

C1USD STABLECOIN TERMS AND CONDITIONS

IMPORTANT NOTICE: THESE TERMS AND CONDITIONS GOVERN THE STABLECOIN KNOWN AS C1USD AND THE SERVICES WE PROVIDE. BY PURCHASING OR HOLDING C1USD, YOU AGREE THAT YOU HAVE READ AND AGREE TO BE BOUND BY THESE TERMS AND CONDITIONS.

IF YOU DO NOT AGREE TO THESE TERMS, OR ANY AMENDMENT TO THESE TERMS, YOU MAY NOT PURCHASE OR HOLD C1USD.

SECTION 20 CONTAINS AN IMPORTANT LIMITATION ON YOUR RIGHTS, INCLUDING A CLASS ACTION WAIVER AND ARBITRATION CLAUSE. REDEMPTIONS ARE OFFERED UNDER SPECIFIC TERMS AND CONDITIONS WHICH ARE SUBJECT TO CHANGE. NO TRUST OR FIDUCIARY RELATIONSHIP ARISES FROM YOUR USE OR HOLDING OF C1USD.

1. Definitions

- a. “Business Day”** means a day, other than Saturday and Sunday, when banks are open for business in Panama.
- b. “Contract Address”** means the smart contract address for minting C1USD on the designated blockchain, for Ethereum being <https://etherscan.io/token/0x40CAA7912437002ee2c8415D43E7f575c733674C>; for stellar being <https://stellar.expert/explorer/public/asset/C1USD-GDCDFF6ZZP3HVODSVJYAN6IRNGWGPLVFKH23RY2OFHFGGVCGBXSDPKTU>
- c. “Digital Tokens Address”** means a unique cryptographic address associated with a specific blockchain network for holding or transacting

digital tokens;

- d. **“Eligible User”** means a Person who is not resident in one or more of the Restricted Jurisdictions and is not a Restricted Person or a Sanctioned Person;
- e. **“Fork”** has the meaning set out in section 6;
- f. **“Governing Law”** means the laws of Panama;
- g. **“Indemnified Party”** has the meaning set out in section 17;
- h. **“Kinesis”** means Kinesis Money Panama S.A. a company incorporated under the laws of Panama;
- i. **“Kinesis IP”** has the meaning set out in section 18;
- j. **“Kinesis Parties”** has the meaning set out in section 16;
- k. **“Restricted Jurisdictions”** includes Panama, Cuba, Iran, Syria, North Korea (Democratic People’s Republic of Korea), the Ukrainian regions of Crimea, Donetsk, Luhansk, Kherson, and Zaporizhzhia, and Venezuela (with respect to the Government of Venezuela);
- l. **“Reserve”** means the assets held by Kinesis which provide the backing to C1USD as described in section 8, together with any additional reserve assets provided under the Reserve Asset Guarantee;
- m. **“Reserve Asset Guarantee”** means an agreement between Kinesis and a third-party guarantor under which a claim may be made should the Reserve not be likely to cover expected redemption requests.

- n. **“Restricted Person”** means a person who is in material breach of these Terms as well as a Sanctioned Person;
- o. **“Sanctioned Person”** means any person, entity, or Digital Tokens Address that is: (i) specifically listed in any Sanctions List; (ii) directly or indirectly owned 50 percent or more by any person or group of persons in the aggregate, or a Digital Tokens Address associated with such person or persons, referred to in any Sanctions List; (iii) located, organized, or resident in a Restricted Jurisdiction; or (iv) subject to any government approval or otherwise sanctioned, restricted, or penalized under applicable Sanctions Laws, anti-money laundering, or counter-terrorist financing laws.
- p. **“Sanctions Laws”** means such laws in force from time to time which contain restrictions in respect of dealings between persons located in named jurisdictions;
- q. **“Sanctions List”** means any list of sanctioned, restricted, denied, or blocked persons, entities, or addresses maintained by any governmental authority, including but not limited to: (i) the "Specially Designated Nationals and Blocked Persons" ("**SDN**") List and the Non-SDN List, including the "Sectoral Sanctions Identifications List", published by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**"); (ii) the Section 311 Special Measures for Jurisdictions, Financial Institutions, or International Transactions of Primary Money Laundering Concern published by FinCEN; (iii) any sanctions-related list maintained by the U.S. Department of State, the U.S. Department of Commerce (including the Bureau of Industry and Security's Entity List and Denied Persons List), or the U.S. Department of the Treasury; (iv) any similar list maintained by the United Nations, the European Union, the United

Kingdom, or any other relevant governmental authority; and (v) any other sanctions, export control, or similar restricted party list under applicable Sanctions Laws, as each such list may be amended, supplemented, or substituted from time to time.

- r. **“Services”** means such services which Kinesis may offer from time to time in connection with C1USD;
- s. **“Terms”** means these terms and conditions as amended from time to time in accordance with section 21.h).
- t. Not Used.
- u. **“C1USD”** means the cryptographic token issued at the Contract Address known as “C1USD”;
- v. **“C1USD Supported Networks”** means the Stellar and Ethereum ERC-20 Blockchains;
- w. **“Website”** means the official website of Kinesis where these Terms are hosted, currently located at <http://Currency.One>.

2. **Interpretation.** In interpreting these Terms, the following words have the following meanings unless otherwise indicated:

- a. words importing the singular include the plural and vice versa, including defined terms;
- b. words importing gender include all genders;

- c. the word "include," "includes," or "including" will be interpreted on an inclusive basis and be deemed to be followed by the words "without limitation";
 - d. references to "persons" include individuals, corporations, partnerships, trusts, unincorporated associations, and any other legal entities;
 - e. references to any statute, regulation, or legal requirement include any amendment, modification, or re-enactment thereof;
 - f. headings and sub-headings are for ease of reference only and are not to be considered in the construction or interpretation of any provision;
 - g. references to sections, clauses, or schedules are references to sections, clauses, or schedules of these Terms unless otherwise specified;
 - h. **Currency References.** Unless otherwise specified, all monetary amounts referenced in these Terms are denominated in United States dollars;
 - i. **Time References.** References to time are to Panama time unless otherwise specified; and
 - j. **Order of Precedence.** In the event of any conflict or inconsistency between these Terms and any other documentation, these Terms shall prevail unless expressly stated otherwise.
3. **About C1USD.** C1USD is a fully programable and freely transferable stablecoin backed by a Reserve to preserve a 1:1 peg to the US dollar and issued on the C1USD Supported Networks and available only for holding by Eligible Users. C1USD is only available on the C1USD Supported Networks and will not be minted on any other blockchain without prior notice by Kinesis.

4. **Issuance.** Kinesis issues C1USD only when fully backed by the Reserve (see Section 8) and also distributes C1USD to authorized crypto exchanges. No issuance of any kind, or acquisition of any C1USD by an Eligible User (or any other user) creates any kind of trust or fiduciary relationship between Kinesis and that user.
5. **Redemption Rights and Procedures.** Kinesis may offer direct redemption for C1USD under such terms and conditions that it, in its sole discretion, determines, which may include fees, charges and AML/CFT checks as well as minimum transaction sizes. Redemption will only be 1:1 for C1USD to USD. Kinesis makes no representation or warranty that there will be direct redemption mechanisms available at all times.
6. **Forks**
 - a. **Fork Management.** In the event of a hard or soft fork of any blockchain (“**Fork**”) on which C1USD is issued, resulting in multiple versions of the blockchain or C1USD tokens, Kinesis shall, in its sole discretion, determine which Fork, if any, will be supported for C1USD operations.
 - b. **Notice of Fork Support.** Kinesis will publish a notice on its website and through other appropriate channels within a commercially reasonable time after becoming aware of a Fork event, specifying:
 - i. the occurrence of the Fork;
 - ii. which Fork, if any, will be supported by Kinesis; and
 - iii. any actions required by C1USD holders.

- c. **Exclusive Recognition.** Only C1USD tokens on the Fork designated by Kinesis in its published notice shall be recognized as backed by the Reserve. C1USD tokens on any other Fork or blockchain version shall not be backed by the Reserve.
- d. **Service Suspension.** Kinesis may temporarily suspend all C1USD-related services, including minting, redemption, and transfers, during a Fork event until the supported Fork is determined and operations can be safely resumed.
- e. **No Liability.** Kinesis assumes no responsibility or liability for any losses arising from Fork events, including but not limited to losses from C1USD tokens on unsupported Forks or service interruptions during Fork resolution. Kinesis shall have no liability for any losses, damages, costs, or expenses arising directly or indirectly from: Fork events affecting C1USD including:
 - i. C1USD tokens on unsupported Forks; or
 - ii. Service interruptions during Fork resolution.

- 7. **User Eligibility and Restrictions.** C1USD may only be held by Eligible Users who are in compliance with these Terms and Conditions at all times. Kinesis reserves the right to impose restrictions as may be required by applicable law, to C1USD, from time to time and without notice, if circumstances require.

8. Reserve Management and Backing

- a. **Reserve Composition.** Kinesis directly holds and maintains a reserve of high-quality, liquid assets (the “**Reserve**”) having an aggregate market value expressed in U.S. dollars at least equal to the number of the issued C1USD multiplied by one (1) U.S. dollar. The Reserve is comprised of one or more of the following asset classes:
- i. U.S. dollars held in deposit accounts at federally-insured banking institutions;
 - ii. U.S. Treasury securities with remaining maturities of 12 months or less;
 - iii. reverse repurchase agreements fully collateralized by U.S. Treasury bills, notes, and/or bonds on an overnight basis;
 - iv. U.S. government money-market funds invested in U.S. Treasury securities; and
 - v. other high-quality, liquid, investment-grade assets as determined by Kinesis in its sole discretion and consistent with applicable law.
 - vi. Not Used.
 - vii. The Reserve is additionally backed by a Reserve Asset Guarantee provided by a third-party, subject to the terms and conditions of the guarantee agreement.
- b. **Segregation and Custody.** The Reserve is held by Kinesis in accounts that are separate from Kinesis’s corporate funds and operational

accounts. Such accounts are maintained for the purpose of providing backing and a redemption source of USD to C1USD holders who redeem their tokens. The Reserve assets are further supported by a Reserve Asset Guarantee provided by a third-party guarantor.

- c. **Reserve Valuation.** The Reserve is valued daily at 5:00 p.m. New York time on each Business Day to ensure that the aggregate market value of the Reserve equals or exceeds the total outstanding C1USD supply. Kinesis shall maintain appropriate records and documentation of Reserve holdings and valuations.
- d. **Reserve Management.** Kinesis may, in its sole discretion, allocate Reserve assets among the permitted asset classes set forth in paragraph (a) above, taking into consideration factors including liquidity needs, market conditions, regulatory requirements, and prudent risk management practices.
- e. **Net Returns.** Kinesis is entitled to and may retain all net returns, interest, and other income earned on Reserve assets to the extent not required to maintain the minimum Reserve value required hereunder.
- f. **Holders' acknowledgement.** Holders of C1USD acknowledge and agree that they have no legal, equitable or beneficial right, title or interest in or to the Reserves, nor any right to direct or influence how the Reserves are constituted, managed or reported and no fiduciary or trust relationship arises as between any holder and Kinesis.
- g. **Transparency.** Kinesis will provide periodic reporting on Reserve composition and holdings in accordance with applicable regulatory requirements and industry best practices.

9. Compliance and Regulatory Requirements

- a. **Initial Compliance.** Each Eligible User represents and warrants that they are in full compliance with all applicable laws, rules, regulations, guidance, orders, and directions from regulatory authorities in all relevant jurisdictions that are applicable to their use of C1USD and the Services, including but not limited to all applicable AML, CTF, sanctions laws, anti-corruption laws, and export control regulations.
- b. **Ongoing Compliance Obligation.** Each Eligible User shall at all times maintain compliance with all applicable laws and regulations during their use of C1USD and the Services. This obligation includes promptly implementing any changes required by new or amended laws, regulations, or regulatory guidance.
- c. **Consequences of Non-Compliance.** Any violation of applicable laws or failure to maintain compliance shall constitute a material breach of these Terms and may result in immediate suspension or termination of access to C1USD and the Services, freezing of C1USD holdings pursuant to section 11, and reporting to relevant authorities as required by law.

10. Prohibited Activities

- a. **General Prohibition.** Eligible Users are strictly prohibited from using C1USD, directly or indirectly, for any illegal activities under the laws, statutes, ordinances, or regulations of any jurisdiction in which the Eligible User is located, organized, resident, or conducting business.

b. **Specific Prohibited Uses.** Without limiting the generality of the foregoing, Eligible Users shall not use C1USD for:

- i. any activity that violates or assists in the violation of any applicable law, including but not limited to AML/CTF, Sanctions Laws, anti-corruption laws, or export control regulations;
- ii. money laundering, terrorist financing, fraud, blackmail, extortion, ransoming data, or other violent activities;
- iii. purchasing goods or services from "Darknet" markets or any marketplace for illegal goods;
- iv. gambling activities unless licensed and authorized by both the jurisdiction in which the Eligible User is based and the jurisdiction in which the transaction takes place;
- v. transactions involving controlled substances, weapons, or other contraband unless properly licensed;
- vi. any Ponzi scheme, pyramid scheme, or multi-level marketing program;
- vii. market manipulation, wash trading, front-running, insider trading, or other forms of market-based fraud or deceit; or
- viii. any other activity that would expose Kinesis to legal liability or regulatory action.

c. **Compliance Obligation.** Each Eligible User represents and warrants that their use of C1USD complies with all applicable laws in their jurisdiction

and shall immediately cease any use that becomes illegal or prohibited.

- d. **Consequences of Violation.** Any violation of this Section shall constitute a material breach of these Terms and may result in immediate suspension or termination of access to C1USD, freezing of C1USD holdings under section 11, and reporting to relevant authorities as required by law.

11. Freezing and Recovery Powers

- a. **Discretionary Freezing Rights.** Kinesis may, but shall not be obligated to, freeze, blacklist, or otherwise restrict access to any C1USD tokens or Digital Tokens Address at its sole discretion, including but not limited to circumstances where: (i) required or requested by any governmental, regulatory, judicial, or law enforcement authority; (ii) Kinesis reasonably believes such action is necessary to comply with applicable laws, regulations, or legal process; (iii) Kinesis suspects fraudulent, illegal, or sanctioned activity involving the C1USD tokens; (iv) Kinesis determines that continued access may expose Kinesis to legal liability or regulatory action; (v) there has been a security breach, hack, or other compromise affecting the C1USD tokens or related systems; (vi) the C1USD tokens are held by or associated with a Sanctioned Person or Restricted Person; (vii) the C1USD tokens are being used in violation of these Terms or applicable law; or (viii) Kinesis deems such action necessary or appropriate for any other reason in its sole discretion.
- b. **No Advance Notice Required.** Kinesis may implement any freezing or restriction without prior notice to the affected Eligible User or any other party.
- c. **No Liability.** Kinesis has no liability for any losses, damages, or consequences arising from the exercise or non-exercise of its freezing

rights under this Section, including but not limited to any decision to freeze or not freeze C1USD tokens.

- d. **Cooperation with Authorities.** Kinesis may cooperate with law enforcement, regulatory authorities, and judicial bodies in connection with any freezing action, including providing information and assistance as requested or required by law.
 - e. **Recovery and Disposal.** Kinesis may recover, seize, or dispose of frozen C1USD tokens as required by law or legal process, and may transfer such tokens to appropriate authorities or segregated addresses as necessary.
12. **Fees and Charges.** Kinesis may charge fees for the issuance, transfer, redemption, and other services related to C1USD. Kinesis reserves the right to modify fees at any time. Users acknowledge that third-party financial institutions, exchanges, or wallet providers may impose additional fees for transactions involving C1USD, which are outside of Kinesis's control.

13. **Kinesis Warranties**

- a. **Reserve Backing.** Kinesis represents and warrants that each C1USD in circulation is backed by assets held by Kinesis in the Reserve having an aggregate value of at least one (1) U.S. dollar, maintained in accordance with Section 8 of these Terms. The Reserve is additionally supported by a Reserve Asset Guarantee provided by a third party, subject to the terms and conditions of the guarantee agreement.
- b. **Regulatory Compliance.** Kinesis represents and warrants that it maintains all necessary licenses, registrations, and authorizations required under applicable law for the issuance and operation of C1USD and the

provision of the Services.

- c. **Authority.** Kinesis represents and warrants that it has full corporate power and authority to enter into these Terms and perform its obligations hereunder.
- d. **LIMITED NATURE OF WARRANTIES.** THE WARRANTIES SET FORTH IN THIS SECTION 13 ARE THE SOLE AND EXCLUSIVE WARRANTIES PROVIDED BY KINESIS. EXCEPT AS EXPRESSLY SET FORTH HEREIN, KINESIS MAKES NO OTHER REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR SATISFACTORY QUALITY.
- e. **No Performance Warranties.** Kinesis does not warrant that C1USD or the Services will be uninterrupted, timely, secure, or error-free, or that any defects will be corrected.

14. User Warranties

You represent, warrant, and covenant to Kinesis that:

- a. **Proper Usage.** You will use C1USD solely for its intended purpose as a digital payment mechanism and store of value, and not for any speculative, investment, or profit-generating purposes. You acknowledge that C1USD is not designed to increase in value, generate returns, or create profit or gain for holders.
- b. **Legal Compliance.** You will use C1USD only in compliance with all applicable laws, regulations, and legal requirements in all relevant jurisdictions, including but not limited to anti-money laundering,

counter-terrorist financing, sanctions laws, anti-corruption laws, and export control regulations.

- c. **No Illegal Activities.** You will not use C1USD, directly or indirectly, for any illegal, illicit, fraudulent, or unlawful activities, including but not limited to money laundering, terrorist financing, fraud, blackmail, extortion, ransoming data, drug trafficking, weapons trafficking, or any other criminal activities.
- d. **No Securities or Financial Product Use.** You will not use, offer, market, or structure C1USD as part of any security, investment contract, collective investment scheme, financial product, derivative instrument, or any other regulated financial instrument. You will not represent C1USD as an investment opportunity or promote it for investment purposes.
- e. **No Unauthorized Distribution.** You will not act as a broker, dealer, investment advisor, or financial intermediary with respect to C1USD without proper licensing and authorization from applicable regulatory authorities.
- f. **Accurate Information.** All information provided by you to Kinesis is true, accurate, complete, and not misleading, and you will promptly update such information if it becomes inaccurate or incomplete.
- g. **Capacity and Authority.** You have the legal capacity and authority to enter into these Terms and perform your obligations hereunder, and these Terms constitute valid and binding obligations enforceable against you.
- h. **Continuing Warranties.** These representations and warranties are made as of the date you first access or use C1USD and are deemed to be

repeated each time you use C1USD or the Services.

- i. **Breach of Warranty.** If any of the foregoing representations or warranties become untrue you warrant that you will immediately cease to use C1USD and any Services.

15. Risk Disclosures

a. Private Keys

You acknowledge and agree that. You are solely and exclusively responsible for maintaining the security, confidentiality, and backup of your private keys and any other credentials necessary to access your C1USD in any digital wallet. This responsibility includes: (i) generating and storing private keys using secure methods and reputable wallet software; (ii) maintaining secure backups of private keys in multiple secure locations; (iii) implementing appropriate cybersecurity measures including strong passwords, two-factor authentication where available, and secure storage methods; (iv) protecting private keys from unauthorized access, theft, loss, or compromise; (v) never sharing private keys with any third party or storing them in unsecured locations.

Any transaction executed using your private keys will be deemed to have been authorized by you, regardless of whether you authorized such a transaction. You bear complete responsibility for all transactions occurring with your private keys, including transactions resulting from: (i) compromise or theft of your private keys; (ii) unauthorized access to your wallet or devices; (iii) phishing attacks, malware, or other security breaches; (iv) your failure to maintain adequate security measures. e.g No Recovery Obligation. If your private keys are lost, stolen, compromised, or destroyed, Kinesis has no obligation and no ability to recover, replace, or restore access to your C1USD. Any C1USD associated with lost or

compromised private keys may become permanently inaccessible and irrecoverable.

- b. **Immutable and Irreversible Transactions.** You understand and acknowledge that blockchain transactions are immutable and irreversible by design. Once a transaction involving C1USD has been broadcast to the blockchain network and confirmed, it cannot be reversed, cancelled, or modified by Kinesis or any other party. You accept full responsibility for: (i) verifying all transaction details including recipient addresses, amounts, and network fees before confirming any transaction; (ii) ensuring the accuracy of all blockchain addresses before sending C1USD; (iii) any losses resulting from transactions sent to incorrect, invalid, or unintended addresses.
- c. **Private Key Security.** You acknowledge that holding and transacting in C1USD requires robust cybersecurity practices. You agree to: (i) use reputable and regularly updated wallet software and security tools; (ii) maintain current antivirus and anti-malware protection; (iii) avoid accessing your C1USD wallet on compromised, public, or unsecured networks; (iv) regularly monitor your wallet for unauthorized transactions or suspicious activity.
- d. **Risks of Stabilization Mechanism**

The stabilization mechanism for C1USD is a peg to a fiat currency sustained by reserves. The management of reserves is set out in section 8. Reserves are exposed to counterparty risks where they comprise any instrument involving a counterparty, for example government bonds.
- e. **Counterparty Risks**

The involvement of financial intermediaries in custody and redemption processes introduces systemic risks to C1USD, including potential: Delays in redemption via crypto exchanges processing; Increased operational costs; Amplified risk of a coordinated run on C1USD through crypto asset exchanges and market makers.

f. Operational Risks

C1USD holders are exposed to operational risks associated with Kinesis and its service providers, including fraud and cyber risks. These risks arise from the nature of complex cryptocurrency ecosystems, reliance on third-party service providers like exchanges and custody services, and potential limitations in remedying crypto asset losses or theft. Kinesis employs multiple security strategies and due diligence processes to mitigate these risks.

- g. Market Risks.** C1USD holders are exposed to various market risks associated with cryptocurrency and digital asset markets, including price volatility on third-party platforms. While C1USD is designed to maintain a stable value of one (1) U.S. dollar, Kinesis does not guarantee that the value of C1USD will always equal US \$1.00 on third-party platforms such as cryptocurrency exchanges. Due to market forces, trading activity, liquidity conditions, and other factors outside of Kinesis's control, the market price of C1USD on third-party platforms may fluctuate above or below \$1.00. Although C1USD should be redeemable for US \$1.00 with supported exchanges, Kinesis cannot control how third parties quote or value C1USD.

- h. Cryptocurrency Market Volatility.** The broader cryptocurrency and digital asset markets are subject to extreme price volatility and unpredictability. Market conditions can change rapidly and may result in significant price movements, reduced liquidity, increased transaction costs, and market

disruptions that could affect the trading and transfer of C1USD on third-party platforms.

- i. **Liquidity Risk.** There is no guarantee that liquid markets for C1USD will always exist on third-party platforms. Market makers and liquidity providers may withdraw from C1USD markets during periods of stress, potentially resulting in wider bid-ask spreads, reduced trading volumes, and difficulty in executing transactions at expected prices.
- j. **No Liability for Market Losses.** Kinesis is not responsible for any losses or other issues that may result from fluctuations in the market value of C1USD on third-party platforms, cryptocurrency market volatility, or adverse market conditions affecting digital assets generally.
- k. **Regulatory Risks**
Stablecoins are a rapidly evolving area and regulation in a variety of countries may impact on the ability of Kinesis to maintain and continue to support C1USD into the future.
- l. **Experimental Technology and Infrastructure Risks** C1USD is built on blockchain technology and utilizes smart contracts, which are experimental and relatively new technologies that carry inherent risks:
 - i. **Experimental Nature.** Blockchain protocols and smart contract technology are still in development and may contain unknown vulnerabilities, bugs, or design flaws that could result in the total loss of C1USD or inability to access or transfer tokens.
 - ii. **Smart Contract Risks.** Smart contracts are autonomous programs that execute automatically based on coded instructions. These contracts may contain programming errors, security vulnerabilities,

or may not perform as intended, potentially resulting in permanent loss of C1USD or unintended consequences.

- iii. **Network Outages and Failures.** Blockchain networks may experience significant outages, congestion, delays, or complete failures that could prevent you from accessing, transferring, or redeeming your C1USD for extended periods. Such disruptions may occur without warning and Kinesis has no control over blockchain network operations.
- iv. **Protocol Changes and Updates.** The underlying blockchain protocols may undergo changes, upgrades, forks (see section 6) or modifications that could affect the functionality, security, or accessibility of C1USD. These changes may be implemented by third parties without notice or consent from Kinesis or C1USD holders.
- v. **Technological Obsolescence.** The rapid evolution of blockchain technology may render current protocols obsolete or superseded by newer technologies, potentially affecting the long-term viability and utility of C1USD.
- vi. **Cybersecurity Risks.** The experimental nature of blockchain technology creates exposure to sophisticated cyber-attacks, hacking attempts, and security breaches that may not have been anticipated or adequately addressed in current security protocols. You acknowledge and accept these technological risks and agree that Kinesis has no liability for losses arising from the experimental nature of blockchain technology and smart contracts.

- m. Exchange Custody and Failure Risks.** If you hold C1USD on a cryptocurrency exchange or other third-party platform, you face significant additional risks beyond those associated with self-custody:
- i. Exchange Insolvency Risk.** If an exchange becomes insolvent, bankrupt, or ceases operations, you may lose access to your C1USD permanently. Your C1USD held on the exchange may be frozen, seized by creditors, or become irrecoverable;
 - ii. Custodial Risk.** When you deposit C1USD on an exchange, you typically transfer control of your tokens to the exchange. The exchange becomes the custodian of your C1USD, and you rely on the exchange's security measures, operational procedures, and financial stability;
 - iii. Regulatory Action.** Exchanges may be subject to regulatory enforcement actions, license revocations, or shutdown orders that could prevent you from accessing your C1USD;
 - iv. Operational Failures.** Exchanges may experience technical failures, system outages, cybersecurity breaches, or other operational issues that could temporarily or permanently prevent access to your C1USD;
 - v. Lack of Insurance.** C1USD held on exchanges is generally not covered by deposit insurance or other protective schemes, and you may have limited recourse in the event of exchange failure;
 - vi. Commingling Risk.** Your C1USD may be commingled with other users' assets on the exchange, making recovery difficult in insolvency proceedings. Kinesis has no control over third-party

exchanges and assumes no responsibility for exchange failures, operational issues, or losses arising from holding C1USD on exchanges. You should carefully evaluate the risks of any exchange before depositing C1USD and consider whether the convenience of exchange custody justifies these additional risks.

- 16. LIMITATION OF LIABILITY AND RELEASE.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, KINESIS AND ITS AFFILIATES, SUBSIDIARIES, SERVICE PROVIDERS, AND EACH OF THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, JOINT VENTURERS, EMPLOYEES, AND REPRESENTATIVES (COLLECTIVELY, THE "**KINESIS PARTIES**") SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, OR DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA, OR OTHER INTANGIBLE LOSSES (EVEN IF KINESIS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), WHETHER BASED ON CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE, RESULTING FROM OR RELATING TO: (i) THE USE OR INABILITY TO USE C1USD OR THE SERVICES; (ii) ANY BREACH OF THESE TERMS BY ANY PARTY; (iii) ANY UNAUTHORIZED ACCESS TO OR ALTERATION OF YOUR TRANSMISSIONS OR DATA; (iv) ANY CYBERSECURITY RISKS, SECURITY BREACHES, OR EXPERIMENTAL NATURE OF BLOCKCHAIN TECHNOLOGY AS DESCRIBED IN SECTION 15; (v) ANY MARKET LOSSES, PRICE VOLATILITY, OR ADVERSE MARKET CONDITIONS AS DESCRIBED IN SECTION 16; (vi) ANY FREEZING, SUSPENSION, OR TERMINATION ACTIONS AS DESCRIBED IN SECTIONS 11 AND 19; (vii) ANY FORCE MAJEURE EVENTS AS DESCRIBED IN SECTION 21; (viii) ANY RESERVE MANAGEMENT OR BACKING ISSUES AS DESCRIBED IN SECTION 8; OR (ix) ANY OTHER MATTER INVOLVING C1USD OR THE SERVICES. IN NO EVENT SHALL THE TOTAL LIABILITY OF THE KINESIS PARTIES TO YOU FOR ALL DAMAGES, LOSSES, AND CAUSES OF ACTION (WHETHER IN CONTRACT, TORT, OR OTHERWISE)

EXCEED THE AMOUNT OF FEES PAID BY YOU TO KINESIS IN THE TWELVE (12) MONTHS PRECEDING THE EVENT GIVING RISE TO LIABILITY. YOU HEREBY RELEASE AND FOREVER DISCHARGE THE KINESIS PARTIES FROM ALL CLAIMS, DEMANDS, AND DAMAGES (ACTUAL AND CONSEQUENTIAL) OF EVERY KIND AND NATURE ARISING OUT OF OR IN ANY WAY CONNECTED WITH YOUR USE OF C1USD OR THE SERVICES. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES. ACCORDINGLY, SOME OF THE ABOVE LIMITATIONS MAY NOT APPLY TO YOU. IF YOU ARE DISSATISFIED WITH C1USD OR THE SERVICES, YOUR SOLE AND EXCLUSIVE REMEDY IS TO DISCONTINUE USE OF C1USD AND THE SERVICES. THE LIMITATIONS SET FORTH IN THIS SECTION SHALL APPLY NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY AND SHALL SURVIVE TERMINATION OF THESE TERMS. THIS SECTION SUPPLEMENTS AND IS IN ADDITION TO THE SPECIFIC LIABILITY LIMITATIONS SET FORTH IN SECTIONS 6, 8, 11, 15, 19, AND 21 OF THESE TERMS.

17. Indemnity

- a. **General Indemnification.** You agree to indemnify, defend, and hold harmless Kinesis, its affiliates, subsidiaries, and service providers, and each of their respective officers, directors, agents, joint venturers, employees, and representatives (collectively, the "**Indemnified Parties**") from and against any and all claims, demands, actions, suits, proceedings, losses, liabilities, damages, costs, and expenses (including reasonable attorneys' fees and any losses, fines, fees, or penalties imposed by any regulatory authority) arising out of or relating to:
 - i. your breach of any provision of these Terms;

- ii. your violation of any applicable law, regulation, or legal requirement;
- iii. your holding, use, transfer, or misuse of C1USD;
- iv. your negligent acts or omissions or willful misconduct;
- v. any fraudulent, illegal, or unauthorized activity involving your Digital Tokens Address or C1USD holdings;
- vi. any third-party claims arising from your use of C1USD or the Services;
- vii. your failure to comply with any applicable Sanctions Law, anti-money laundering laws, or counter-terrorist financing laws; or
- viii. any other act or omission by you in connection with these Terms, C1USD, or the Services.

b. **Defense Obligations.** Upon notice from any Indemnified Party of any claim subject to indemnification hereunder, you shall assume the defense of such claim with counsel satisfactory to the Indemnified Party. The Indemnified Parties reserve the right to participate in the defense of any such claim with counsel of their own choosing at your expense.

c. **Settlement Rights.** You shall not settle any claim subject to indemnification hereunder without the prior written consent of the affected Indemnified Party, which consent shall not be unreasonably withheld.

- d. **Survival.** The indemnification obligations set forth in this Section shall survive the termination of these Terms and shall remain in full force and effect regardless of the reason for such termination.

18. Intellectual Property

- a. **Ownership of Intellectual Property.** All intellectual property rights in and to C1USD, the Services, the Website, and all related technology, software, protocols, designs, trademarks, service marks, trade names, logos, copyrights, patents, trade secrets, and other proprietary materials (collectively, "**Kinesis IP**") are and shall remain the exclusive property of Kinesis and its licensors. No title to or ownership of any Kinesis IP is transferred to you under these Terms.
- b. **Limited License to Holders.** Subject to your compliance with these Terms, Kinesis grants you a limited, non-exclusive, non-transferable, non-sublicensable, revocable license during the term of your holding of C1USD to use the Kinesis IP solely in connection with your authorized holding, transfer, and use of C1USD. This license automatically terminates upon your cessation of holding C1USD or any breach of these Terms.
- c. **Restrictions on Use.** You may not, and may not permit any third party to:
 - (i) copy, modify, create derivative works of, reverse engineer, decompile, or disassemble any Kinesis IP; (ii) use any Kinesis IP for any purpose other than as expressly permitted under these Terms; (iii) remove, alter, or obscure any proprietary notices on any Kinesis IP; or (iv) use any Kinesis trademarks, logos, or other identifying marks without Kinesis's prior written consent.

- d. **Reservation of Rights.** All rights not expressly granted to you are reserved by Kinesis. Nothing in these Terms grants you any right, title, or interest in any Kinesis IP other than the limited license set forth herein.

19. Termination and Suspension

- a. **Termination by Kinesis.** Kinesis may terminate these Terms and your access to C1USD and the Services at any time, at its sole discretion, by posting notice of such termination on the Website or otherwise communicating such termination to you. Kinesis may terminate these Terms immediately without notice if: (i) you breach any provision of these Terms; (ii) you engage in any use prohibited under Section 10; (iii) you become a Sanctioned Person or Restricted Person; (iv) Kinesis reasonably believes continued provision of Services would violate applicable law; or (v) Kinesis deems termination necessary to protect its interests or comply with legal obligations.
- b. **Suspension Rights.** Kinesis may, in its sole discretion, suspend your access to C1USD and the Services, temporarily or indefinitely, without prior notice, if: (i) Kinesis suspects you have violated these Terms; (ii) Kinesis believes suspension is necessary to comply with applicable laws or legal process; (iii) there are security concerns affecting your account or C1USD holdings; (iv) Kinesis receives a request from governmental, regulatory, or law enforcement authorities; (v) technical issues require suspension for maintenance or security purposes; or (vi) Kinesis deems suspension appropriate for any other reason in its sole discretion.
- c. **Effect of Termination.** Upon termination of these Terms: (i) your right to access and use C1USD and the Services shall immediately cease; (ii) any outstanding obligations shall survive termination; (iii) Kinesis may exercise its freezing rights under Section 11 with respect to any C1USD you hold;

and (iv) you shall remain liable for any breaches that occurred prior to termination.

- d. **No Liability for Termination or Suspension.** Kinesis shall have no liability to you or any third party for any termination or suspension of access to C1USD or the Services, regardless of the reason for such termination or suspension. Upon termination of these Terms for any reason, all rights and obligations of the parties that by their nature are continuing shall survive such termination, including but not limited to warranty disclaimers, limitation of liability, indemnification obligations, dispute resolution provisions, and all rights and indemnities in favor of Kinesis.

20. Arbitration and Class Action Waiver

- a. **Mandatory Arbitration.** Except for excluded claims described below in paragraph (b), each party agrees that any dispute, claim, or controversy arising out of or relating to (i) these Terms or the existence, breach, termination, enforcement, interpretation, or validity thereof, (ii) C1USD or the operations and services provided hereunder, or (iii) your access to or use of C1USD or any Services at any time, will be subject to and finally resolved by confidential, binding arbitration on an individual basis and not in a class, representative, or consolidated action or proceeding. Arbitration will be conducted in the Cayman Islands before a single arbitrator in accordance with the Arbitration Rules of the Cayman International Mediation and Arbitration Centre Ltd. ("**CI-MAC Rules 2023**"), as amended from time to time. The seat of arbitration shall be the Cayman Islands. The language of the arbitral proceedings will be English.
- b. **Excluded Claims.** The following claims and causes of action will be excluded from arbitration as described in paragraph (a): causes of action

or claims in which either party seeks injunctive or other equitable relief for the alleged unlawful use of its intellectual property, including without limitation copyrights, trademarks, trade names, trade secrets, patents, or its confidential information or private data.

- c. **Arbitrator Selection and Powers.** The sole arbitrator must be a legal practitioner with at least ten (10) years of experience in commercial disputes. If an arbitrator cannot be jointly appointed by the parties within thirty (30) days of the commencement of the arbitration, an arbitrator meeting the above qualifications will be selected by CI-MAC. The arbitrator may award any relief that a court of competent jurisdiction could award, including attorneys' fees when authorized by law, and the arbitral decision may be enforced in court.
- d. **Class Action Waiver.** You and Kinesis expressly intend and agree that: (i) class action and representative action procedures are hereby waived and will not be asserted, nor will they apply, in any arbitration pursuant to these Terms; (ii) neither you nor Kinesis will assert class action or representative action claims against the other in arbitration or otherwise; (iii) each of you and Kinesis will only submit their own, individual claims in arbitration and will not seek to represent the interests of any other person, or consolidate claims with any other person; (iv) nothing in these Terms will be interpreted as your or Kinesis's intent to arbitrate claims on a class or representative basis; and (v) any relief awarded to any one Eligible User cannot and may not affect any other Eligible User. No adjudicator may consolidate or join more than one person's or party's claims and may not otherwise preside over any form of a consolidated, representative, or class proceeding.
- e. **Confidentiality.** The parties will maintain the confidential nature of the arbitration proceeding and any award, including the hearing, except as

may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as may be necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision.

- f. **Costs.** The prevailing party, as determined by the arbitrator, will be entitled to its costs of the arbitration (including the arbitrator's fees) and its reasonable attorney's fees and costs.
- g. **Delegation.** The arbitrator will have the power to hear and determine challenges to its jurisdiction, including any objections with respect to the formation, existence, scope, enforceability, or validity of the arbitration agreement.

21. General

a. No Advice

- i. **No Advice Provided.** Kinesis does not provide any investment, portfolio management, legal, accounting, tax, or other professional advice, or advice on trading techniques, models, algorithms, or any other schemes. All information provided in connection with C1USD and the Services is for informational purposes only and should not be construed as professional advice of any kind.
- ii. **No Recommendation.** Nothing contained in these Terms, on the Website, or in any communications from Kinesis constitutes a recommendation, solicitation, or offer to buy, sell, or hold C1USD or any other digital asset or financial instrument. Any decision to obtain, hold, use, or dispose of C1USD is made solely by you

based on your own independent evaluation.

- iii. **Independent Decision Making.** You should not take, or refrain from taking, any action based solely on any information provided by Kinesis. Before making any financial, legal, tax, or other decisions involving C1USD or the Services, you should seek independent professional advice from qualified advisors who are licensed and qualified in the relevant areas.
- iv. **No Fiduciary Relationship.** These Terms are not intended to, and do not, create or impose any fiduciary duties on Kinesis. The only duties and obligations that Kinesis owes to you are those set out expressly in these Terms.
- v. **Risk Assessment.** You are solely responsible for evaluating the risks, merits, and suitability of C1USD for your particular circumstances and financial situation. You acknowledge that holding and using C1USD involves substantial risk and may not be suitable for all persons and you have read and understood all of the risks set out in section 15.

b. Governing Law

- i. **Governing Law.** These Terms shall be governed by and construed in accordance with the Governing Law, without regard to its conflict of laws principles.
- ii. **Submission to Jurisdiction.** Subject to clause 20, each party irrevocably submits to the exclusive jurisdiction of the courts of the Governing Law for the determination of any dispute arising out of or in connection with these Terms. Each party irrevocably waives any

objection which it may have at any time to the laying of venue of any proceedings brought in such courts, any claim that such proceedings have been brought in an inconvenient forum and any claim that such courts do not have jurisdiction.

- iii. **Service of Process.** Each party irrevocably consents to the service of process of any of the aforementioned courts in any such proceedings by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party at its address set forth herein, such service to become effective thirty (30) days after such mailing.
- iv. **Waiver of Jury Trial.** Each party hereby irrevocably waives any right to trial by jury in any action, proceeding or counterclaim arising out of or relating to these Terms.

c. Tax

- i. All holders of C1USD are responsible for any taxation consequences which arise from their use of C1USD. Kinesis is solely responsible for any tax consequences arising from Kinesis receiving returns on any of the Reserve.
- ii. Transfers of C1USD are not intended to be subject to value added tax or goods and services tax or any other form of sales tax.

d. Assignment and Transfer of Rights

- i. **No Assignment by Eligible Users.** Eligible Users may not assign, transfer, delegate, or otherwise dispose of these Terms or any rights or obligations hereunder, whether voluntarily, involuntarily, by

operation of law, or otherwise, without the prior written consent of Kinesis, which consent may be withheld in Kinesis's sole discretion. Any attempted assignment, transfer, or delegation in violation of this provision shall be null and void.

- ii. **Assignment by Kinesis.** Kinesis may freely assign, transfer, or delegate these Terms and any of its rights, duties, and obligations hereunder, in whole or in part, to any third party at any time without notice to or consent from any Eligible User.
- iii. **Exclusion of Third-Party Rights.** These Terms are entered into solely for the benefit of the parties hereto and their permitted successors and assigns. Nothing in these Terms, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of these Terms. No person or entity other than the parties hereto and their permitted successors and assigns shall be deemed to be a third-party beneficiary of these Terms.
- iv. **Statutory Exclusion.** To the extent permitted by applicable law, the provisions of any legislation that would otherwise allow third parties to enforce any term of these Terms (including but not limited to the Contracts (Rights of Third Parties) Act 1999 of England and Wales or similar legislation in other jurisdictions) are hereby expressly excluded and shall not apply to these Terms.
- e. **No Waiver.** Any failure by Kinesis to exercise or enforce any right, power, or remedy under these Terms, or any delay by Kinesis in doing so, does not constitute a waiver of such right, power, or remedy. The single or partial exercise of any right, power, or remedy by Kinesis does not

preclude Kinesis from exercising any other rights, powers, or remedies. The remedies of Kinesis are cumulative and not exclusive of any other remedy provided by these Terms, by law, or in equity. No waiver by Kinesis of any breach of these Terms shall be deemed a waiver of any subsequent breach of the same or any other provision.

- f. **Severability.** If any provision of these Terms is determined to be invalid, void, illegal, or unenforceable by any court of competent jurisdiction, such determination shall: apply only to the specific provision found invalid; not affect the validity or enforceability of the remaining provisions; and be modified by the court to the minimum extent necessary to make the provision valid while preserving the original intent of the parties. The remaining provisions of these Terms shall continue in full force and effect.

- g. **Force Majeure.** Kinesis shall have no liability for any failure or delay in performing its obligations under these Terms resulting from any condition beyond Kinesis's reasonable control, including but not limited to: acts of God; natural disasters; earthquakes; fires; floods; storms; epidemics; pandemics; governmental actions; acts of terrorism; war; civil unrest; labor disputes; strikes; power failures; equipment failures; internet disturbances; cyberattacks; security breaches; blockchain network failures or congestion; regulatory changes; and sanctions; or any other events that cannot reasonably be foreseen or provided against. In the event of a force majeure event, Kinesis is excused from all performance obligations under these Terms for the duration of such an event. Kinesis shall use commercially reasonable efforts to resume performance as soon as reasonably practicable after the force majeure event has ceased. For the avoidance of doubt, this force majeure provision applies solely to Kinesis and does not excuse Eligible Users from their obligations under these Terms.

h. **Amendment and Modification**

- i. **Amendment Process.** Kinesis may amend, modify, or update these Terms at any time by posting the revised version on the Website with an updated revision date.
- ii. **Effectiveness of Changes.** The changes will become effective and shall be deemed accepted by you upon the earlier of: (i) the first time you access or use C1USD or the Services after the initial posting of the revised Terms; or (ii) one (1) day after the posting date.
- iii. **Application of Amended Terms.** The amended Terms shall apply on a going-forward basis with respect to all transactions and activities initiated after the effective date.
- iv. **User Remedy.** If you do not agree with any such amendments, your sole and exclusive remedy is to cease using C1USD and terminate your use of the Services. **No Liability.** You agree that Kinesis shall not be liable to you or any third party because of any losses suffered by any modification or amendment of these Terms. **Material Changes.** If the revised Terms include a material change that adversely affects your rights or obligations, Kinesis will use commercially reasonable efforts to provide notice via the Website or other appropriate channels, including social media channels, when the material change becomes effective.