



WINBIX
SALES SYSTEM

Whitepaper
version 1

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1. General Project description and features

The WINBIX System (hereinafter – the System) is designed to create a new sales channel that would make it possible for the Seller to sell the products with maximum efficiency and for the Buyer to buy for a reasonable price.

The System operation is based on the Dutch Auction principle, i. e. constant reduction in the product price until the products are sold or until the stop price level is achieved.

The System features include (please note that some reverse auction features constitute intellectual property of the Project):

Minimum price per each lot is determined randomly subject to the minimum price corridor established by the Seller, i. e. the minimum price per each lot is different and the value thereof remains unknown to the Buyer

Price reduction increment is determined randomly, in the range of previous price and stop price; thus, each subsequent price value remains unknown to the Buyer

Stock balance is unavailable to the Buyer, each lot (item) may be the last one

Buyer can set any price value at which the System should notify the Buyer. This information is available to the Seller and provides an opportunity to forecast demand at different price levels

Time interval for the price reduction is set by the Seller for every item

There is an established direct correlation between the Seller's sale costs and the quality of provided services (clause 11)

Opportunity to create quotations for Sellers and, if approved, to purchase products at the desired price (clause 13)

Settlement of disputes by arbitration involving Sellers, Buyers and the System (clause 12)

DAICO performance enabling the investor's maximum protection

Buyback and destruction of tokens at fixed prices through the BUYBACK smart contract

Issue of personal WBX tokens (ERC-20) (clause 4)

Creating and financing the SECURITY smart contract (Ethereum security unit)

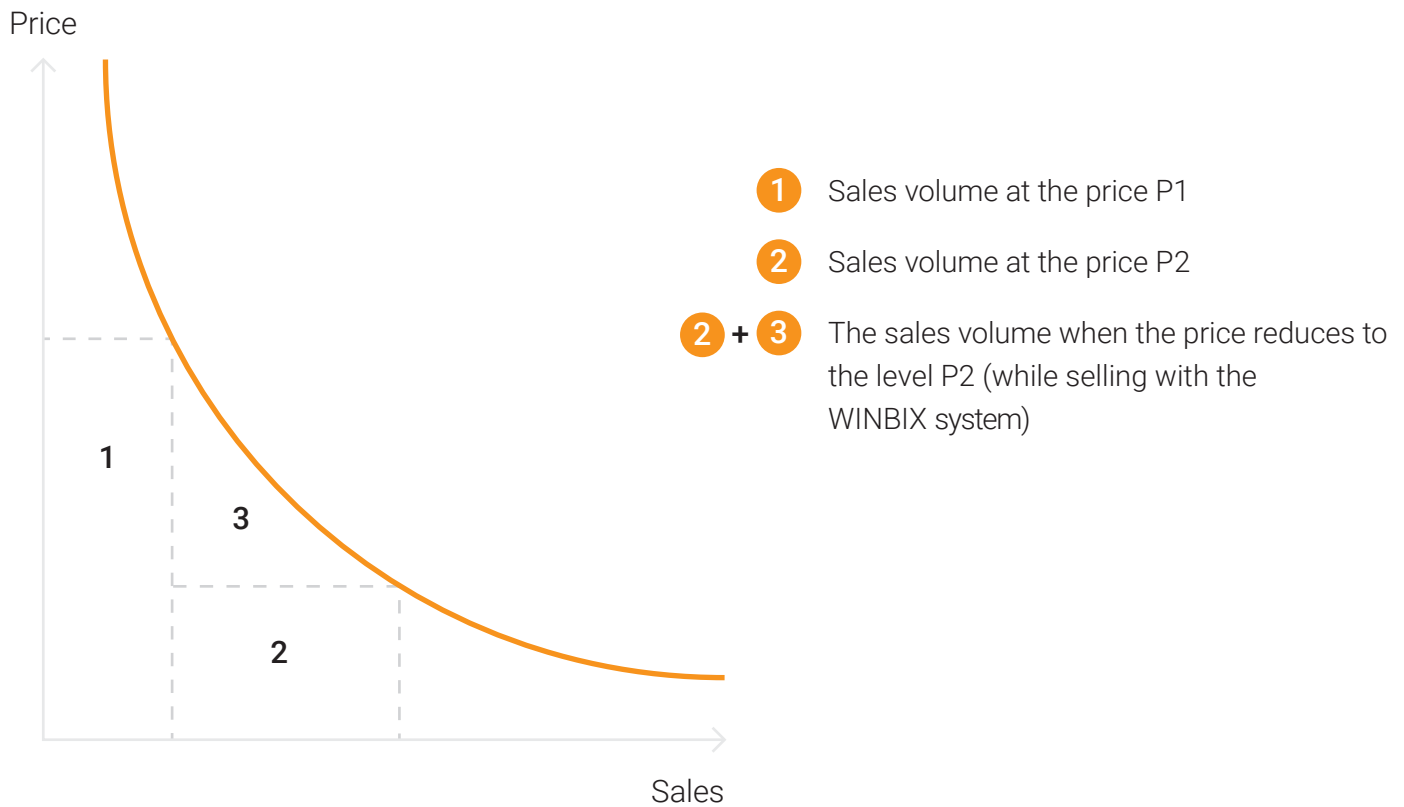
2. Advantages

The sales method applicable under this Project has the following advantages:

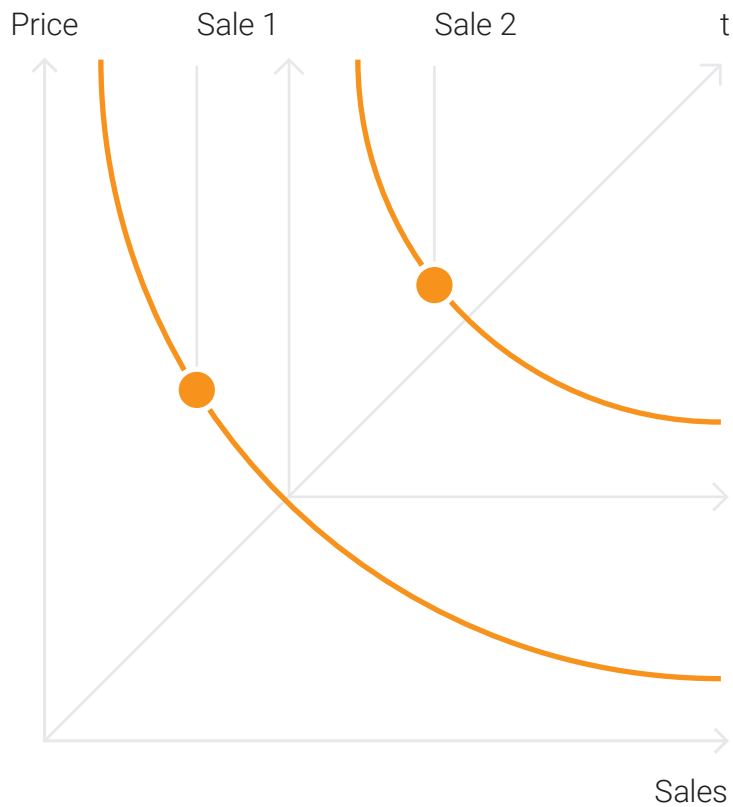


2.1. For the Seller

- Extra profit from sell-outs due to uniform distribution of sales along the "price" axis;
- Each item is sold at a currently fair price;



- If necessary, prompt disposal of the stock balance (stocks) by adjusting the price reduction time;



- An option of adjusting the sales volume by changing the “stop price” range;
- Marketing activities – focusing the audience’s attention on priority positions (sale of products not including any “stop prices”);
- Buyer feedback (“price reduction notice” tag) that makes it possible to forecast demand in case of changes in the price lower limit. The Seller will know the number of Buyers ready to purchase the products and the relevant prices for every position. For example, 10 persons are ready to buy a certain pan model for RUB 2,000 while 200 persons can buy it for RUB 1,300.



2.2. For the Buyer

An opportunity to purchase products at the desired price. Even if the products price drops to the “stop price” level and this level is unacceptable, the minimum price will be different at the next bidding stage (either higher or lower). Further, it is not excluded that the products could be attributed to the “sales without stop price” category. To maintain control over the position, it would be necessary to set the tag “send price reduction notice.”

The number of possible simultaneous “price reduction notices” is directly proportional to the Buyer’s rating (clause 9).



2.3. For the System

- The content is being updated constantly due to price changes influencing the resource traffic;
- Non-linear price changes draw the Buyer’s attention to each stage of price reduction.



2.4. Other advantages

- Correlation of the Seller’s costs and quality of services. How can the Buyer influence mala fide sellers now? Write a bad review and refuse from buying from them, and this is all the feedback you can provide currently. With our System, the Buyer will rate their “satisfaction level” per each transaction, influencing the amount of commission directly paid by the Seller.
- Independent arbitration system: opportunity for the System members to act as arbitrators on occurrence of any disputes.
- Consumer/Buyer communication intended to increase the quality of provided services: if necessary, the Seller will be able to obtain a detailed assessment of the quality of works.
- Receipt of information from the Buyers about price expectations per each item, including quantitative assessment of such expectations by the Seller: usually, the Seller can only assume what the possible sale volumes could be, while making any discounts. In our case, the Seller will obtain exact figures for notice requests at each price level, per each item.
- Due to the Buyers’ ability to make quotations for Sellers, the Sellers will have an opportunity of assessing instant liquidity of stock balances, whereas the Buyers will have an additional opportunity of purchasing products at a reasonable price.
- Project access available to many persons interested in the Project development and securing return on investments.

3. Sources of the Project revenue, estimated financial figures

The Company is mainly focused on providing intermediary services for the sale of products by auctions on the e-trading platform winbix.com.

Commission fees are charged for the services. Further, the Company plans to monetize the Buyers' interest to each price reduction event through advertising. An increased number of product views are expected before purchase, as compared to traditional online stores, enabling the advertisers to increase the number of contacts with "hot" target audience.

Russia is the Project region now; within 2 years, it will be China, European Union, and the US.

The target Project audience shall include:



Sellers

Small and medium intermediaries / manufacturers who cannot afford to bear the costs of organizing and maintaining online sales. Further, the market-place will be useful for companies wishing to occupy a niche among customers with a limited income level (target audience of bulletin boards, joint purchases);



Buyers

People with average and below average income having to combine an acceptable consumption level and limited financial resources. The audience ready for time-consuming costs in exchange for the option of obtaining a satisfactory price offer.

To assess the potential market, we have used sales and traffic data of the companies working with the most similar target audience (both Sellers and Buyers). The following services have been used: similarweb.com, alexa.com, owler.com, and statista.com.

Section	Yearly turnover (USD)	Appendix
Marketplaces	51 900 000 000	Appendix 1
Auctions (other than real estate, vehicles, luxuries, antiques)	11 400 000 000	Appendix 2
Joint purchases	9 600 000 000	Appendix 3
Stock sell-out	1 000 000 000	Appendix 4
Total	73 900 000 000	

WINBIX sets the following development financial targets:

Term as of PreDAICO finish	Turnover (USD)	Geo
1 year	5 000 000	Russia
2 year	100 000 000	+ Southeast Asia countries
3 year	750 000 000	+ USA and European Union
4 year	1 500 000 000	Maximum possible
5 year	2 500 000 000	Maximum possible
6 year	3 500 000 000	Maximum possible

4. WINBIX token (WBX)

The Project issues its own investment tokens WINBIX (WBX), ERC-20 standard.

Tokens are sold through PreDAICO and DAICO procedures.

The number of issued tokens – 182 500 000 WBX

5. PreDAICO

5.1. Token sale and distribution, KYC

The total number of issuable tokens is 27 500 000 WBX, of which:


25 000 000 WBX – free sale

2 500 000 WBX – marketing (10% as of sold tokens).

Unsold and unallocated tokens are destroyed. Tokens are not allocated to the Project team.

25 000 000 WBX – HARDCAP

6 250 000 WBX – SOFTCAP

 Duration – 60 calendar days

Selling price of tokens:

Number of sold tokens	Price (ETH)
1 – 5 000 000	0,00055
5 000 001 – 10 000 000	0,00060
10 000 001 – 15 000 000	0,00065
15 000 001 – 20 000 000	0,00070
20 000 001 – 25 000 000	0,00075

If, at any sale of tokens, there is a price change limit, the price of 1 (first) token (minimum price) shall apply to the entire transaction. If on the moment of PreDAICO finish, the number of sold tokens constitutes the value of 75% SOFTCAP (4 687 500 WBX) to 90% HARDCAP (22 500 000 WBX), the team shall have a single right to initiate voting for extending PreDAICO procedure over 30 calendar days. The team shall initiate voting within 12 hours upon PreDAICO finish; the voting period shall constitute 24 hours.

Tokens are not sold at the time of voting. If a positive decision is adopted, sales shall commence in 48 hours as of the sales suspension. Only Buyers of PreDAICO tokens shall have the right to vote (tokens obtained due to marketing programmes do not participate in the voting). The number of votes shall be proportional to the number of tokens on the wallet at the time of voting. The proposal for PreDAICO extension can be accepted with consent of 50% of voters plus one vote.

The term expiration or HARDCAP hit shall be considered a finish.

Any Buyer of tokens shall pass through KYC (this process is described in a separate document titled WINBIX KYC) within 15 days upon PreDAICO finish (or within 17 days, if voting takes place and the extension of tokens sales is declined). The Buyers who fail to pass through KYC shall return tokens to the Project against refund of the paid money (initiation of refund – it begins in 48 hours after KYC finish). Funds are kept under the smart contract for an indefinite period until the last token is returned, and the team does not have access to those funds. If SOFTCAP is not hit within PreDAICO terms, KYC is not performed and the token holders initiate the refund process under the smart contract (tokens are returned to the smart contract, subject to receipt of the paid funds in ETH). The refund begins in 48 hours upon PreDAICO finish.

Marketing allocations (Bounty, Airdrop, referral programmes) include 2 500 000 WBX (10% as of the sold tokens); if the gathered amount is less than the maximum, a part of tokens is destroyed. If SOFTCAP is not hit, no tokens are allocated to the participants of marketing programmes.

5.2. Allocation of funds

Funds received from the sale of WBX tokens are kept under PreDAICO smart contract, from which funds are allocated to the Project team through the monthly financing procedure (TAP).

The funds are allocated (TAP) in 2 days upon KYC finish (in 17 days upon PreDAICO finish, or in 19 days, if voting takes place and the extension of tokens sales is declined). TAP calculations shall take into account solely the amounts paid by the Buyers who have passed through KYC. Thereafter, TAP allocations shall be made once per month, on the day corresponding to allocation of the first TAP.

TAP amount as a percentage of the initial amount of funds on the PreDAICO wallet:

1 month – 2%	7 month – 11%
2 month – 2%	8 month – 11%
3 month – 3%	9 month – 8%
4 month – 11%	10 month – 8%
5 month – 11%	11 month – 8%
6 month – 17%	12 month – 8%

TAP changes can be made by voting. The voting can be initiated solely by the Project team. The change can be approved with consent of 50% of voters plus one vote. Only Buyers of PreDAICO tokens who have passed through KYC procedure shall have the right to vote (tokens obtained due to marketing programmes and purchased in the secondary market do not participate in the voting). The number of votes shall be proportional to the number of tokens on the wallet at the time of voting, but shall not exceed the minimum number of tokens on the wallet over the period from PreDAICO finish and until the time voting. If any token is removed to another wallet (other than PreDAICO token wallet), there will be no right to vote under such token. Voting cannot be initiated more frequently than once per 30 calendar days. The voting term shall constitute 14 calendar days.

5.3. Withdrawal from the Project at PreDAICO stage

On the expiration of 45 days upon PreDAICO finish, any holder of tokens purchased through PreDAICO procedure shall have unconditional rights to return the tokens to PreDAICO smart contract (withdraw from the Project), subject to receipt of the unused part of money invested in the Project pro rata to the number of purchased tokens, taking into consideration the return ratio (RR).

Calculations shall cover solely tokens and amounts of participants who passed through KYC procedure.

Return calculations shall be made according to the following formula:

balance under PreDAICO smart contract × financing ratio (divide the number of returnable tokens by difference of the total amount of sold and returned tokens) × return ratio

Return ratio:

- Return to the Project 0 – 9.99 % tokens – return ratio 0.8
- Return to the Project 10 – 19.99 % tokens – return ratio 0.85
- Return to the Project 20 – 29.99 % tokens – return ratio 0.9
- Return to the Project 30 – 39.99 % tokens – return ratio 0.95
- Return to the Project 40 % – and further – return ratio 1

If on return of tokens there is any change in the return ratio (assume that the returned tokens are within the range of 38-41%), a different return ratio shall apply per each group of tokens. Only PreDAICO purchased tokens (tokens obtained due to marketing programmes cannot be returned to PreDAICO smart contract) of the holders who passed through KYC can be returned. If any token purchased through PreDAICO is removed to another wallet (other than the crediting wallet), it will not be possible to return the token to PreDAICO smart contract. The funds are returned in ETH, and the returned tokens are destroyed.

The return ratio is introduced to stimulate long-term investments in the Project. Any amounts received as a result of RR application shall remain under the smart contract and increase capitalization of remaining Project participants.

IMPORTANT. Please note that the investor's share is determined subject to the number of purchased tokens, notwithstanding the purchase price.

5.4. Additional accrual of tokens for PreDAICO participants

On the commencement of DAICO procedure, all holders of tokens who acquired them through PreDAICO and passed through KYC (purchased and acquired them in the framework of marketing programmes) ARE ENTITLED to the additional accrual of tokens (+100%). For this purpose, 27 500 000 WBX tokens are booked under the smart contract. Additional accrual shall be made in the amount of +100% to the wallet balance as on request of such additional accrual, but not more than the minimum number of tokens on the wallet over the time from PreDAICO finish until request of such additional accrual. No additional accrual shall be made for the token holders who acquired them upon PreDAICO finish (purchased in the secondary market). To benefit from such additional accrual, the token holders shall initiate the relevant function under the smart contract. The deadline for the receipt of additional tokens constitutes 3 (three) years upon DAICO commencement; thereafter, unclaimed tokens are destroyed.

5.5. Buyback and destruction of tokens at PreDAICO stage

To secure the investors' interests, a part of WINBIX marketplace commission fee is allocated to buyback and destroy tokens at the fixed price.

As of the launch of WINBIX sales System and until the commencement of DAICO procedure, the established buyback rate shall constitute: 1 WBX = ETH 0.0013. The commission percentage allocated for these purposes shall constitute in this period 100%. Buyback and destruction of tokens shall be made using the smart contract "BUYBACK". Commission fees are distributed automatically, as soon as the funds are credited to the marketplace account. Information about all System transactions is kept in blockchain, whereas information about the commission distribution is available to users.

6. DAICO

6.1. Token sale and distribution, KYC

The total number of issuable tokens is 155 000 000 WBX, of which:

- 125 000 000 WBX** – free sale, average selling price ETH 0,0013.
- 2 500 000 WBX** – marketing (2% as of sold tokens)
- 27 500 000 WBX** – additional allocation of tokens for PreDAICO participants

Unsold and unallocated tokens are destroyed. Tokens are not allocated to the Project team.

- 125 000 000 WBX** – **HARDCAP**
- 31 250 000 WBX** – **SOFTCAP**



Shall commence in 12 months upon the PreDAICO finish date. Duration – 90 calendar days.

If on the moment of DAICO finish, the number of sold tokens constitutes the value from 75% SOFTCAP (23 437 500 WBX) to 90% HARDCAP (112 500 000 WBX), the team shall have the single right to initiate voting for extending DAICO procedure over 30 calendar days. The team shall initiate voting within 12 hours upon DAICO finish; the voting period shall constitute 24 hours. Tokens are not sold at the time of voting. If a positive decision is adopted, sales shall commence in 48 hours as of the sales suspension. Only Buyers of DAICO tokens shall have the right to vote (tokens obtained due to marketing programmes and PreDAICO tokens of the Buyers do not participate in the voting). The number of votes shall be proportional to the number of tokens on the wallet at the time of voting. The proposal for DAICO extension can be accepted with consent of 50% of voters plus one vote.

The term expiration or HARDCAP hit shall be considered as finishing the process.

Any Buyer of tokens shall pass through KYC (this procedure is described in a separate document titled WINBIX KYC) within 15 days upon DAICO finish (or within 17 days, if voting takes place and the extension of tokens sales is declined). The Buyers who failed the KYC procedure are required to return tokens to the Project against refund of the paid money (initiation of refund – it begins in 48 hours after KYC finish). Funds are kept under the smart contract for an indefinite period until the last token is returned, and the team doesn't have access to those funds

If SOFTCAP is not hit within DAICO terms, the KYC procedure is not performed and the token holders initiate the refund procedure under the smart contract (tokens are returned to the smart contract, subject to receipt of the paid funds in ETH). The refund procedure is activated in 48 hours upon DAICO finish.

Marketing allocations (Bounty, Airdrop, referral programmes) include 2 500 000 WBX – 2% as of the sold tokens; if the gathered amount is less than the maximum, a part of tokens is destroyed. If SOFTCAP is not hit, no tokens are allocated to the participants of marketing programmes.

If SOFTCAP is not hit within DAICO procedure, the Project may attract the necessary funding in a different way. Thereat, the Project obligations to token holders who acquired them at PreDAICO stage shall be kept to the same extent, as they would have been, if DAICO HARDCAP had been hit. It means that the investors' share of profits under the Project shall remain the same for PreDAICO participants.

6.2. Allocation of funds

Funds received from the sale of WBX tokens are kept under DAICO smart contract, from which funds are allocated to the Project team through the monthly financing procedure (TAP).

The funds are allocated (TAP) in 2 days upon KYC finish (in 17 days upon DAICO finish, or in 19 days, if voting takes place and the extension of tokens sales is declined). TAP calculations shall take into account solely the amounts paid by the Buyers who passed through the KYC procedure. Thereafter, TAP allocations shall be made once per month, on the day corresponding to allocation of the first TAP. The established monthly TAP shall constitute 4%.

TAP changes can be made by voting. The voting can be initiated solely by the Project team. The change can be approved with consent of 50% of voters plus one vote. Only Buyers of DAICO tokens who have passed through KYC procedure shall have the right to vote (tokens obtained as a result of marketing programmes, purchased during PreDAICO procedure and in the secondary market do not participate in the voting). The number of votes shall be proportional to the number of tokens on the wallet at the time of voting, but shall not exceed the minimum number of tokens on the wallet over the period from DAICO finish and until the time voting. If any token is removed to another wallet (other than WBX wallet involved at DAICO procedure), there will be no right to vote under such token.

Voting cannot be initiated more frequently than once per 30 calendar days. The voting procedure term shall constitute 14 calendar days.

6.3. Withdrawal from the Project at DAICO stage

On the expiration of 90 days upon DAICO finish, any holder of tokens purchased through DAICO shall have unconditional rights to return the tokens to DAICO smart contract (withdrawal from the Project), subject to receipt of the unused part of money invested in the Project, pro rata to the number of purchased tokens, taking into consideration the return ratio (RR).

Calculations shall cover solely tokens and amounts of participants who passed through KYC procedure. Calculations shall be made according to the following formula:

balance under DAICO smart contract × financing ratio (divide the number of returnable tokens by difference of the total amount of sold and returned tokens) × return ratio

Return ratio:

- Return to the Project 0 – 9.99 % tokens – return ratio 0.8
- Return to the Project 10 – 19.99 % tokens – return ratio 0.85
- Return to the Project 20 – 29.99 % tokens – return ratio 0.9
- Return to the Project 30 – 39.99 % tokens – return ratio 0.95
- Return to the Project 40 % – and further – return ratio 1

If, on return of tokens, there is any change in the return ratio (assume that the returned tokens are within the range of 38-41%), a different return ratio shall be applied per each group of tokens.

Only DAICO purchased tokens (tokens obtained as a result of marketing programmes and purchased through PreDAICO procedure cannot be returned to DAICO smart contract) of the holders who passed through KYC can be returned. If any token is removed to another wallet (other than the DAICO crediting wallet), there will be no option to return such token.

The funds are returned in ETH, and the returned tokens are destroyed.

The return ratio is introduced to stimulate long-term investments in the Project. Any amounts received as a result of RR application shall remain under the smart contract and increase capitalization of the Project remaining participants.

IMPORTANT. Please note that the investor's share is determined subject to the number of purchased tokens, notwithstanding the purchase price.

6.4. Revenue security for token holders at DAICO completing and in 5 years after

A part of commission fees obtained by the WINBIX sales system is allocated to the Project investors (WBX token holders) through the procedures specified under paragraphs 6.4.1, 6.4.2 hereof.

Commission fees are distributed automatically, as soon as the funds are credited to the marketplace account. Information about all System transactions is kept in blockchain, whereas information about the commission distribution is available to users.

6.4.1. Token buyback at fixed prices and token destruction

PROCEDURE Nº1: WBX tokens buyback at the fixed price (buyback)

Within 5 years upon the DAICO finish, WBX tokens sold during PreDAICO and DAICO are subject to successive buyback. The buyback price is annually increased by 100% relative to the average DAICO price:

Time upon the DAICO finish	Commission percentage allocated to buyback	Buyback price per 1 token (ETH)
1 year	25%	0,0026
2 years	20%	0,0039
3 years	17,5%	0,0052
4 years	15%	0,0065
5 years	12,5%	0,0078

No limited number of redeemable tokens is stipulated. If during 96 hours no tokens are returned to the smart contract "BUYBACK" (provided that funds are available therein), i.e. no token holders are interested in the exchange thereof at the proposed fixed rate (see the table), the relevant funds shall be reallocated to additional financing under the smart contract "SECURITY" (procedure #2). This rule shall be valid for each credit of funds under the smart contract "BUYBACK". The redeemable tokens shall be destroyed. The buyback and destruction of tokens shall be made using the smart contract "BUYBACK".

The buyback and destruction of tokens shall cease in 5 years upon the DAICO finish.

6.4.2. Generating a smart contract for tokens and fund crediting

PROCEDURE Nº2: crediting the WBX token security smart contract, ETH security item

Any token (obtained due to marketing programmes, acquired during PreDAICO, DAICO and in the secondary market) can be returned to the contract "SECURITY", subject to receipt of the funds calculated according to the formula below:

$(\text{number of issued tokens} - \text{number of destroyed tokens}) / \text{funds under the smart contract TOKEN SECURITY} \times \text{number of tokens returnable to the WBX token security contract.}$

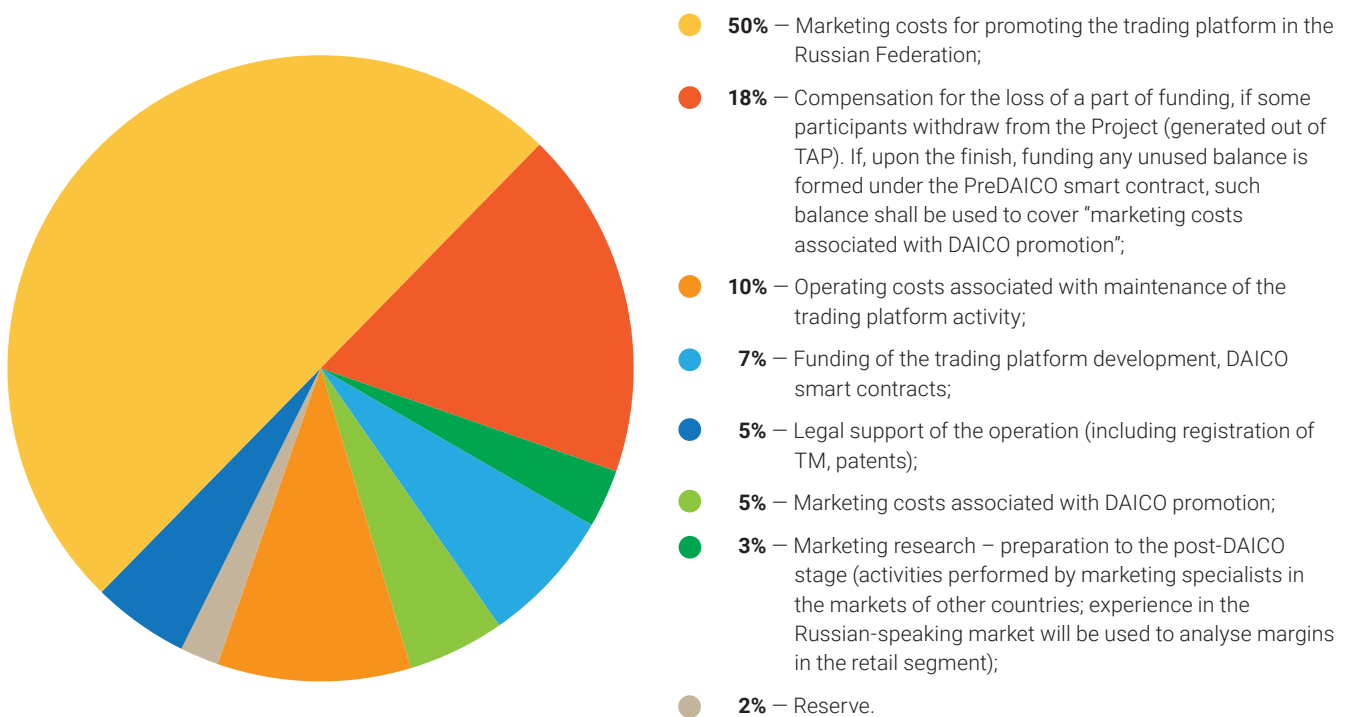
The returned tokens are destroyed. **There is no limit value established under the smart contract "SECURITY".**

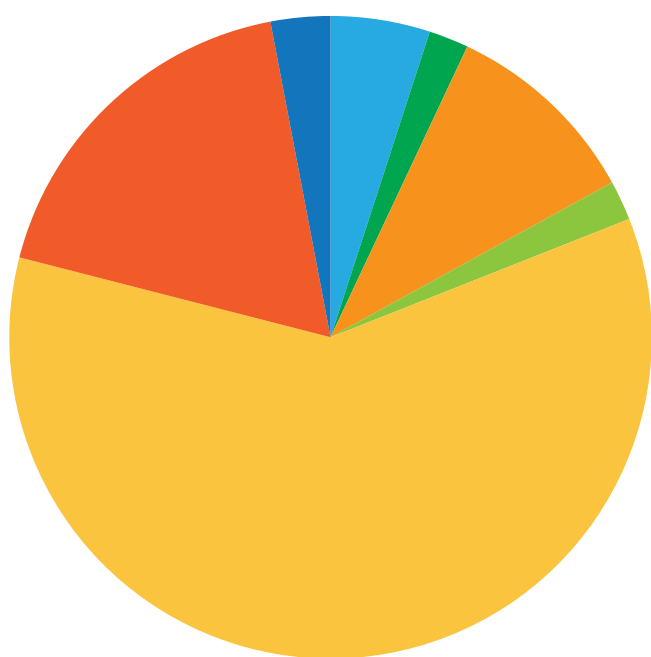
Time upon the DAICO finish	Commission percentage allocated to the security smart contract
1 year	25%
2 years	20%
3 years	17,5%
4 years	15%
5 years	12,5%

In 5 years upon the DAICO finish, the credit of funds to the security contract shall cease. The remaining funds shall be kept for an indefinite period until the last secured token is returned to the contract.

7. Fund application

7.1. PreDAICO





- **60%** – Marketing costs for the trading platform promotion, including abroad the Russian Federation;
- **18%** – Compensation for the loss of a part of funding, if some participants withdraw from the Project (generated out of TAP). If, upon the finish, funding any unused balance is formed under the DAICO smart contract, such balance shall be used to cover "marketing costs associated with the trading platform promotion, including abroad the Russian Federation";
- **10%** – Operating costs associated with maintenance of the trading platform activity;
- **5%** – Funding of the trading platform follow-up;
- **3%** – Marketing researches;
- **2%** – Legal support of the works;
- **2%** – Reserve.

8. Project reporting

The statement of cash flows is monthly published on the company's official site www.winbix.com. Further, any other statements can be published on the company's site, reflecting other Project related figures (report on the number of active users, on the number of transactions consummated through the platform, etc.).

9. Rating System

The rating system is introduced for efficient interaction between the Buyer and the Seller. The Buyer's rating is calculated based on criteria of activity and responsibility.

Buyer's activity:

The more proactive the Buyer, the higher their rating (the scale ranges from 1 (minimum) to 9 (maximum))



from 1 to 10 orders – **rating 1**; 11–20 – **rating 2**; 21–30 – **rating 3**; 31–40 – **rating 4**; 41–50 – **rating 5**; 51–60 – **rating 6**; 61–70 – **rating 7**; 71–80 – **rating 8**; 81–and more – **rating 9**



If, during 60 calendar days, there are no transactions on the Buyer's account, the rating is reduced by 1 point.

Responsibility index:

- Default payment under the stopped auction – minus 1 point per each event of default payment;
- The number of possible "price reduction notices" is directly proportional to the Buyer's rating.

Seller's rating (Buyer's satisfaction ratio)

Upon the product receipt, the Buyer shall assess their level of satisfaction with the provided services (product quality, delivery speed, etc.) on the scale from 1 (not satisfied) to 9 (maximum satisfaction).

The rating of each Seller is calculated based on the results of the billing period (Buyer's satisfaction ratio). Thereat, the assessment takes into account the Buyers' ratings (BR) – (1 rating point – 1 vote) and the amount per each transaction (AMNT).

Seller's rating:

$$(SR) = \frac{(BR1 \times ASS1 \times AMNT1 + BR2 \times ASS2 \times AMNT2 + \dots + BRx \times BSx \times AMNTx)}{(BR1 \times AMNT1 + BR2 \times AMNT2 + \dots + BRx \times AMNTx)}$$

Example:

1 Buyer – rating 6 – gave score 4, transaction amount \$500

2 Buyer – rating 9 – gave score 2, transaction amount \$90

3 Buyer – rating 2 – gave score 9, transaction amount \$960

Total rating of the Seller = $(6 \times 4 \times 500 + 9 \times 2 \times 90 + 2 \times 9 \times 960) / (6 \times 500 + 9 \times 90 + 2 \times 960) = 5,39$ (rounded up to hundredths)

10. Blockchain and WINBIX

All data about transactions concluded through the WINBIX sales system will be kept in Ethereum (Events) blockchain, so that all participants involved in the process could be sure of performance of the declared conditions.

It is of prime importance to:

- Sellers – on calculation of the commission fees amount;
- Buyers – on calculation of ratings;
- holders of the System tokens – option of checking calculation of the amount of tokens subject to buyback/burn and credit of funds to the smart contract "SECURITY".

11. Financial relations of the System participants



Project team

Revenue of the Project team is ensured by involvement thereof in the distribution of operating income under the Project.



Token holders

Revenue of the token holders is ensured by increase in the fixed price of tokens buyback by the System (+100% per annum during 5 years) and increase in capitalization under the token security smart contract (without capping during 5 years).



Buyers

Involvement thereof in the dispute settlement commissions is remunerated. Further, the Buyer may receive additional remuneration from the Seller for finish (optionally) of a detailed questionnaire explaining the customer satisfaction level. The remuneration amount is determined by the Seller independently, subject to the need in feedback.



Sellers

The Sellers pay a commission fee to the System pro rata to the rating (Buyers' satisfaction ratio). Fee calculation principle: for any effected sale, a commission fee is charged from the Seller in the amount of X% as of the sale value (depending on the sale region, product category). Based on the results of the billing period the average rating per each Seller is calculated and the paid commission (PC) is recalculated according to the following formula: $\text{commission fee amount} = X - (PC \times X) / 10$. The overpaid commission amount shall be refunded to the Seller's account.

12. Arbitration

Like any other System, this System can be affected with disputes arising between the participants thereof; any participant can open a dispute. For the purposes of dispute settlement, a commission is formed randomly out of the Buyers, Sellers and token holders, in the ratio of (50,35,15).

Each of the commission members can accept/decline the proposal of involvement in the dispute; those who declined are substituted by other participants of such random sampling. Participation in such commission is remunerated. The dispute settlement constitutes open proceedings, and remuneration is paid by the guilty party.

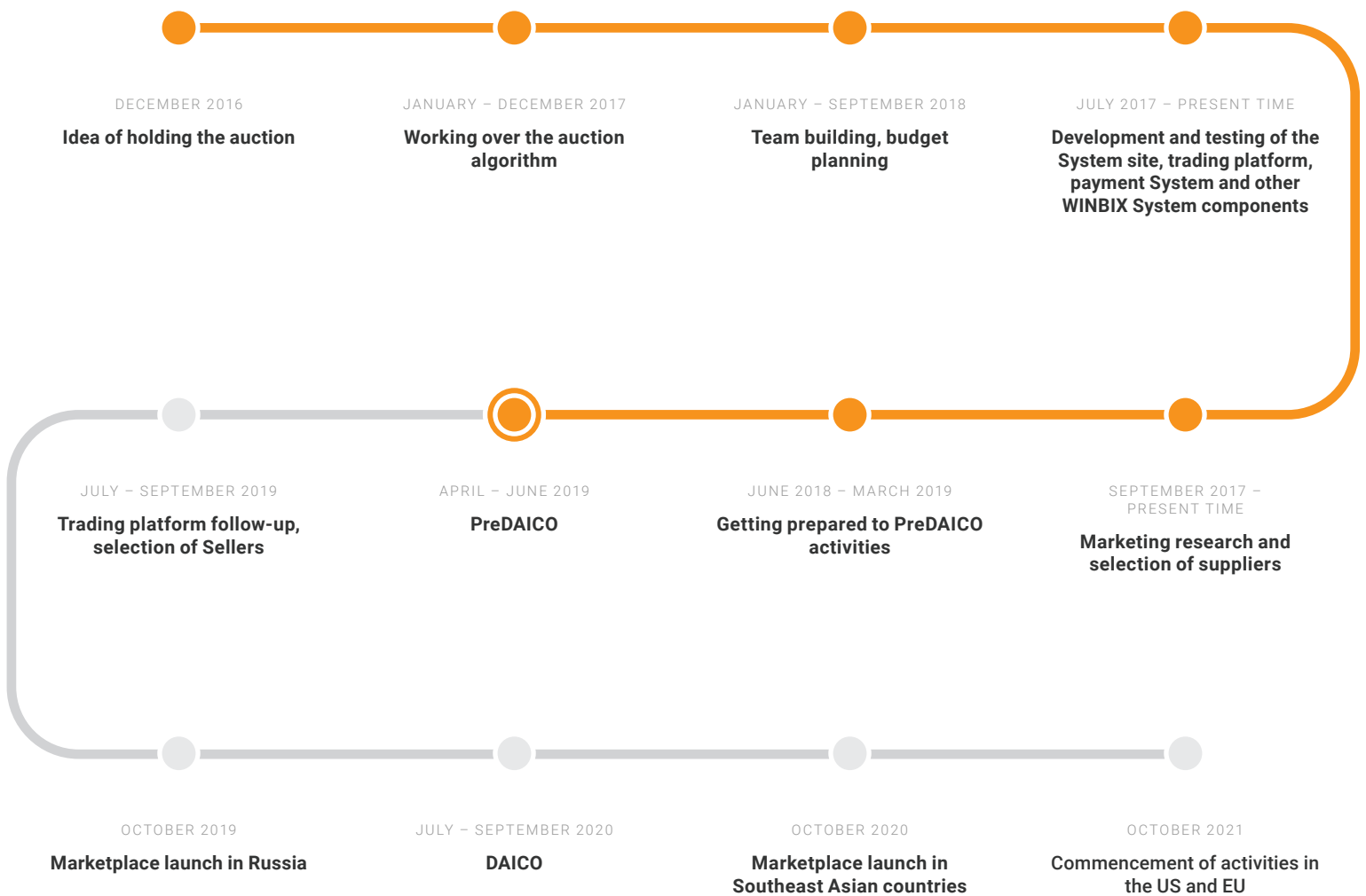
13. Sales opportunities

In respect of any product item, the Buyer can make to the Seller an offer for sale thereof (amount for which the Buyer is ready to buy the relevant product); the term of such offer is determined by the Buyer.

The Seller may, at its sole discretion, either accept or decline such offer. If the offer is accepted by the Seller, the Buyer shall pay for the purchase within 24 hours. If no payment is made, the Buyer has no option to make any offers to Sellers (for an indefinite period), and all current offers are cancelled.

Thus, the Seller will have the option of assessing the instant liquidity of stock balances at any moment and, if necessary, meet the Buyers' demand, taking into account the need in cleared current assets and the level of acceptable selling price.

14. Roadmap



15. Some technical details of how to operate the System

Terms and Definitions:

Base price shall mean an average price under the offer in the market (determined by the Seller);

1 lot shall mean 1 item;

Maximum discount corridor shall mean a range of the maximum discount allowed and determined by the Seller;

Stop price shall mean a value, below which the price shall not fall; to be determined by randomly based on the maximum discount corridor;

Price reduction corridor shall mean a difference between the base price and the stop price;

Price reduction notice shall mean a price value, at which the user shall be notified.

The System operation is grounded on the Dutch Auction principle, i. e. continuous price reduction until the product is sold. The price lower limit is the stop price. The lot price is reduced once within a certain time interval (time interval per each position shall be established by the Seller).

On the sale of any lot, provided that the item is available on the Supplier's warehouse, the sale shall firstly commence under the new lot. The price reduction is determined randomly from a given "price reduction corridor".

For example:

The maximum discount corridor specified by the Seller per certain item constitutes -15% to -55%. On the commencement of trading, a stop price is randomly determined by the System; let it be – 41%. At each price reduction stage, the System will select a discount, analysing the Buyers' behaviour:

- First reduction within the range from 1 to 41%; assume that the selected discount is 14%;
- Second reduction within the range from 15 to 41%;
- etc. until the stop price is hit.

The sale of any subsequent item shall all commence with determination of the stop price.

The Sellers will have the option of describing any reduction algorithms affecting their products personally.

Payment shall constitute the participant's consent to purchase the product.

Any product forwarded to the cart activates the "reserve" status, any payment made – the "sold" status.

The user will have no more than X minutes to pay for the product (governed by the auction administrator); thereafter, "reserved" items are cancelled. Paid orders are kept in the "paid orders" section until the user switched to the "delivery checkout" menu. Thus, the Buyer can add several purchases to one shipment within several days (provided that such shipments are from one Seller).

The user can set per each position the price level, at which the user will receive a price reduction notice (the number of such requests is limited and depends on the rating). Some items are sold without "stop prices" daily.

They are determined by the Seller daily. This condition (selling a part of the product range without any stop prices) will constitute a prerequisite for sales. Some products to be sold without "stop prices" is known in advance, whereas the others are not known to the user. At the initial stage, the System will operate as the main sales operator, serving as a model and inspiring factor for other Sellers.

16. Questions and answers

– What “price margin” does the Seller essentially have for “trading”?

It depends on the product group and the region. In the “clothes” group, the manufacturer’s wholesale price, as a rule, differs from the minimum price in online stores by 80-120%. In the expensive electronics group, the difference is significantly less; the Seller’s bonus constitutes about 5-20%, but, due to the product high price, the discount of 2-5% constitutes a significant amount. To the contrary, mark-ups on cheap electronics and accessories can constitute over 1000%. There are also groups of products and individual brands with a pricing policy not permitting any sale through WINBIX (for example, cars). However, in general, due to fairly extensive negotiations with suppliers and price studies, we can assert that there nearly always is a significant discounting reserve.

– Who is in charge for settlement of any cross-border supply issues?

While working with the Seller, an allowable discount amount is separately discussed depending on the region. The System fully supports the Seller in any issues related to export operations, or the Seller is limited to its customs zone only. The System provides the Seller with comprehensive information about any costs associated with the export of products, so as to assess the “discount space”.

– What warranty will be provided by WINBIX to the Buyer?

A 100% refund of funds and delivery costs, if the product is not received and the fair dispute settlement in terms of quality, compliance, etc.