

USD1 Terms | Part A: USD1

Kinesis Global Pty Ltd ACN 656 201 660

Important: This is an important document which sets out all the rights and obligations between users of USD1 and Kinesis Global Pty Ltd ACN 656 201 660 (**Kinesis**). You must read it in full and obtain financial and/or legal advice if you are unsure of any aspects. You should also read the USD1 risk disclosures available in the USD1 Whitepaper and the risks section on Kinesis's website at www.kinesis-global.com.

Date: 27 November 2024

1 USD1 Terms

- (a) If you hold an Account and/or hold, transact in or use USD1, and do not advise us that you do not accept these terms promptly, then you agree you are bound by this Deed. This Deed applies to each electronic form or contract executed with respect to USD1, whether or not the transaction is with us or whether the persons or entities are Account holders.
- (b) By obtaining, using or holding USD1, you warrant that you have reviewed all clauses within, understand and expressly agree to this Deed and Applicable Laws. You agree that the Privacy Policy and Website Terms are incorporated into this Deed. This Deed will prevail to the extent of any inconsistency between the documents.
- (c) You acknowledge and agree that USD1 is a digital token which is issued by Kinesis on USD1 supported Blockchains and all the legal rights governing the use of that token are set out in this Deed.
- (d) You acknowledge that Kinesis intends, but does not guarantee:
 - (i) to maintain a value of 1 USD fiat, per USD1 on issuance; and
 - (ii) for each 1 USD1 on issue, a corresponding security charge over 1 USD (or an equivalent amount of USD denominated assets, charges or contractual rights) (**USD1 Reserves**) is intended to be held in reserve by Kinesis. The USD Reserves may not be comprised of assets, or security charges – they may be contractual rights subject to enforcement.
- (e) Not Used.
- (f) Subject to this Deed, the Applicable Laws, and the USD1 Reserves being sufficient, Kinesis agrees to claim 1 USD1 for 1 USD within a reasonable period. You:
 - (i) are not entitled to place any security interest on the USD1 Reserves, or revenues generated by Kinesis from the USD1 Reserves;
 - (ii) have a creditor / debtor right under this Deed to claim a debt claim of 1 USD1 for 1 USD from Kinesis. That is, each USD1 you own confers on Kinesis the obligation to pay you a liquidated sum of 1 USD; and
 - (iii) agree Kinesis' obligation to claim the USD1 is subject to:
 - (A) a reasonable period of time;

- (B) an operational manner of Kinesis' choosing;
 - (C) Kinesis' obligation to comply with AML/CTF, sanctions law, and other applicable regulatory requirements.
- (g) Kinesis acknowledges that USD1 holders have a legal and enforceable liquidated debt claim against Kinesis for redemption of 1 USD1 for 1 USD, subject to compliance with regulatory requirements and operational procedures specified in this Deed legitimately required to protect Kinesis.
- (h) USD1 holders have a legal right to enforce a liquidated debt claim against Kinesis in exchange for transferring USD1 to it or a nominee in the manner specified in this Deed. This obligation arises directly upon the valid proof of ownership of USD1 tokens and is legally backed, though not by securities, by the USD1 Reserves
- (i) You acknowledge and agree that:
- (i) USD1 constitutes a debt obligation by Kinesis. Debt claim rights are contingent and subject to the terms outlined herein.
 - (ii) Where Kinesis holds USD1 for you on its platform, it may hold USD1 in reserve in interest bearing accounts and other yield generating instruments at its sole discretion;
 - (iii) Kinesis is only entitled to any interest or returns earned on such funds;
 - (iv) Kinesis does not generate any interest or return for holders of USD1; and
 - (v) users of USD1 have no right to, and expressly disclaim, any entitlement to the USD1 Reserves and proceeds therefrom.
- (j) You understand and agree that sending USD1 to another address automatically transfers and assigns to the owner of that address (USD1 Holder) and any subsequent USD1 Holder, the legal and equitable right to claim USD1 for USD funds as a creditor so long as the USD1 holder is eligible to, and does, register an Account and it is active. You also agree that if the USD1 Holder is not eligible to register an Account, it is not entitled to claim USD1 with Kinesis.
- (k) You acknowledge and agree that Kinesis may delay, refuse or reject any request to claim USD1 where, in Kinesis' sole discretion, it believes it is appropriate or necessary, including in the event of any of the circumstances described in this Deed.
- (l) Unless expressly set out in this Deed, USD1 does not confer USD1 Holders with any right, title or interest in Kinesis or USD1 Reserves.

2 **Account**

- (a) The Account is issued by Kinesis. Kinesis is a registered Digital Currency Exchange (DCE 100865184-001) and Independent Remittance Dealer (IND100865184-001).
- (b) To be eligible to establish an Account, you must:
- (i) submit an application with Kinesis;

- (ii) hold an account with a financial institution approved by Kinesis (**Bank Account**);
 - (iii) ordinarily reside in a jurisdiction permitted by Kinesis; and
 - (iv) meet any other eligibility requirements Kinesis prescribed from time to time, including Deed to the Account Deed.
- (c) In addition to other terms in the Account Deed, you acknowledge and agree:
- (i) Kinesis may refuse to issue you with an Account in its absolute discretion, including where you have failed to provide Kinesis with the information it has requested.
 - (ii) You must hold a Bank Account before you can use the Account to claim USD1.
 - (iii) The Bank Account must be in your name or in the name of another person that Kinesis has otherwise approved.
 - (iv) Fiat currency may only be deposited to your Account for the purposes of purchasing USD1
 - (v) USD1 purchased is initially deposited by Kinesis into your Account Wallet. It is your responsibility to transfer USD1 from your Account Wallet to an external wallet. We take no responsibility for any external transfers initiated from your Account Wallet.
 - (vi) You have a contingent contractual claim to any fiat currency held in your Account, and USD1 held in your Account Wallet.
 - (vii) Fiat currency in your Account can only be withdrawn to your Bank Account, unless otherwise approved by Kinesis.
 - (viii) The Account can only be accessed by you. You must not provide access to the Account to any other person. Kinesis will deem any instruction that is provided from your Account as having been provided by you and Kinesis is not required to inquire as to the validity or accuracy of such instructions.
 - (ix) You cannot assign or transfer your Account to any person. Kinesis reserves the right to refuse to acknowledge any transfer of USD1 for reasonable commercial or regulatory reasons.

3 **Issue & Debt claims**

3.1 **Issue**

- (a) Subject to this Deed and Kinesis holding at least an equivalent value in USD1 Reserves, Kinesis will transfer you 1 USD1 for 1 USD within a reasonable time period. The manner in which Kinesis transfers you 1 USD is at its sole discretion and may include minting USD1 directly into your account or through a third party account.
- (b) You acknowledge and agree that:
 - (i) You may only send USD1 to the Account Wallet. If you send other digital tokens to the Account Wallet, they may be lost or irrecoverable.

- (ii) You may only send USD1 to a wallet which accepts USD1 Supported Blockchains. If you attempt to send the USD1 to another wallet, it may be lost or irrecoverable.
 - (iii) You may purchase USD1 from Kinesis only if you have an active Account, in accordance with the Account Deed. You can otherwise purchase USD1 from secondary markets, as outlined below.
 - (iv) You may purchase USD1 by transferring fiat currency from an account at a financial institution in your name and under your exclusive control, after having been approved by Kinesis to convert the fiat currency into USD1. We also require a valid wallet address for delivery of the USD1, which must always be under your exclusive control.
- (c) Prior to the placement of a purchase request on your Account, you will be required to review and confirm certain information, including: the quantity of USD1 requested to be purchased, and the wallet address to which the USD1 will be sent. Once a purchase request has passed compliance checks, it will be processed by Kinesis.
 - (d) Once a purchase request has been approved, and we confirm the transfer of fiat currency into Kinesis' accounts, we will initiate the generation and transfer of USD1 to be credited into your wallet through Kinesis. If a fiat currency transfer does not originate from a financial institution account under your exclusive control, it may be rejected and returned to the origination account.
 - (e) Kinesis only generates USD1 in non-fractional quantities and is not obligated to process fractionalised purchase of USD1. You acknowledge and agree that Kinesis may require a minimum amount of USD1 to process a payment, which may change from time to time.
 - (f) Subject to the terms of this Deed and the Account Deed, you may purchase USD1 by transferring fiat to the wallet maintained by Kinesis for this purpose.
 - (g) You acknowledge and agree that Kinesis does not:
 - (i) hold any money you transfer to those entities on trust for you, pending the issuance of USD1; and
 - (ii) make any representation or warrant about the safekeeping or custody of the monies you transfer.

3.2 **Debt claim**

- (a) You understand and agree that Kinesis will not, for the purpose of claiming the USD1, or otherwise, recognise any title or interest in the USD1 save for the user's right to claim USD1 for USD under a liquidated debt obligation. Kinesis is not entitled to process a debt claim from a wallet not in your exclusive control.
- (b) You understand and agree that the term debt claim does not refer to specific assets, or rights or equitable interests under these terms. It only refers to the your ability to claim on your limited contingent debt rights against Kinesis only, and not any directors, officers or third parties.
- (c) You acknowledge and agree that you may claim USD1 with us only if you have an Account which is active, and in conformance with the Account Deed. You may claim USD1s through the debt claim process accessible through your

Account. In order to convert from USD1 to the respective fiat currency, a valid transfer or wire instruction to a valid bank account must be made.

- (d) Prior to the placement of a debt claim, you will be required to review and confirm certain information, including the amount of the debt claim (which will include the mark-up, if any) and the bank account and transfer instructions to which the fiat currency will be sent. Once a debt claim request has passed compliance checks, it will be processed by Kinesis.
- (e) You will be provided a debt claim address to which you can send your USD1 for the purposes of debt claim. Once we confirm that your USD1 have been transferred to such debt claim address and validate that the USD1 is from a wallet under your exclusive control, we will initiate a transfer of fiat currency to be credited to the bank account associated with your Account. If a USD1 transfer does not originate from a wallet under your exclusive control, or there are any other signs of a compliance breach, it may be rejected and returned to the origination wallet.
- (f) You acknowledge and agree that Kinesis only generates USD1 in non-fractional quantities and is not obligated to process fractionalised debt claims of USD1. Kinesis may require a minimum amount of USD1 to process a debt claim, which may change from time to time.
- (g) A debt claim is contingent on compliance with all applicable laws, including AML/CTF regulations, and subject to Kinesis's operational capabilities. You waive your right to issue a statutory demand, list a debt against Kinesis on the Personal Properties Securities Register or other credit listing body, and you agree that you will only exercise the rights under this contract, unless they are not suitable to protect your legitimate commercial interests.
- (h) USD1 and fiat currency will be received and sent, less any fees charged by a third party e.g. banks or other platforms. Once a debt claim has been commenced and compliance checks have been deemed satisfactory, the transaction may not be reversible. If you transfer USD1 to our debt claim address/ your external wallet provider, and the amount of USD1 received by us is, for any reason, less than or greater than the amount indicated in your debt claim request, then subject to the amount of USD1 received being greater than our minimum requirement (which we reserve the right to set/amend at any time), we will deliver to you the debt claim amount of fiat associated with the amount received, even if that amount is less than or greater than that indicated in your debt claim request.
- (i) You represent and warrant that all USD1 that you claim does not represent the proceeds of any criminal, fraudulent, or otherwise unlawful activity. If we, in our sole discretion, have reason to believe that you are not the owner of the USD1 sought to be claimed, or if the USD1 sought to be claimed represents the proceeds of criminal, fraudulent, or otherwise unlawful activity, or if USD1 is transferred from a wallet that does not comply with the requirements in this Deed, or the Account Deed, or applicable law, we reserve the right to refuse to claim any USD1 or refrain from establishing or maintaining an Account for you.
- (j) Subject to the terms of this Deed and the Account Deed, you may claim USD1 by following the debt claim process accessible through your Account.
- (k) You acknowledge and agree that Kinesis does not:

- (i) hold any money you transfer to those entities on trust for you, pending the issuance of USD1; and
 - (ii) make any representation or warranty about the safekeeping or custody of the monies you transfer.
- (l) Each USD1 holder represents and warrants that:
- (i) They are the sole and beneficial owner of the USD1 tokens they seek to subject to a debt claim.
 - (ii) The funds used to acquire USD1 are not derived from illegal activities, including but not limited to money laundering or terrorism financing.
 - (iii) They are compliant with all applicable tax laws in their jurisdiction concerning their USD1 holdings.
 - (iv) They will indemnify Kinesis for any losses arising from a breach of these representations.
 - (v) They have sought appropriate independent financial and legal advice before acquiring USD1, or entering into transactions with Kinesis.

3.3 **Cancelled Order**

You acknowledge and agree that Kinesis reserves the rights to cancel or nullify orders in the event that the order contains a bug, mistake, or an actual or suspected breach of this Deed.

4 **USD1**

You acknowledge and agree that:

- (a) USD1 is intended to reflect a tokenised equivalent of the value of USD. USD1 on issue creates a debt owing by Kinesis to USD1 Holders, which is contingent on the terms of this Deed.
- (b) Kinesis may hold USD1 Reserves in interest bearing accounts, yield generating instruments or in any other manner designed to generate a return and subject to appropriate contractual documentation. You expressly consent and agree that Kinesis is only entitled to any interest or returns earned on the principal of the USD1 Reserves. Kinesis does not generate any interest or return for USD1 Holders.
- (c) Sending USD1 to another address automatically transfers and assigns to the owner of that address (**USD1 Holder**), and any subsequent USD1 Holder, the right to claim USD1 for USD in accordance with this Deed. If the USD1 Holder is not eligible to register an Account, it is not entitled to claim USD1 with Kinesis.

4.2 **Reserves**

4.3 Kinesis reserves the right to utilise USD1 Reserves in yield-generating instruments, with all earnings retained by Kinesis. Detailed reports on reserve utilisation may be disclosed annually, subject to regulatory requirements.

4.4 Not used.

4.5 Not used.

4.6 You acknowledge that Kinesis intends, but does not guarantee:

- (i) to maintain a value of 1 USD fiat, per USD1 on issuance; and
- (ii) for each 1 USD1 on issue, a corresponding security charge over 1 USD (or an equivalent amount of USD denominated assets, charges or contractual rights) (**USD1 Reserves**) is intended to be held in reserve by Kinesis. The USD Reserves may not be comprised of assets, or security charges – they may be contractual rights subject to enforcement.

4.7 USD1 Reserves are held by Kinesis to satisfy its debt obligations to USD1 holders. The reserves serve as the primary source of funds for debt claims, ensuring that Kinesis can meet its obligations in full.

4.8 Ownership of USD1 constitutes consideration for digital assets – which is not a financial product - and establish a debt obligation of Kinesis to the USD1 holder. Debt claim amounts are contingent and represent satisfaction of an existing debt.

4.9 You also acknowledge and agree that you have no right of entitlement in connection with the USD1 Reserves under this Deed, or otherwise at law. You have no right to direct Kinesis or its related parties on the constitution or reporting of the USD1 Reserves. Kinesis retains the sole discretion to manage, invest, or reallocate the assets constituting the USD1 Reserves, including transitioning reserves to alternative custodians, financial institutions, or instruments. Kinesis shall ensure the reserves maintain sufficient liquidity to meet claim obligations, but holders acknowledge and agree that reserve allocations may include non-cash assets, commodities, contractual claims, speculative assets, debt obligations, security charge or other things of value provided their value is equivalent to USD1 obligations.

4.10 **Use of USD1**

(a) You acknowledge and agree that:

- (i) USD1 is not designed to be a payments product, or part of a payment facility to be used in the market for non-cash transactions;
- (ii) USD1 should not be utilised by users for payments, as set out in the Whitepaper; it is not designed specifically for or actively supported by Kinesis in this purpose;
- (iii) Kinesis is not a payments processor or operates as a CS facility. Nor is it issuing the USD1 to fund its working capital. You acknowledge that Kinesis does not:
 - (A) maintain online platforms, mobile apps, or other digital infrastructure;
 - (B) maintain a payment gateway to authorise/settle transactions;

- (C) agree to make any merchant accounts, point of sale systems, or digital wallet integration to users;
 - (D) agree to implement SSL encryption, PCI-DSS compliance, user authentication;
 - (E) agree to adopt custodial or registry standards to delineate your USD1 vis-à-vis the equivalent USD (or USD denominated assets) in the USD1 Reserves;
 - (F) agree to adopt anti-fraud or recovery measures to protect your USD1;
 - (G) agree to provide APIs, support channels, transaction reports, or other information to USD1 holders, to facilitate payments processing or funds transfer; and
 - (H) you will not utilise the USD1 in such a way that it comprises a non cash payment facility product.
- (b) Kinesis is not obligated to, and will not, advise you how to hold, use or store your USD1 or information which may impact the economic value of your USD1 (save for as set out in this Deed), or how you may hold, use or store your USD1. That is your responsibility.
- (c) You acknowledge and agree that:
- (i) these terms and conditions entitle you to a contingent debt claim to claim USD1 for fiat from Kinesis and do not create a trust or fiduciary relationship between you and Kinesis;
 - (ii) the payments you make for or in connection with USD1 are not debentures, including as they are not:
 - (A) applied by Kinesis to its working capital, being the difference between those companies' current assets and liabilities;
 - (B) deposited or lent to Kinesis, and we make no undertaking to repay the fiat monies. Your rights and obligations are contingent on the terms in this Deed and include conduct that is separate from the operations of Kinesis as set out in this contract.

5 **Applicable Laws**

- (a) You agree to comply with Applicable Laws.
- (b) You agree to provide us with any documents we reasonably require to comply with our obligations under AML Laws, and other regulatory obligations.
- (c) By holding or using USD1, or accessing or using the Account, you represent and warrant that:
 - (i) if you are an individual, you are at least 18 years old;
 - (ii) if you are an individual, you are not a Restricted Person or holding USD1 on behalf of or under an arrangement with a Restricted Person; and
 - (iii) you will not hold or use the Account or USD1 for any Prohibited Activity and use of USD1 is legal in your jurisdiction.

6 Supported Blockchains / Technical Support

- (a) USD1 only operates on USD1 Supported Blockchains. We do not have any liability or obligation to prevent or mitigate attacks or resolve any other issues that might arise with any USD1 Supported Blockchains. Any such attacks or delays on any USD1 Supported Blockchains might delay or prevent you from sending or receiving USD1 and we will not be responsible for any Loss you incur from such issues.
- (b) We reserve the right to migrate USD1 to another blockchain or protocol in the future at our absolute discretion. You agree to take any action reasonably required to give effect to the migration. We will not be liable for any Loss you incur as a result of not effecting the migration.
- (c) You acknowledge and agree that:
 - (i) Kinesis will not support, accept or claim tokens emulating USD1 that have been derived from a fork in any USD1 Supported Blockchain;
 - (ii) Kinesis will not be liable for any Loss you incur as a result of a forking event, or other change in any USD1 Supported Blockchain, any activity of other users of USD1 or third party platforms. We do not own or control any blockchain upon which the USD1 is issued;
 - (iii) Kinesis will not support, accept, or claim tokens emulating USD1 that have been derived from a bridge or similar technical development, where the token presented is a 'bridged' equivalency of USD1 not issued by Kinesis.
- (d) We do not accept the use of APIs, AI, algorithmic or other computer software applications for the purchase and debt claim of USD1, unless specifically approved by us.
- (e) We do not accept any obligation to inform you of matters which may effect USD1, including events impacting the USD1 Supported Blockchain, economic developments or any other matters.

7 Intellectual Property

- (a) We grant you with a revocable, non-exclusive and non-transferable licence to use the USD1 Services in accordance with this Deed.
- (b) You acknowledge and agree that the rights granted to you to use the USD1 Services do not convey any additional rights in the USD1 Services Account, or in any Intellectual Property Rights associated with them. Subject only to limited rights to access and use the USD1 Services in accordance with this Deed, all rights, title and interest in and to the Account and all hardware, software and other components of or used to provide the Account, including all related Intellectual Property Rights, will remain with USD1 Services and belong exclusively to us.
- (c) You acknowledge and agree that any Intellectual Property Rights developed by us or you in improving, altering, enhancing or otherwise developing the USD1 Services (whether suggested by you, your officers, agents, employees or customers) will vest in us, and will be licensed to you on the same terms as the USD1 Services is licenced pursuant to this Deed.

- (d) You grant us with a non-exclusive, non-transferable royalty free licence to use your Intellectual Property Rights for the purposes of performing our obligations under this Deed.
- (e) Each party represents and warrants to the other that it is entitled to grant the licences set out in clauses 7(a), 7(c), and 7(d) that the other party's use of the Intellectual Property Rights as licensed pursuant to this Deed will not infringe the Intellectual Property Rights of any third-party.

8 **Acknowledgment**

- (a) You acknowledge that you are not relying on any representations, statements or warranty made by us other than those contained in this Deed. All statutory conditions or warranties that would otherwise be implied into this Deed or by Applicable Laws, are excluded to the maximum extent permitted by Applicable Laws.
- (b) You acknowledge that we will rely on information you have provided to us and that we are not required to verify, unless set out in the Applicable Laws, (and we will not have any liability in respect of) matters referred to in any written direction or communication we receive from you.
- (c) You acknowledge and agree that Kinesis may make changes regarding the composition or treatment of the USD1 Reserves without notifying you, save as set out in this Deed.
- (d) Kinesis affirms that its liability to USD1 holders includes the repayment of its debt obligation arising from their ownership of USD1 tokens, subject to the terms of this Deed.
- (e) This Deed constitutes sufficient evidence of the debt obligation owed by Kinesis to USD1 holders, and no additional documentation is required to enforce such claims.

9 **General Advice**

- (a) You acknowledge and agree that the Kinesis does not provide any recommendations or advice with respect to USD1.
- (b) No representations of Kinesis should be intended to be, or taken to be, legal, financial, taxation or business advice. You should seek your own legal, financial, taxation or business advice as needed before establishing an Account or dealing in USD1.

10 **Unusual markets**

- (a) In the event of unforeseen circumstances, including but not limited to market disruptions, regulatory investigations, technological failures, or force majeure events, Kinesis reserves the right to temporarily suspend the issuance or claiming of USD1 tokens.
- (b) During such a suspension, Kinesis will not be deemed in breach of this Agreement, provided it exercises reasonable efforts to restore services within a commercially reasonable timeframe.

11 **Risks Disclosure**

You acknowledge that you have read the USD1 Whitepaper, and the USD1 risks section on Kinesis' website and that you accept them.

Fees & Expenses

You acknowledge and agree that:

- (a) Fees will be payable at the same time the transaction to which the Fees apply is made.
- (b) Kinesis may charge you fees for purchasing and claiming USD1. An overview of our fees on purchase and debt claim is set forth on our website. We reserve the right to, and you agree that we may, offset our fees against any amount of fiat currency or USD1 to be delivered by us to you in relation to a transaction request. Because of such fees and/or offset, amounts of fiat or USD1 received into your account at your financial institution or into your external wallet may be less than what you were expecting to receive.
- (c) We reserve the right to change or modify our fee structure or increase any of our fees at any time and from time to time. Any such changes, modifications, or increases will be effective upon posting such changes, modifications, or increases on Kinesis's website. Your first use of your Account following the posting on the website of any changes to the fees will constitute your acceptance of such changes. If you do not agree to the posted changes, you may close your Account as provided in your Account Deed.

12.2 Third Parties

- (a) We may incur fees from third-party service providers in the course of processing your purchase or debt claim request. To the extent Kinesis incurs fees from third-party service providers, Kinesis reserves the right to, and will, charge you for such fees by reducing the fiat balance owed to you in a debt claim or reducing the amount of USD1 in a purchase request, each by the amount of fees incurred by us to process your purchase or debt claim.
- (b) In addition, your financial institution and/or the provider of your wallet may directly charge you transactional and other fees, such as blockchain network mining or gas fees and wire transfer fees related to purchasing or claiming the USD1. We take no responsibility or liability for indemnifying or covering any fees that will be charged to you, or charged against amounts of fiat or USD1 you are trying to send to or receive from us, by your financial institution, wallet provider or other third-party service provider engaged by you. Because of such fees from third-party service providers, amounts of fiat or USD1 received into your account at your financial institution or into your wallet may be less than what was sent by us to your account or wallet, or amounts that we receive may be less than what you intended to send or less than amounts indicated in your transaction request.
- (c) If we receive fiat currency in an amount that is not a whole US dollar (for any reason, such as, but not limited to, your error or your financial institution deducting a non-whole dollar amount of fees prior to transferring the fiat currency to us), then we will round the amount down to the next whole USD1 amount and transfer that amount to the wallet you have identified to us.

12.3 Purchase / Debt Claim Amounts

- (a) The set price of the USD to be used for purchase/debt claim for each USD1 will be the average of the WMR FX Benchmark for USD across each day the purchase/debt claim request is being processed by Kinesis. If tranches of USD are processed, this will operate on a pro-rata basis for debt claim tranches.

- (b) The user acknowledges and agrees that Kinesis may apply a markup on the exchange rate applicable to any purchase/debt claim. The markup shall be determined at Kinesis's sole discretion and may vary depending on market conditions, transaction size, and other relevant factors. The user agrees that the exchange rate quoted by Kinesis for each purchase/debt claim will include this markup, and Kinesis is not obligated to disclose the amount of the markup separately.
- (c) Kinesis shall ensure that the exchange rate provided to the user for any purchase/debt claim is competitive and reflects the prevailing market conditions at the time of the transaction. Kinesis may, upon request, provide the user with information regarding the sources of the exchange rate applied to the transaction.
- (d) You also agree to indemnify Kinesis, its related entities and directors & officers in connection with any legal, regulatory or other costs it may incur, directly or indirectly, in connection with the USD1 you hold. You agree that Kinesis can deduct USD fiat, or an equivalent value of USD fiat from the USD1 Reserves to cover its costs, up to the value of your USD1 for this purpose.
- (e) It is your sole responsibility to ensure that you, your wallet provider and/or your financial institution transfer the correct amounts of Stablecoin and/or fiat currency, as applicable, in relation to your purchase, debt claim or exchange requests.
- (f) Each USD1 on issue by Kinesis constitutes a recognised and enforceable debt claim by the holder against Kinesis for its full face value in USD, subject to the terms of this Deed.
- (g) In the event of insolvency, USD1 holders' claims against Kinesis will rank pari passu with other unsecured debt claims, subject to applicable laws.

13 **GST / Tax**

- (a) Unless otherwise specifically stated, sums payable or consideration provided under this Deed will be expressed as being exclusive of any applicable amount of GST.
- (b) Where Kinesis (supplier) makes a taxable supply to a person (recipient) under on in connection with this Deed, and GST is imposed on that supply, Kinesis will be entitled to:
 - (i) increase the consideration otherwise payable by the recipient for that supply under this Deed by the amount of that GST; and
 - (ii) otherwise recover from the recipient the amount of that GST.
- (c) Where Kinesis is the recipient of a taxable supply, the user will be obligated to cover the GST imposed on that supply.
- (d) The supplier must issue a tax invoice to the recipient no later than 5 Business Days after payment to the supplier of the GST inclusive consideration for that supply.
- (e) Words or expressions defined in the GST Act has the same meaning in this clause 13 unless otherwise defined in this Deed.

- (f) The user acknowledges and agrees that Kinesis shall comply with the Common Reporting Standard (**CRS**), and Foreign Account Tax Compliance Act (**FATCA**) regulations. This includes reporting relevant financial account information to the tax authorities of the user's jurisdiction of tax residence. The user further agrees to provide any necessary information and documentation as required by the Kinesis to ensure compliance with CRS, or other tax regulations. Failure to provide accurate and timely information may result in reporting of the Kinesis account details to the relevant tax authorities.

14 **Disputes**

- (a) In the event of any dispute between the parties in relation to this Deed (**Dispute**), a party may notify the other party of the existence and nature of the Dispute (**Dispute Notice**). Upon the other party receiving the Dispute Notice, the parties must exercise good faith in attempting to resolve the Dispute by negotiation between themselves through their nominated representatives.
- (b) If the Dispute cannot be resolved by negotiation under clause **6(a)** above within 10 Business Days of the Dispute Notice, a party may, by notice to the other party, refer that Dispute for determination by a mediator to be appointed by Deed between the parties. If the parties cannot agree on the appointment of a mediator within 10 Business Days of the service of the notice of referral, a mediator will be appointed at the request of either party by the Resolution Institute. The mediation will be held in Brisbane, State of Queensland, Australia.
- (c) If the mediation does not resolve the Dispute, it shall be settled by arbitration in accordance with the rules of the Australian Centre for International Commercial Arbitration (**ACICA**). The number of arbitrators shall be one, appointed in accordance with the said rules. The seat of arbitration shall be Brisbane State of Queensland, Australia. The language of the arbitration shall be English. The award rendered by the arbitrator shall be final and binding upon both parties.
- (d) You acknowledge and agree that the above will not prejudice the right of a party to institute legal proceedings to seek injunctive or urgent declaratory relief.
- (e) Where a user commences arbitration, it shall pay US\$ 35,000 or 15% of the total sum in dispute, whatever is the greater, into a third party trust account, with instructions to hold the funds pending the outcome of the arbitration, proof of which is to be provided to Kinesis, as security for Kinesis' legal costs.
- (f) By entering into this Agreement, each USD1 holder agrees to waive any right to initiate or participate in a class action lawsuit or arbitration against Kinesis. All claims must be brought individually and adjudicated on a case-by-case basis, with no consolidation of claims permitted unless expressly agreed to by Kinesis in writing.

15 **Force Majeure**

You acknowledge and agree that we will not be liable for our inability to perform our obligations under this Deed as a result of an act of God, national emergency, war, act of terrorism, a change in governmental regulations which would have a prohibitive impact on services under or related to this Deed (even if that change is foreseen), labour dispute (other than a dispute that only affects that party), or any other cause beyond our reasonable control (**Force Majeure Event**). If such a Force

Majeure Event occurs, we will notify the other party of the occurrence and the expected duration of that event. We must use all reasonable endeavours to overcome that Force Majeure Event.

16 Termination

- (a) Kinesis may immediately suspend or terminate this Deed, or freeze or otherwise restrict your use of USD1, by providing you with written notice if:
 - (i) you commit a material breach of this Deed which is not capable of remedy, or if capable of remedy, is not remedied to Kinesis's reasonable satisfaction upon service of a notice requiring such remedy and within the specified timeframe;
 - (ii) you become Insolvent;
 - (iii) Kinesis is required to do so pursuant to an order from a Government Agency or Applicable Laws;
 - (iv) Kinesis reasonably believes that USD1 held by you is being used for any purpose contrary to Applicable Laws;
 - (v) we believe it is necessary to protect Kinesis' legitimate business interests; or
 - (vi) you cease to hold any Authorisations required to operate your business in accordance with Applicable Laws.
- (b) Termination of this Deed does not affect any obligations or liabilities which have accrued on or prior to termination.
- (c) Clauses:
 - (i) 7 (Intellectual Property) of Part A;
 - (ii) 8 (Acknowledgment), 12 (GST/Tax), 13 (Disputes), 15 (Termination), 16 (Privacy), and 18 (Liability & Indemnity) of Part B;are continuing obligations and will survive termination of this Deed.

17 Privacy

- (a) We will collect, handle and use your Personal Information in accordance with our Privacy Policy, which is available at www.kinesis-global.com, that we may make), how you can access and seek correction of the Personal Information we hold about you or how you can make a complaint about our handling of your Personal Information.
- (b) You grant us with a non-exclusive, royalty-free, irrevocable, worldwide licence to:
 - (i) use your Personal Information for the purposes of providing the USD1 Services to you;
 - (ii) collect, access, use, store, and collect your Personal Information in accordance with our Privacy Policy;
 - (iii) collect anonymised and de-personalised statistics on your Personal Information for our internal business purposes, including to improve the USD1 services;

- (iv) provide anonymised and de-personalised USD1 Holder Data to third parties for Kinesis' legitimate business purposes.
- (c) We must:
 - (i) comply with Applicable Laws in relation to Personal Information collected, handled, used and disclosed under this Deed;
 - (ii) provide each other with reasonable assistance that may be required to comply with the other's obligations under Applicable Laws in relation to the Personal Information.

18 Warranties

- (a) You represent and warrant to us that:
 - (i) you have read this Deed, the USD1 Whitepaper and the risks section on Kinesis' website;
 - (ii) you have obtained, or had the opportunity to obtain, legal and financial services advice;
 - (iii) you will not use USD1 for any unlawful purpose, or in any way that may harm Kinesis' legitimate commercial interests;
 - (iv) all information you provide to us in respect of your Account is true, accurate and complete;
 - (v) if you are a corporation, you are registered and validly exist under the laws of the jurisdiction in which you were incorporated;
 - (vi) you have full legal capacity and power to enter into this Deed and carrying out the transactions contemplated by this Deed;
 - (vii) all corporate action has been taken that is necessary or desirable to authorise your entry into this Deed and carrying out the transactions contemplated by this Deed;
 - (viii) you hold all licences, registrations, approvals and authorisations (**Authorisations**) that are necessary to:
 - (A) be bound by this Deed and carry out the transactions contemplated by it;
 - (B) ensure that this Deed is legal, valid and binding; and
 - (C) and you are complying with any conditions to which any of these Authorisations is subject.
 - (ix) this Deed constitutes legal, valid and binding obligations, enforceable against it in accordance with its terms;
 - (x) your obligations under this Deed do not conflict with any of your constitutional documents or breach any other contractual obligations you may have;
 - (xi) you are not Insolvent; and
 - (xii) you are not entering into this Deed as trustee of any trust or settlement.

- (b) The warranties in clause 17(a) are repeated on each day during the period in which you hold an Account or USD1. You must promptly notify us if any of the warranties cease to be correct.
- (c) Kinesis makes no warranties about the location, safekeeping or custody of the assets which comprise the USD1 Reserves.

19 **Liability, Release & Indemnity**

- (a) We will not be liable to you for:
 - (i) any Loss of any kind that is directly or indirectly caused by or results from any wrongful, wilful or negligent act of you or your officers, agents or employees;
 - (ii) any Consequential Loss irrespective of whether:
 - (A) it is caused by or relates to breach of contract, statute, tort (including negligence) or otherwise; or
 - (B) you or any other person were previously notified of the possibility of such loss or damage; and
 - (C) you release and hold Kinesis, its related entities and directors & officers harmless in this regard.
- (b) If you transfer a USD1 to blockchain addresses that are inactive, not intended to be used as wallet addresses, incorrectly provided or entered, no longer under the exclusive control of the intended transferee, or otherwise incompatible with the use of USD1, that USD1 is generally unrecoverable. Such transfers could include, but are not limited to, instructing Kinesis to transfer USD1 to such a wallet address. You acknowledge and agree that Kinesis is not responsible for any losses you may incur as a result of such a transfer.
- (c) You agree that USD1 and related transactions comply with all applicable anti-avoidance tax regulations. Kinesis reserves the right to reject or reverse transactions that may contravene these rules, at its sole discretion.
- (d) The user represents and warrants that all transactions involving USD1 are conducted in good faith and do not involve tax evasion, avoidance schemes, or unlawful practices.
- (e) You acknowledge and agree without reservation that Kinesis has the authority to manage and maintain the reserves for the USD1, including the authority to manage, oversee, and, where applicable, delegate administrative responsibilities, and delegate to third-party service providers, when necessary, any and all USD1 Reserves Accounts, and that you have no rights or entitlements in this regard.
- (f) By obtaining or using one USD1, you hereby acknowledge, understand, and accept, whether or not you are an account holder, any risks associated with our holding (through one or more Banks, Fiat Custody Service Providers, or other providers) and maintenance of the fiat currency reserves and USD-denominated reserves which back the USD1.
- (g) You acknowledge and agree that the Account and USD1 are provided on an 'as is' and 'as available' basis, without any warranties of any kind to the

maximum extent permitted by Applicable Laws. We disclaim any and all warranties, whether express or implied, other than stated in this Deed or which cannot be excluded by Applicable Laws.

- (h) To the maximum extent permitted by Applicable Laws, our total aggregate liability to you for any and all Claims arising under or in connection with this Deed, whether caused by or related to a breach of contract, statute, tort or otherwise, will not exceed an amount which is the greater of:
 - (i) US\$5,000;
 - (ii) or if this subclause is severed, US\$50,000; and
 - (iii) the value of USD1 you hold at the date the Claim arose.
- (i) You will indemnify us in relation to any Loss we incur as a result of:
 - (i) your gross negligence, fraud or wilful misconduct;
 - (ii) your breach of this Deed;
 - (iii) any direct or indirect loss accrued to Kinesis, its related entities and directors & officers as a result of your holding or use of USD1; and
 - (iv) any Claim alleging your Intellectual Property Rights infringe the rights of a third-party, except to the extent caused or contributed by our gross negligence, fraud or wilful misconduct or breach by us of this Deed.
- (j) Kinesis is entitled to quantify the sum owing to it under this indemnity as a liquidated sum, and debt owing to it immediately.
- (k) Kinesis is entitled to issue a creditor's statutory demand for the liquidated sum and/or set out the amount owing to it from the USD or USD equivalent value it holds on to your behalf in the USD1 Reserves.
- (l) Kinesis shall not be liable for any losses, delays, or errors arising from the actions, omissions, or insolvency of third-party custodians, payment processors, blockchain networks, or financial institutions engaged to manage the USD1 Reserves or facilitate redemptions.
- (m) Kinesis reserves the right to adjust claim fees at its discretion, subject to providing holders with at least 30 days' written notice. Debt claim fees may vary based on factors including, but not limited to, market conditions, transaction volume, and regulatory requirements.
- (n) In the event of regulatory changes affecting the operation or structure of USD1, Kinesis reserves the right to amend this Deed, modify redemption processes, or restructure USD1 to ensure compliance. Holders agree that such amendments are binding upon them, provided notice is given in accordance with this Deed.
- (o) In the event that USD1 Reserves are insufficient to satisfy redemption requests due to events beyond Kinesis's control, Kinesis's liability to any holder shall be limited to the pro-rata value of reserves available, distributed equitably among all outstanding USD1 tokens at the time of redemption.

20 **Secondary markets**

- (a) You acknowledge and agree that:

- (i) Stablecoins may be purchased, sold, traded, or distributed on certain secondary marketplaces, platforms, and exchanges operated by unaffiliated third parties where marketplace participants can sell, purchase, transfer, and otherwise transact in digital assets, including our Stablecoins (**Secondary Market**); and
 - (ii) Stablecoins may not be compatible with all Secondary Markets, and we make no guarantees about the availability or functionality of any Secondary Market or its compatibility or interoperability with any of our Stablecoins. You acknowledge and agree that all Stablecoin purchases, sales, and transfers on or through Secondary Markets or otherwise outside of the Platform are entirely and exclusively at your own risk.
- (b) You acknowledge and agree that we are not liable for any loss incurred by you in connection with any transaction that takes place on or through a Secondary Market or on or through any other third-party sites or services and that Kinesis has no responsibility or control over how such external sites, services and/or platforms (including Secondary Markets) operate or over the price of Stablecoins on any such external sites, services and/or platforms.
 - (c) You further warrant and covenant that you will not sell USD1 unless such sales are authorised by applicable law.
 - (d) You acknowledge that Kinesis may receive or pay a commission to Secondary Markets for the listing, sale or other usage of USD1. This commission will not be payable by you.
 - (e) If you obtain or purchase USD1, whether on the Secondary Market, or otherwise, you warrant that you have reviewed all clauses within this Deed, and that you understand and expressly agree to be bound by this Deed and Applicable Laws.

21 **Amendments**

We may vary this Deed:

- (a) where such variation is required or reasonably necessary to comply with Applicable Laws, by providing you with at least 30 days' written notice;
- (b) otherwise, by providing you with at least 60 days' written notice.

22 **Sub-Contractors**

We may engage or employ any person, sub-contractor or agent (**Sub-Contractor**) to undertake any of our obligations under this Deed.

23 **Confidentiality**

- (a) All information provided by Kinesis concerning USD1, including but not limited to technical specifications, operational processes, reserve management details, financial disclosures, and any other proprietary information (Confidential Information), shall be treated as strictly confidential by the user.
- (b) By entering into this Agreement, you agree:
 - (i) To maintain the confidentiality of all Confidential Information and not disclose it to any third party without Kinesis's prior written consent.

- (ii) To use the Confidential Information solely for purposes directly related to your use of USD1, in accordance with this Agreement.
 - (iii) To implement reasonable security measures to protect the Confidential Information from unauthorised access, use, or disclosure.
- (c) The obligations under this clause shall not apply to information that:
- (i) Is or becomes publicly available without breach of this Agreement by the user;
 - (ii) Was lawfully in your possession prior to disclosure by Kinesis, as evidenced by written records;
 - (iii) Is required to be disclosed by law, regulation, or order of a court or regulatory authority, provided that you promptly notify Kinesis to enable Kinesis to seek a protective order or other appropriate remedy.
- (d) Any unauthorised disclosure or use of Confidential Information constitutes a material breach of this Agreement. Kinesis reserves the right to pursue all available legal remedies, including injunctive relief, damages, or termination of your rights under this Agreement.
- (e) The obligations set forth in this clause shall survive the termination or expiration of this Agreement for a period of five (5) years.

24

Miscellaneous

- (a) We may provide you with notice in relation to this Deed electronically, which includes posting a notice on our website (www.kinesis-global.com), emailing you or posting a written notice to the credentials you have nominated in your Account. You will be deemed to have received the notice at the same time we post or send the communication. You may provide us with notice in relation to this Deed by emailing us at Australia@Kinesis.Money.
- (b) This Deed is governed by the laws in force in Queensland of Australia and the parties submit to the non-exclusive jurisdiction of the courts in that jurisdiction.
- (c) This Deed contains the entire Deed between the parties in respect of the subject matter of the Deed. This Deed supersedes any prior Deed or understanding (if any) between the parties, and there is no collateral or other form of Deed between the parties in relation to the subject matter of this Deed.
- (d) Each party acknowledges that, except as expressly stated in the Deed, it has not relied on any representation, warranty, undertaking or statement made by or on behalf of another party in relation to the Deed or its subject matter.
- (e) Our failure or delay to exercise or enforce any right or provision of this Deed or any rights under Applicable Law will not constitute a waiver of any of those provisions or rights. Nor shall we be taken to have waived any of those provisions or rights unless the waiver is express and in writing.
- (f) You must not assign or transfer any of your rights or obligations under this Deed without our prior written consent. We may assign or otherwise deal with the benefit of this Deed without your consent.
- (g) Every provision of this Deed will be deemed severable as far as possible from the other provisions. If any provision is found to be void, illegal or unenforceable for any reason, it will be deemed to be severed and omitted.

from this Deed. The Deed with the offending provision severed and omitted and with any consequential amendment if necessary, will otherwise remain in full force.

- (h) You and Kinesis are independent contractors for all purposes. Nothing in this Deed will be construed as constituting a partnership, joint venture or agency between or among you and Kinesis.

25 Interpretation

Unless qualified by or inconsistent with the context:

- (a) the singular includes the plural and vice versa;
- (b) headings are used for convenience only and do not affect the interpretation of this Deed;
- (c) other grammatical forms of a defined word or expression have a corresponding meaning;
- (d) a reference to a clause in a Part or Annexure of this Deed is to a clause in that Part or Annexure, unless otherwise specified;
- (e) a reference to a document is to that document as amended, novated, supplemented, extended or restated from time to time;
- (f) a reference to a party includes that party's executors, administrators, successors, permitted assigns and permitted substitutes;
- (g) a reference to a party is to a party to this Deed;
- (h) "person" includes a natural person, partnership, body corporate, association, joint venture, governmental or local authority, and any other body or entity, whether incorporated or not;
- (i) a reference to all or any part of a statute, rule, regulation or ordinance (**statute**) is to that statute as amended, consolidated, re-enacted or replaced from time to time;
- (j) "include", "for example", and any similar expressions are not to be construed as words of limitation; and
- (k) references to money or dollar amounts are to the currency of US Dollars, unless otherwise specified;
- (l) any provision in this Deed which is in favour of more than one person benefits all of them jointly and each of them severally; and
- (m) any provision in this Deed which binds more than one person binds all of them jointly and each of them severally.

26 Definitions

In this Deed:

- (a) **Account** means an account between the user and Kinesis, which complies with Kinesis onboarding procedure and the terms of the Account Deed.
- (b) **Account Wallet** means the cryptocurrency wallet linked to your Account which allows you to hold or be issued with USD1 from Kinesis.

- (c) **USD1 Reserves** means cash and cash equivalents held by Kinesis which are intended to represent a USD equivalent amount of assets for the purposes of maintaining the 1:1 reserve backing of USD1.
- (d) **USD1 Services** means the Account and any corresponding services provided by Kinesis in relation to minting or claiming USD1.
- (e) **AML Laws** means the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007* (Cth).
- (f) **Applicable Laws** means the statutes, regulations and general law of Australia, as varied from time to time.
- (g) **Business Day** means any day other than a Saturday, Sunday or day which is proclaimed as a public holiday in Queensland Australia.
- (h) **Claim** means any claim, action, proceeding, demand, cost, damage, loss, expense (including reasonable legal costs on a full indemnity basis), liability incurred or suffered by, or brought or made or recovered against any person and however arising (whether or not presently ascertained, immediate, future or contingent).
- (i) **Consequential Loss** means any indirect, special, consequential, punitive or exemplary damages, expenses, losses or costs, loss of anticipated or actual revenue or profits, loss of or inability to use equipment, a failure to realise anticipated savings, lost data, down time costs or loss of goodwill.
- (j) **Fees** means the fees and charges payable by you to us under this Deed, as specified on our website (www.kinesis-global.com) from time to time.
- (k) **Government Agency** means any government or any public, statutory, governmental (including a local government), semi-government or judicial body, entity, department or authority and includes any self-regulatory organisation established under statute.
- (l) **GST** means any tax imposed on the supply of goods or services which is imposed or assessed under GST Law.
- (m) **GST Law** means where the Jurisdiction is in Australia, *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and any corresponding rules and regulations.
- (n) **Intellectual Property Rights** means all present and future intellectual property rights and related rights in the Jurisdiction and throughout the world, including patents, copyright, designs, trademarks (whether or not registered), business and company names, domain names, the right to have confidential information kept confidential, and all other rights or forms of protection having an equivalent or similar nature or effect whether within or outside the Jurisdiction, whether registered or not, and including all rights of action, powers and benefits of the foregoing.
- (o) **Insolvent** means being in liquidation or provisional liquidation or under administration, having a controller, administrator, receiver, receiver and manager, liquidator or analogous person appointed to any of its property, or being unable to pay debts as and when they fall due or entering into a compromise or arrangement with its members or creditors or any other analogous event.

- (p) **Kinesis** means Kinesis Global Pty Ltd ACN 656 201 660.
- (q) **Loss** means losses, liabilities, costs (including legal costs and scheme penalties), expenses and damages.
- (r) **Personal Information** means any information or opinion about an identified individual or an individual who is reasonably identifiable, and includes name, postal address, email address, telephone number, debit, credit and prepaid card numbers or any other unique identifier specific to an individual.
- (s) **Prohibited Activity** means the use of USD1 in connection with any:
 - (i) illegal or unlawful activity, or potentially illegal or unlawful activity, including money laundering or terrorist financing; or
 - (ii) transaction conducted in a manner which does not comply with the requirements of Applicable Laws or the AML Laws.
- (t) **Restricted Person** means any person who is listed on the Consolidated List maintained by the Australian Sanctions Office or on any equivalent or comparable sanctions list of another jurisdiction.
- (u) **you** means:
 - (i) in respect of the Account, any person who holds an Account; and
 - (ii) in respect of USD1, any USD1 Holder.
- (v) **we, us or our** means Kinesis Global Pty Ltd ACN 656 201 660.
- (w) **Website Terms** means the website terms and conditions available from our website (www.kinesis-global.com).