

GOVERNING RULES OF THE PEPEAIRPLANEONE SMARTCONTRACT

(hereinafter also referred to as the “**Rules**”)

PEPEAirplaneONE is a smartcontract that manages the deposits of Pepe Coin cryptocurrency (hereinafter also referred to as the “**PEPE**”) made through the smartcontract and their subsequent redistribution to individual depositors, respectively the redistribution of the entitlement of the individual virtual wallets from which PEPE deposits are made to the smartcontract, to pay a certain portion of the total amount of all PEPE deposited to the smartcontract (hereinafter also referred to as the “**Smartcontract**”).

Smartcontract is not operated by any natural or legal person. Smartcontract has been created, published and deployed solely for the purpose of a social experiment that aims to:

- Determine whether Smartcontract can function despite the clear and transparent Rules of operation of Smartcontract, which are publicly available and to which each depositor explicitly agrees by connecting their virtual wallet to Smartcontract before making a deposit, i.e. whether the number of depositors who deposit PEPE into Smartcontract will increase in time and if yes how long the upward trend in the number of depositors will last.
- Determine whether allowing depositors to apply their own strategies in an entertaining way to change their entitlement to a certain portion of the total amount of all PEPE deposited in Smartcontract (by withdrawing PEPE and redepositing them into the Smartcontract), combined with the spreading of awareness of the existence of Smartcontract by individual depositors to other potential depositors, can make Smartcontract work in the long term, i.e. whether the number of depositors who deposit PEPE into Smartcontract will increase in time and if yes how long the upward trend in the number of depositors will last.
- Give individual depositors the opportunity to withdraw PEPE to which they will be entitled under Smartcontract. Any PEPE that a depositor withdraws from Smartcontract exceeding the sum of their deposits into Smartcontract has the nature of the depositor's commission for participating in the social experiment, respectively for participating on the Smartcontract.

HOW TO USE SMARTCONTRACT

1. The user requests to connect their virtual wallet to Smartcontract through the functionality of the website available at www.pepe01.com. The user will then be asked to connect their virtual wallet to Smartcontract and informed that by connecting their virtual wallet to Smartcontract they agree to these Rules.
2. After connecting their virtual wallet to Smartcontract, the user will first set the maximum PEPE value that they can deposit into Smartcontract from their virtual wallet through the Smartcontract control interface. User will be allowed to deposit the amount of PEPE to Smartcontract up to the maximum amount selected. If the

previously selected maximum amount is exhausted by depositing PEPE into Smartcontract, the user sets a new maximum amount.

3. The user then, via the Smartcontract control interface, deposits selected amount of PEPE into Smartcontract.
4. By depositing the PEPE, the user becomes a depositor. The amount of the depositor's PEPE deposit, respectively their virtual wallet deposit, into Smartcontract is transparently available in the Smartcontract control interface.
5. Each depositor is entitled to withdraw a portion of all PEPE deposited into the Smartcontract, depending on the proportion of the amount of the sum of their deposit to the total amount of PEPE deposited into the Smartcontract. The share of the depositor's deposit on the total amount of PEPE in Smartcontract in % and the amount of PEPE to which the depositor or his virtual wallet, is entitled to withdraw is transparently available in the Smartcontract control interface.
6. The Depositor may choose to withdraw the PEPE to which he is entitled to withdraw under Smartcontract at any time.

NATURE OF WITHDRAWN PEPE

Any PEPE that a depositor withdraws from Smartcontract exceeding the sum of their deposits into Smartcontract has the nature of the depositor's commission for participating in the social experiment, respectively for participating on the Smartcontract.

METHOD OF CALCULATING THE DEPOSITOR'S CLAIM ON THE TOTAL AMOUNT OF PEPE DEPOSITED INTO THE SMARTCONTRACT

The formula used to determine the rewards for each depositor is fundamental to understanding the distribution mechanism of the Smartcontract. Here's how it can be expressed mathematically:

Let:

- A_d be the deposited amount of a specific depositor
- T_d be the total amount staked by all depositors combined
- R_n be the new amount of PEPE added to the Smartcontract by a new depositor
- R_i be the amount of PEPE to which a specific depositor is entitled

The amount of PEPE to which a specific depositor is entitled when new PEPE are deposited into the Smartcontract is calculated using the following formula:

$$R_i = \left(\frac{A_d}{T_d} \right) \times R_n$$

This means that the amount of PEPE to which a specific depositor is entitled (R_i) is proportional to the fraction of the total amount staked by all depositors combined (T_d) and a specific depositor's deposit (A_d), scaled by the amount of new PEPE added to the Smartcontract by a new depositor (R_n).

Example:

Suppose:

- Depositor A deposited 100 PEPE.
- The total amount of PEPE deposited into Smartcontract by all depositors (including the depositor A) is 1000 PEPE.
- A new depositor deposits 100 new PEPE into Smartcontract.

The amount of PEPE to which the depositor A is entitled would be:

$$R_i = \left(\frac{100}{1000} \right) \times 100 = 10 \text{ PEPE}$$

So, depositor A would be entitled to an additional 10 PEPE when 100 new PEPE are added to the Smartcontract (under the above input conditions for the example calculation).

NOTICE

By connecting your virtual wallet to Smartcontract respectively by depositing any PEPE into Smartcontract, you agree and represent that:

- You are voluntarily and knowingly becoming a participant in the social experiment governed by these Rules and subject to the rules and operation of Smartcontract.
- You have read these Rules in detail, you understand them and you understand the functioning of Smartcontract and the conditions for the redistribution of PEPE.
- You are fully aware that any natural or legal person does not operate Smartcontract and Smartcontract operates on its own after its deployment through a given blockchain, thus there is no third party who will be liable in any way for any damage or harm that you incur in any way as a result of your use of Smartcontract.
- The principle on which Smartcontract operates, i.e. in particular the redistribution of PEPE between depositors, is not prohibited in your jurisdiction. If so, you assume all liability for your participation in the social experiment in which you become a participant by depositing PEPE into the Smartcontract.
- Any amount of PEPE withdrawn from Smartcontract for further transfer, sale or use may be subject to a tax or charge under the laws of the country whose tax legislation applies to you.
- You represent that any PEPE deposited into Smartcontract is not proceed from crime, and that any deposit of PEPE into Smartcontract is not made for the purpose of money laundering or executing a transaction to promote or finance terrorism under any AML laws governed by your jurisdiction.