by Koindex on its website and mobile app.

Fees and Commissions

- Koindex will apply below transaction fees for the following:

Standard Trading Mode

Taker - 0.09%

Maker - 0.07%

Trade Mining Mode

Taker – 0.1%

Maker – 0.1%

- There will be no hidden fees with transactions. Koindex will have the right to revise, change, or update fees and commissions at their sole discretion.
- For withdrawal fees of digital assets, please refer to our Deposit/Withdrawal Fee Chart. Please note the fees and minimum amounts are dynamic and may be revised as determined by management.

Market Making

- Market maker places multiple limit orders and waits for a trader, whose market order will be matched with their pending order. All orders of market makers added to the order book increase available market depth and guarantee that a particular digital asset can be traded efficiently without compromising its value.
- In line with this understanding, Koindex shall be able to adopt special procedures applicable to the authorization of market makers/liquidity providers.
- Market makers/liquidity providers shall be subject to strict quoting requirements tailored by Koindex according to the specifics of the assets and the market.
- Market makers/liquidity providers may be entitled to additional benefits on a non-discriminatory basis, as well as to rebates and discounts.

Treasury

Objectives:

- Koindex shall provide a secure infrastructure to gain exposure and hedge to the price performance of various crypto currencies, correlated assets and broadly to underlying assets when and if needed
- It will seek long term capital appreciation via active market making, appropriate bid/offer spreads and buy/hold strategies

Strategy:

- Koindex shall employ an active approach that combines both technical and fundamental analysis (in addition to traditional metrics include value proposition, governance, network effect, security, competition, volume, usage, use adoption and volume)
- It will concentrate the risk in most liquid assets in a diversified balance sheet to minimize volatility and adoption risks

Risk Management:

- Koindex shall deploy active hands on risk management through minimizing intrinsic trading errors, having proper checks and compliance for unauthorized trading and other improper conduct for
- KYC/AML, and understanding the effect of any future regulatory or tax change on the balance sheet
- The treasury may invest in money market instruments for effective cash management and hedging
- The treasury will at all times run a diversified portfolio to reduce risk and hedge actively against lack of liquidity, imperfect correlation between the underlying assets and default of counterparties
- The treasury may deploy a strategy to trade in derivative instruments for hedging and other trading purposes

Trading:

- Koindex shall optimize cash allocation as well as asset allocation; up to 100% may be in cash, minimize asset/liability mismatches, position sizing and ensure efficient cash and funding management for refinancing and leverage

KOIN

- KOIN is a unique token issued and managed by Koindex. Just by holding it, users can receive a share of exchange revenues commensurate with the amount held. Also, unlike other cryptos, the trading method of KOIN is characterized by the fact it will have a trading price range.
- Use cases for KOIN: a) Financial Asset (Trading Crypto pair); b) for receiving revenue distributions from Koindex; c) Reward Mode trading fee payouts
- The initial issued amount of KOIN is zero. KOIN is generated through three channels: trading bonuses, unfreezing mechanism, and the CX community.

Composition		Quantity (KOIN)	Ratio
Trading Bonus*		4,000,000,000	40%
Unfreezing Mechanism**	KOIN Fund	3,000,000,000	30%
	R&D Expenses	1,000,000,000	10%
	Security Development	1,000,000,000	10%
	Marketing	700,000,000	7%
	Partners	300,000,000	3%

*Mining coins are returned to mining users as a trading bonus through a "trading mining" mechanism.

**The unfreezing mechanism is KOIN unfrozen at a ratio of 1.5 to 1 based on mining production volume and is distributed according to the ratio of the KOIN Fund, R&D Expenses, Security Development, Marketing, and Partners composition.

KOIN Index

- The value (pricing) of KOIN shall be determined through KOIN Index. The KOIN index is a rules-based index designed to track Bitcoin's price without exposing many risks to its volatility by creating a virtual portfolio including Bitcoin, Gold, and USD. It serves as a tool for passive investors who are going to invest in the growing Bitcoin market but want to hedge the volatility risk.
- For achieving its objectives, the KOIN Index has been designed with 4 main characteristics: Presents risk-adjusted performance of Bitcoin, replicable, transparent and stabilized against a market crash
- The starting weights of the index are arbitrarily set on August 24th, 2020 as follows:
Bitcoin 20%, Gold 40%, USD 40%
- The weights are recalculated at the following events:
 - a. On the 1st day of every month
 - b. When one of the constituent's closing price has increased or decreased by 10% from the previous day's closing price
- This is designed to adjust the volatility of the index according to market trends.
- Koindex will have the right anytime to change, revise or terminate rules and criteria behind the index.
- If KOIN secures its own price at a certain time, it can be moved off from the index.
- The total amount of issued KOINS will be on par with the fund management, trading mining, and market making requirements. Koindex will disclose the total amount of KOIN issued on a daily basis.

KOIN Index: Computation

- The index is computed using as follows: If the weights of the constituents (Bitcoin, Gold, USD) at the last reweighting time T_0 are w_0, w_1, w_2 , the value of the index at time t is given by:

$$I(t) = \sum_{i=0}^2 w_i \frac{P_i(t)}{P_i(T_0)}$$

Where $P_i(t)$ is the price of constituent i at time t .

e.g.) Let's say the source data at T_0 (the latest reweighting event) were below:

Prices (Bitcoin, Gold): 7000, 1500 (Rounded amounts by 1 January 2020)

Weights (Bitcoin, Gold, USD): 0.2, 0.4, 0.4

Index value: 100

then, the Bitcoin price has increased to 10000 and the gold price has decreased to 1400 at t . The index value at t would be calculated as the following:

$$I(t) = (0.2 * 10000 / 7000) + (0.4 * 1400 / 1500) + (0.4 * 1) = 1.059$$

$$1.059 * 100 = 105.9$$

Rulebook

Mining Services

Trade Mining Rules

- Trade mining is a revolutionary system that provides both income and capital gains. Trade mining is based on returns from transaction fees. Transaction fees are the fees incurred by digital asset pair transactions either by buying or selling. These fees are returned by Koindex fractionally or entirely to the user in the form of “KOIN”.
- If the user holds these generated/mined coins in their account over time, they will earn distributions on a daily basis. Also if the user Pledges their mined coins to be kept in the account for 30/90 days then they will earn a higher return rate.

Mining Calculation Formula: Quantity produced (KOIN) from Trade Mining = $(Q_i \times P_i \div PKOIN) \times \alpha \%$

Explanation of the above formula: • Q_i = amount of paid fees • P_i = price of the asset bought when fees are paid

$PKOIN$ = The price of KOIN when paying the commission fee • $\alpha \%$ = User's Distribution Ratio

- There are 3 main benefits to mining KOIN: a) Up to 100% of exchange revenue can be returned according to a user's KOIN holdings b) Sell KOIN on Koindex at a profit c) Users can receive commission fees by using the Reward Mode.
- The digital assets returned will be the digital assets obtained from transaction fees, such as BTC, USDT, ETH, etc. The return rate of returns varies according to the pledge period or staking conducted of KOIN.
- There are four plans that can be selected for Trade Mining. (Pledge Plan 90, Pledge Plan 30, Staking Plan, Standard). Under Pledge Plans, user funds are returned pro rata based on the amount of days pledged.
- Koindex has established “revenue sharing plans” and has proposed asset management strategies that meet user needs. Specifically, KOIN can be held for a certain period of time similar to a time deposit. The longer this period, the higher the distribution rate. These plans are recommended for those who do not plan to sell immediately and want to enjoy daily distributions. The normal distribution rate is 20% (standard plan, just by holding KOIN), but by pledging or staking, users can receive a higher distribution rate. Distributions are returned to users in major digital assets, including BTC. By combining the four courses of mining plans, it is possible to generate even higher profits.

Investment Plans

- By investing in KOIN, a user can earn a bonus at a rate higher than the Turkish Interest Rate.
- Under Pledge Plans, a bonus will be added upon the amount invested in KOIN under the Pledge Plans and returned to the user proportionally over the 30 / 90 day investment period.
- Under the Staking Plan, cancellation is possible at anytime with the user receiving their KOIN back the following day.

Plan Names	KOIN Return Rate (%) *Annualized	Required Deposit Period (Days)
Pledge Plan 90	Bank Interest Rate + 10%	90
Pledge Plan 30	Bank Interest Rate + 2%	30
Staking Plan	Bank Interest Rate + 1%	Can cancel at anytime
Standard	None	N/A

Auto Reinvest Plans

- When the option to enable the Auto Reinvest Plan is made, the user's KOIN will automatically be reinvested in the plan currently chosen. KOIN that is proportionally returned from the 30/90 Pledge will be reinvested once the KOIN amount exceeds \$50. Reinvestment will not occur until the returned amount exceeds \$50. If a user enables this Auto Reinvest Plan option, they will receive an additional bonus over the Pledge Plans. This is not available for the Staking Plan.

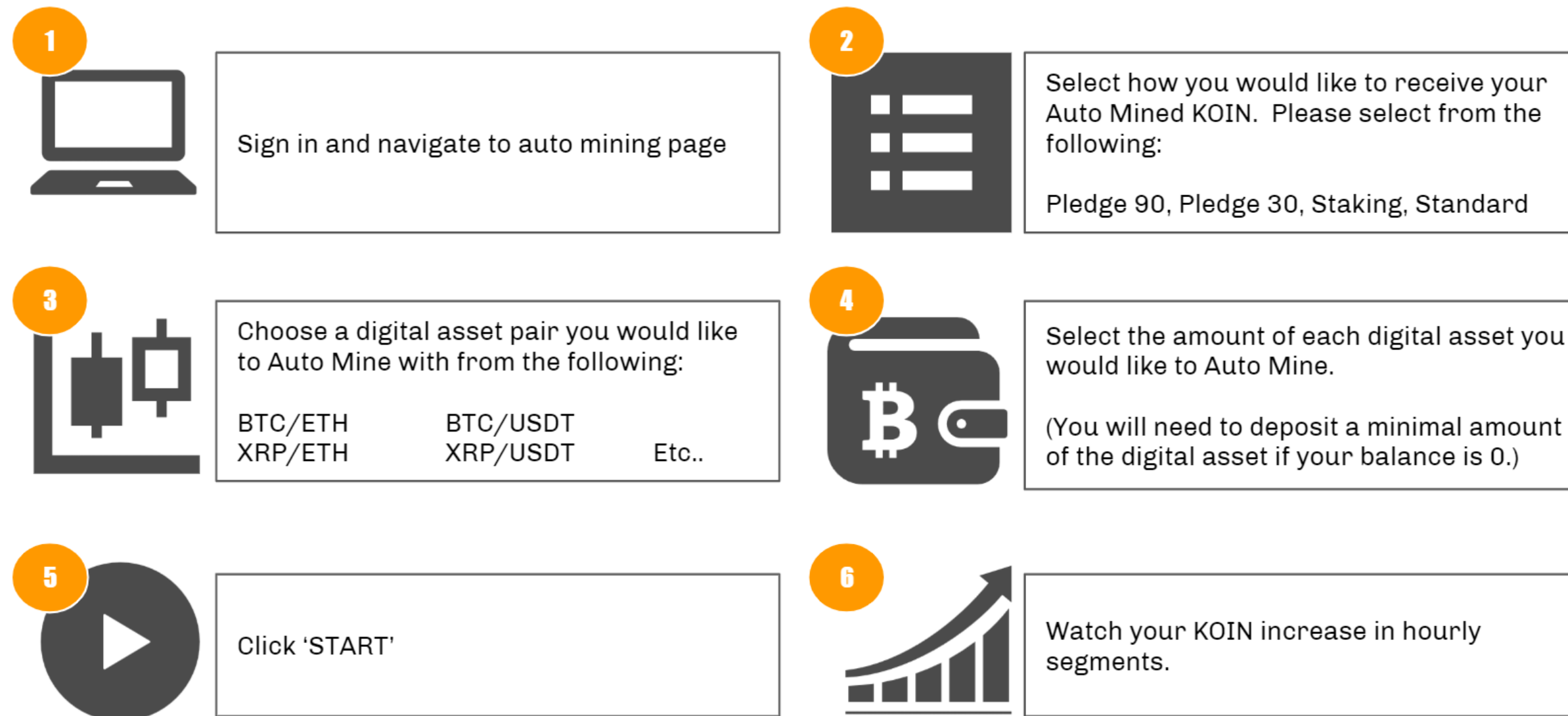
Plan Name	Distribution Rate	Deposit Period (Days)
Pledge Plan 90	Bank Interest Rate + 12%	returned over 90 days pro rata
Pledge Plan 30	Bank Interest Rate + 2.5%	returned over 30 days pro rata

- Just holding KOIN will allow users to receive up to 60% of Koindex's daily exchange fee revenue, depending on the amount of KOIN's held. Users can also get more rewards by investing KOIN in Investment Plans.

Auto Mining Rules

- Auto Mining is a feature enabling hassle free acquisition of KOIN.
- Self-trading is repeated with two selected digital assets where KOIN is earned in place of incurring trade fees.
- There are hourly mining limits by selecting either Pledge Plan, Staking Plan, or Standard, all having different limits.

	Pledge Plan 90	Pledge Plan 30	Staking Plan	Standard
Hourly Mining Limit	2,000 KOIN	1,200 KOIN	1,000 KOIN	1,000 KOIN



Revenue Sharing

- The normal distribution rate is 20% (standard plan, just by holding KOIN), but by pledging or staking, users can receive a higher distribution rate. Distributions are returned to users in major cryptocurrencies, including BTC. By combining the four courses of mining plans, it is possible to generate even higher profits.

Revenue Sharing Plans

Plan Name	Distribution Rate (of exchange revenue)	Deposit Period (Days)
Pledge Plan 90	100%	returned over 90 days pro rata
Pledge Plan 30	40%	returned over 30 days pro rata
Staking Plan	30%	can cancel at anytime
Standard (No Plan)	20%	N/A

User distribution formula

Distribution Amount = Daily Distribution payout / total issued KOIN x Distribution Rate x KOIN held under each plan

XEX Conversion

- Koindex shall partner with CROSS Exchange in providing a liquidity channel to XEX holders. XEX will not be listed on Koindex, however XEX holders will be able to use XEX during exclusive auto mining events. XEX holders will be able to convert their holdings into KOIN under the below conditions: a) Each XEX holder will open an account at Koindex and pass KYC requirements b) XEX holders will deposit their XEX into their Koindex wallet after purchasing or depositing the same amount of BTC or USDT c) Koindex will deliver to the wallet an amount KOINs in the same value of XEX that has been deposited. D) Koindex will pay the received XEX in full to CROSS exchange as a system usage fee.



XEX holders can use XEX to participate in **Pre-Mining**.



During Pre-Mining, a **preferential rate** will be offered.



Usage and **mining method** is almost the same as CROSS exchange.



XEX **mining pairs** are only available during Pre-Mining and future events.



XEX used in Koindex will not be paid out for referral fees or revenue sharing, but will be paid to CROSS exchange as a **system usage fee**. XEX collected will contribute to the increase in its **value** and **scarcity**.



Affiliate Model

- Koindex shall pursue a business and user partnership policy in reaching out to a broader base of traders. The policy is called Affiliate Model which aims to improve liquidity by sending customers to each other's platform with a high affinity.
- Benefits for the affiliate corporate partner: A share of transaction fees paid by directly referred users will be paid by Koindex to the partner even if referrals refer other users.
- Please see available Models below:

Default

Referral Amount	LV. 1
0~	2.00%
3,000 USD~	4.00%
20,000 USD~	6.00%
50,000 USD~	6.00%
100,000 USD~	10.00%

Affiliate Partner Plan

Referral amount	LV. 1	LV. 2
0~	3.00%	1.00%
3,000 USD~	5.00%	1.50%
20,000 USD~	7.00%	2.50%
50,000 USD~	9.00%	3.00%
100,000 USD~	12.00%	3.50%

- * As a user moves down on the table, the payout rate of previous referral rates will also go up.
- * Only direct referrals are counted.
- * If the invitee sells KOIN and mines it again, no affiliate reward will be paid out.

Rulebook

Support & Communication

Contact Info & Media

Below is the support center contact details:

Email: support@Koindex.io

Koindex will communicate with the users community towards below channels and handles. Official announcements will be relayed only towards those mediums:

Telegram: <https://t.me/Koindex>

Twitter: <https://twitter.com/GetKoindex>

Instagram: <https://www.instagram.com/Koindex/>
https://www.instagram.com/Koindex_en/

Facebook: <https://www.facebook.com/Koindex1>

LinkedIn: <https://www.linkedin.com/company/Koindex/>

Website: www.Koindex.io

Email: contact@Koindex.io



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