

# **XStars Terms and Conditions**

**Effective Date: 29/05/2025**

These Terms and Conditions ("Terms") govern access to and use of the XStars platform ("Platform"), a service provided by Xstars srl, a company incorporated under the laws of the Italian Republic. By using the Platform, you agree to be bound by these Terms, our Privacy Policy, and any other policies or agreements expressly referenced herein. If you do not agree, you must refrain from using the Platform.

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## **1. Platform Purpose and Scope**

XStars facilitates access to investment opportunities in revenue-sharing rights related to monetized YouTube channels operated by verified content creators ("Creators"). The Platform enables eligible users ("Investors") to acquire contractually defined economic rights tied to a Creator's future advertising revenues, represented through unique internal investment units ("Tokens"). These Tokens are non-transferable contractual instruments, not digital assets or securities.

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## **2. Eligibility and User Responsibilities**

**2.1 Eligibility Criteria** Use of the Platform is limited to natural persons aged 18 years or older who possess legal capacity to enter into binding contracts. By registering, you affirm that the information provided is accurate and kept up to date.

**2.2 Investor Obligations** Investors agree to:

- Maintain strict confidentiality of login credentials.
- Invest only personal funds or funds they are legally authorized to manage.
- Understand and accept all investment risks (See Section 4).
- Refrain from unauthorized access or attempted access to third-party accounts or Platform systems.
- Fulfill applicable tax reporting obligations in their jurisdiction.

**2.3 Creator Obligations** Creators must:

- Provide complete and accurate channel analytics and grant real-time access via YouTube APIs.
- Maintain consistent channel activity and comply with YouTube monetization policies.
- Immediately inform the Platform of any material changes affecting monetization, ownership, or community guidelines compliance.

- Abide by all provisions in the Creator Agreement.
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### 3. Investment Mechanics and Royalty Distribution

**3.1 Token Structure** Each Token represents a share in future advertising income from a Creator's YouTube channel, as defined by contract. Tokens are recorded in a secure private ledger system managed internally by XStars.

**3.2 Ownership and Records** Transactions are linked to user accounts and assigned unique internal IDs. Ownership records are maintained in accordance with industry standards for accuracy and auditability.

**3.3 Royalty Payments** Royalty payouts occur periodically, contingent on verified YouTube revenue data. Distributions are net of all applicable fees (See Section 6) and visible via the Investor dashboard.

**3.4 Transferability and Liquidity** At this time, Tokens are non-transferable and no secondary market is available. Future implementation of liquidity mechanisms may occur, subject to regulatory approval.

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### 4. Investment Risk Disclosures

**4.1 Platform Disclaimer** XStars is not a licensed financial advisor, broker-dealer, or intermediary under MiFID II or similar EU legislation. All investments are self-directed.

**4.2 Risk Factors** Investing via the Platform involves the following non-exhaustive risks:

- **Performance Risk:** Revenues may decline due to audience shifts, algorithmic changes, or YouTube policy updates.
- **Creator Risk:** A Creator may cease content creation or be demonetized.
- **Platform Risk:** Technological failures or operational disruptions may impair services.
- **Regulatory Risk:** Legal frameworks may evolve, impacting the Platform or its offerings.
- **Liquidity Risk:** No current mechanism exists for early exit or resale of Tokens.

**4.3 No Guarantees** XStars makes no warranties regarding future performance. Past earnings are not indicative of future results. Users are solely responsible for evaluating the suitability of their investments.

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## 5. Intellectual Property and Content Use

**5.1 Creator Ownership** Creators retain full ownership of their YouTube content and intellectual property.

**5.2 Platform License** Creators grant XStars a limited, non-exclusive, royalty-free, global license to:

- Display channel name, profile image, and select content for promotional and transparency purposes.
- Use YouTube analytics (to the extent permitted by YouTube).

This license is valid for the duration of the Creator's revenue-sharing agreement and terminates upon complete withdrawal and fulfillment of obligations.

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## 6. Platform Fees

**6.1 Creator Listing Fee** A one-time onboarding fee is charged to Creators upon execution of the revenue-sharing agreement. This fee covers channel verification, legal compliance, and integration.

**6.2 Royalty Handling Fee** XStars deducts a fixed percentage from gross YouTube revenues prior to royalty distributions. The applicable rate is disclosed in the Creator's listing and reflected in net Investor returns.

**6.3 Transparency** Investors view only net earnings. XStars may update fees with notice; changes apply only to new listings or investments.

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## 7. Prohibited Activities

Users may not:

- Engage in fraud, spam, hacking, or unauthorized data access.
  - Post or transmit illegal, infringing, defamatory, or obscene content.
  - Violate third-party rights or applicable laws.
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## 8. Limitations of Liability

XStars disclaims liability for:

- Platform errors, downtime, or data inaccuracies.
- Creator non-performance or monetization loss.
- Indirect or consequential damages.

Use of the Platform is at your sole risk. Users should seek independent advice where necessary.

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## **9. Termination and Suspension**

We reserve the right to terminate or suspend access in case of:

- Breach of these Terms;
  - Suspected fraud;
  - Legal or technical complications.
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## **10. Governing Law and Arbitration**

These Terms are governed by the laws of the Italian Republic. Any unresolved dispute shall be submitted to final and binding arbitration before the Camera Arbitrale di Milano under its Rules of Arbitration. Proceedings may be conducted in English or Italian.

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## **11. Privacy and Data Protection**

XStars processes personal data in accordance with GDPR (EU Regulation 2016/679). We implement strong data security controls, including:

- SSL/TLS encryption;
- Role-based access controls;
- Regular security audits;
- Data minimization policies.

Users may access, correct, or delete their data via the Platform or by contacting our DPO. See our Privacy Policy for details.

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## **12. Updates to Terms**

These Terms may be updated at any time. Material changes will be communicated in advance. Continued use of the Platform constitutes acceptance of revised Terms.