

STO FRAMEWORK & EQUITY CONVERSION TERMS

1. INTRODUCTION

The STO Framework for LMGX outlines the structured transition from a utility token into a security-backed asset through an upcoming Security Token Offering (STO).

The purpose of this transition is to provide token holders with the opportunity to convert their holdings into equity, ensuring long-term value appreciation and regulatory compliance.

2. EQUITY CONVERSION MECHANISM

- Eligibility: LMGX holders who meet KYC and accreditation requirements will be eligible to convert tokens into security-backed shares.
- Conversion Ratio: A defined conversion ratio will be announced prior to the STO launch to ensure fair valuation.
- Voting & Ownership Rights: Holders who participate in the STO will gain shareholder rights, including profit-sharing and governance participation.

3. LEGAL & REGULATORY COMPLIANCE

- Jurisdictional Compliance: The STO will be registered in a compliant regulatory jurisdiction, ensuring adherence to financial laws and investor protection.
- SEC & Regulatory Approvals: Compliance with the U.S. SEC, EU ESMA, and other international financial regulators.
- Investor Accreditation: Depending on jurisdiction, participants may need to be accredited investors before conversion.

4. ROADMAP TO STO

- Phase 1: Utility Token Adoption & Ecosystem Growth
- Phase 2: Legal Structuring and Regulatory Approvals
- Phase 3: STO Launch & Equity Distribution
- Phase 4: Public Trading of Security Tokens on Regulated Exchanges

