



**damex.io**

Client Agreement

Digital Asset Management Limited

# Digital Asset Management Limited

## Terms & Conditions

*These terms and conditions apply between Digital Asset Management Limited and you, whether you are an individual or trading as a legal entity.*

### **The Company**

1. Digital Asset Management Limited (referred to as the “Company”, “Damex”, “us”, “we”, “our” or “ourselves”) is incorporated in Gibraltar, registered number 116618 and has its registered office at Suite 1, Burns House, 19 Town Range, Gibraltar and place of business at Suite 2.4 & 2.5 Waterport Place, Gibraltar. This agreement sets out the terms on which we will conduct business with you. It is essential that you read and understand these Terms and Conditions (“T&Cs”) prior to applying for our services. Your use of our services will confirm your acceptance of the terms. Damex does not provide advice on the legal implications of accepting this agreement.

### **Services**

#### Execution-Only

2. By opting to use our execution-only services you will be deemed to be trading on an execution-only basis. Please note that unlike investing in financial instruments, when investing or dealing in Digital Assets there are no rules or protections. You will therefore not benefit from the protections of the rules relating to suitability, which would otherwise require Damex to ensure that a product is suitable for you when taking into account your financial situation and your transaction objectives. We will accept no responsibility for advising you as to the merits of any transaction. We do not accept responsibility on a continuing basis for advising on the composition of your account.
3. If we agree to provide our execution-only service, we will not provide you with advice but will only act upon and effect your instructions as and when such instructions are received from time to time. You will be relying on your own judgement. In this respect, should we comment or provide information in relation to a Digital Asset or a transaction this does not itself amount to advice on the merits of a transaction in the Digital Asset, investment advice or the legal or tax status or any consequences that may flow from the event.

Fiat and Digital Assets

4. We shall not execute any transaction for you unless you have paid us (or third party whom we may direct on our account) a sufficient amount of fiat or Digital Asset to cover any transaction(s), our fees and charges and/or costs which may be incurred as a result of services conducted on your behalf.
5. The fiat or Digital Assets transferred to us for the intention of being funds arising from or intended for custodianship or execution-only transactions are accepted by us exclusively in the course of providing our services. Fiat held by us is pooled in a separate client account that is used by us only for the purpose of holding client funds.
6. We will not use your fiat for our general business purposes. It will not be used for any purposes other than as part of a payment and liability in respect of conducting services on your instructions or on your behalf as directed.
7. Any sums due to you on any sale or another transaction in relation to a Digital Asset shall be held as client money unless withdrawn at your request.
8. You may withdraw any surplus fiat provided your account has a minimum amount of not less than the amount we may specify from time to time or this agreement has been terminated and we are satisfied that no further liabilities are to be incurred by us or any third party acting under our direction under this agreement. Withdrawal shall be by BACS or such other method as we shall in our discretion set out. We may make enquiries with regard to withdrawals and may refuse to make them where we are not satisfied that such withdrawals are in accordance with the law.
9. Should you wish to withdraw fiat in excess of any sums held, you may give us instructions to sell specific Digital Assets.
10. No interest shall be paid on fiat moneys held on your behalf.
11. We have the right to retain all or any of your fiat or Digital Assets in the event of unpaid fees, charges or other sums owed to us or any third party in connection with providing you our services in accordance with this agreement. We shall be entitled to sell any Assets or a sufficient quantity of them to set-off any liability you owe to us or any third party in connection with our services, after we have given you 5 business days' written notice of non-payment of any amount due and if payment has not been made in full by

the end of such period. A “business day” means any day where banks in Gibraltar are open for business and excludes public holidays.

### Digital Assets

12. We will provide general broker/dealing services in any of the following Digital Assets including:

- a. **Digital or Virtual currencies** - meaning a digital representation of value that can be digitally traded and functions as (1) a medium of exchange; and/or (2) a unit of account; and/or (3) a store of value, but does not have legal tender status (i.e., when tendered to a creditor, is a valid and legal offer of payment) in any jurisdiction. It is not issued nor guaranteed by any jurisdiction, and fulfils the above functions only by agreement within the community of users of the virtual currency. Virtual currency is distinguished from fiat currency;
- b. **Tokens** - meaning digital utility tokens that are issued using Distributed Ledger Technologies which provide users with access to a product or service though do not allow or enable users to own any equity in the product of the issuer or any issuing party or any equity in the service provider, its subsidiary or affiliates.

(together to be referred to as “Digital Assets”)

13. Please note that Digital Assets explicitly do not include any advisory or dealing services in investments including (a) shares or equity in companies or other legal entities; (b) debt instruments; (c) unit trusts, mutual funds and other collective investment schemes; (d) warrants to subscribe for investments under (a) and (b); (e) depositary receipts or other types of instruments relating to investments under (a), (b) and (c); (f) futures and options; (g) securitised derivatives; (h) hedge funds; (i) contracts for difference.

14. The Company does not provide advice or assistance in relation to Digital Assets or Tokens that represent or have characteristics of financial instruments, transferable securities or collective investment schemes. Therefore Damex is not authorised nor does it intend to provide any services under the Financial Services Act 2019 (“the FSA”) in relation to issuing electronic money, providing payment services concerning a payment transaction as defined in paragraph 15, part 4, schedule 2 of the FSA, providing a

scheme as a collective investment scheme under the FSA or an offering under the Prospectus Regulation (EU 2017/1129).

#### Commencement

15. This agreement will commence on the date that it is signed by the client and has been accepted by Damex subject to all compliance documentation provided. Please note that the Company has the right to withhold services subject to required documentation being provided by you in respect of its due diligence processes.

#### Communication

16. This agreement is in English and all future communications will also be in English. We may, where you have opted to receive it, communicate with you via email or other electronic media in relation to matters arising under this agreement.

#### Identified Principal

17. You alone will be treated as our client. For a body corporate, we shall treat the body corporate as the client and accept instructions from the directors, unless we have a third party power of attorney where we will treat the attorney as our client.

#### Digital Asset Custodian

18. We are prepared to act as Digital Asset Custodian subject to the following for the provision of services in relation to holding, transacting and storing the Digital Assets in relation to the transactions that we undertake for you under this agreement ("Custodian"). Should we no longer choose to act on your behalf as custodian of digital assets we may enter into an agreement with other legal entities to act as a Digital Asset custodian and you will thereafter have a legally binding agreement with any future possible custodian. You will be notified prior to the Company outsourcing any aspects of its custodianship services. Should you, following the notification, not wish to continue with our services, you are entitled to terminate the agreement in accordance with the termination provisions of these terms.

19. By entering into this agreement with us you appoint the Company as your primary custodian with the authority to provide settlement and safe custody associated services to you pursuant to this agreement. The terms on which these services will be provided

are summarised below and may be amended by us from time to time, by providing notice in writing. You agree that we have the authority to transfer fiat or Digital Assets from your account to meet your settlement or other obligations to the Company. We will not enter into any agreement with custodians without first notifying you with written notice.

20. The Company will provide settlement and safe custody associated services to you pursuant to this agreement. The terms on which these services will be provided are summarised below and may be amended by the Custodian from time to time, by providing notice in writing.
21. We retain responsibility for compliance with regulatory requirements, if any, regarding our own operations and the supervision of your account. In particular, we remain responsible for approving the opening of accounts, money laundering compliance and for our ongoing relationship with you. Should Damex not be acting as Custodian, the Custodian does not, and is not obliged to, give advice or offer any opinion regarding the suitability of any transaction or order. You should direct all enquiries regarding your account to us. Other appointed Custodians will not accept instructions from you directly.

#### Your Investments

22. You will always remain the beneficial owner of your Digital Assets held with us. However, their legal title will likely be held under the name of our nominee account or that of any of Damex's appointed Custodians as may be appointed. We will not lend Digital Assets belonging to you and held by us, or on our behalf, to any third party nor shall we borrow on your behalf against the security of those Digital Assets unless you have expressly agreed this with us.

#### Execution and Settlement

23. Damex or another appointed Custodian will provide settlement, safe custody, nominee and associated services.
24. You confirm that: (a) we have your authority to engage Custodians and third parties to provide settlement, safe custody, nominee and associated services for you; (b) we have your authority to give instructions to a Custodian (should the Custodian not be Damex) on your behalf; and (c) you agree to be bound by the obligations to the said Custodian set out below.

### Custody of Your Digital Assets

25. Acceptance of these terms provides authority for Damex or any appointed Custodian under the terms of this agreement to hold your Digital Assets in safe custody, to transfer Digital Assets from your account with us to meet trades effected for you, to accept offers, or carry out any other actions covered by this agreement.
26. We may hold Digital Assets for you using: (i) our Digital Asset custody infrastructure, (ii) on hardware physical wallets on a bespoke basis, only if agreed with us in advance in writing (“air-gapped storage”), in our premises or at other secure physical locations managed by the Company; or (iii) temporarily on Digital Asset exchange accounts in order to allow for more efficient trade execution and also should we consider that this may be appropriate given any potential security threats. Your Digital Assets may be held in air-gapped storage or within our Digital Asset custody infrastructure unless you agree with us, in writing, that Digital Assets will be held by us on Digital Asset exchange accounts. This may be at the option of the client, for example, where a Digital Asset is not supported by our custody infrastructure services or where the client wishes to have Digital Assets on an exchange account ready for higher frequency trading activity or liquidity concerns.
27. You confirm that by agreeing to these terms you agree to the liabilities to the extent set out in clauses 82 to 87 in the event that any trade or transfer of your Digital Assets does not complete, in the event that Digital Assets are stolen from Damex’s premises, exchange accounts or air-gapped storage, or in the event that there are any faults, bugs or vulnerabilities with hardware and/or software of the custody solutions that are utilised by Damex. Given the nascent nature of some Distributed Ledger Technologies, technical difficulties may be experienced in transferring Digital Assets. Whilst Damex will endeavour to keep your Digital Assets safe and mitigate security risks, given the nascent nature of some Distributed Ledger Technologies, Damex may also become susceptible to technical attacks, malware and/or hacks. Should there be any problems in transferring your Digital Assets or should any of your Digital Assets be stolen, Damex will endeavour to provide you with reasonable disclosure upon discovering any such difficulties subject to Damex’s breach processes.
28. We maintain strict segregation of your Digital Assets from our own assets and those of other clients. This ensures that your assets are protected from our liabilities and the

claims of other creditors. We employ robust security measures to safeguard your assets and prevent unauthorised access.

29. We maintain strict segregation of your Digital Assets from our own assets and those of other clients. This ensures that your assets are protected from our liabilities and the claims of other creditors. We employ robust security measures to safeguard your assets and prevent unauthorised access.

30. You hereby acknowledge and agree that: (a) Damex and any appointed Custodian may in unforeseen and/or limited circumstances pool your assets with those it holds on behalf of other clients and accordingly your assets may not be individually identifiable. You may also find that your entitlement to new 'forked' Digital Assets, distributions and other 'air drops' are different from what you would have received if your assets were not pooled; (b) Damex may appoint another company in its group of companies to act as nominee or custodian of your Digital Assets; (c) Your Digital Assets may be registered or recorded in the name of a custodian or Damex or an appointed Custodian's name outside of Gibraltar and consequently the Digital Assets may be subject to different settlement, legal and regulatory requirements than those which apply within Gibraltar and there may be different practices for the separate identification of assets; and (d) Damex may pass your Digital Assets to other appropriately regulated brokers, settlement agents and reputable exchanges (whether in Gibraltar or abroad) and you acknowledge that the legal and regulatory regime applying to a foreign broker, settlement agent or reputable exchange may be different from that of Gibraltar and in the event of a default of such a broker or settlement agent, your Digital Assets may be treated differently than if they were held in Gibraltar.

31. In the situation where Damex or its agents may become insolvent, Damex will need to return your Digital Assets into your control. Damex, at its discretion or the discretion of an insolvency practitioner, will arrange the return of your Digital Assets as held in respective portfolio weightings in our custody facilities or liquidated into a single Digital Asset to include but not limited to Bitcoin, Ethereum or Litecoin.

32. If Damex receives notice of a class action or group litigation order that is being proposed or taken concerning your assets, Damex will not be obliged to inform you or act upon that notification.



33. If we agree to provide Custodianship only services we shall implement your instructions on a case-by-case basis. You will be relying solely on your own judgement. In this regard you should bear in mind that if we explain or provide information in respect of a Digital Asset or transaction this does not itself amount to advice on the merits of the transaction in the Digital Asset or tax status or other consequences which may flow from the event.

- (a) We have implemented a robust custody policy to ensure the safekeeping and protection of your Digital Assets. Our custody policy includes the following:
- (b) Segregation of client assets: We strictly segregate your Digital Assets from our own assets and those of other clients. This ensures that your assets are not commingled and are protected from our liabilities.
- (c) Secure storage: We store your Digital Assets in secure, controlled environments, including hardware physical wallets and our Digital Asset custody infrastructure.
- (d) Access controls: We have implemented strict access controls to prevent unauthorised access to your Digital Assets. Only authorised personnel have access to our custody systems.
- (e) Regular monitoring: We continuously monitor our custody systems for signs of unauthorised activity or security breaches.
- (f) Emergency procedures: We have developed emergency procedures to respond to security incidents or system failures.
- (g) Record-keeping: We maintain detailed records of all client transactions and asset holdings.
- (h) Regular audits: We conduct regular internal and external audits to assess the effectiveness of our custody practices and identify potential vulnerabilities.

#### Your Rights to Information Regarding Your Digital Assets

34. We will provide you with regular statements detailing your asset balances, transaction history, and any fees or charges incurred. Additionally, we will inform you of any significant events or changes that may affect your Digital Assets, such as changes in custody arrangements, security breaches, or regulatory updates.

35. You have the right to request information about your Digital Asset holdings at any time. We will provide you with detailed information about the types and quantities of Digital Assets held in your account.

36. If you have a dispute with us regarding our custody services, you may initiate a dispute resolution process as outlined in our general terms and conditions.
37. We will provide you with clear and concise information about our custody services, including:
- (a) Types of Digital Assets supported: We will inform you of the types of Digital Assets that we are able to hold in custody.
  - (b) Custody fees: We will disclose the fees associated with our custody services, including any applicable taxes or duties.
  - (c) Security measures: We will provide information about the security measures we have in place to protect your Digital Assets
  - (d) Risk factors: We will inform you of the potential risks associated with holding Digital Assets, including market volatility, security threats, and regulatory changes.
38. We will promptly notify you of any significant events or changes that may affect your Digital Assets, including:
- (a) Security breaches: If we become aware of any security breaches or unauthorised access to our custody systems, we will notify you immediately.
  - (b) Regulatory changes: We will keep you informed of any changes in applicable laws or regulations that may impact our custody services or your Digital Assets.
  - (c) Custody arrangements: If there are any changes to our custody arrangements, such as the appointment of a new custodian or changes to our custody infrastructure, we will notify you.
  - (d) System failures: If there are any significant system failures or disruptions that may affect your Digital Assets, we will provide you with timely updates.
  - (e) Other material events: We will notify you of any other material events that may impact your rights or interests as a client.

#### Advanced Protocols and Forks

39. Unless specifically announced by us to you with written notice, on our website or through some other official public statement of Damex, we only accept receipt of particular Digital Assets and do not support acceptance of metacoins, coloured coins, side chains, or other derivative, enhanced, or forked protocols, tokens, or coins which supplement or

interact with a Digital Asset supported by Damex (collectively, “Advanced Protocols”). Do not send Damex or expect Damex to receive, request, send, store, or engage in any other type of transaction an Advanced Protocol. Damex is not configured to detect, accept and/or secure Advanced Protocol transactions and Damex assumes absolutely no responsibility whatsoever in respect of Advanced Protocols.

40. Damex does not own or control the underlying software protocols which govern the operation of Digital Assets supported by us. In general, the underlying protocols are open source and anyone can use, copy, modify, and distribute them. By using Damex you acknowledge and agree (i) that Damex is not responsible for operation of the underlying protocols and that Damex makes no guarantee of their functionality, security or availability; and (ii) that the underlying protocols are subject to sudden changes in operating rules (also known as “forks”), and that such forks may materially affect the value, function, and/or even the name of any Digital Asset held by us on your behalf. In the event of a fork, you agree that Damex may temporarily suspend operations (with or without advanced notice to you) and that Damex may, in its sole discretion, decide whether or not to support (or cease supporting) either branch of the forked protocol entirely. You acknowledge and agree that Damex assumes no responsibility whatsoever in respect of an unsupported branch of a forked protocol.

### Corporate Actions

#### *Receiving benefits of Digital Assets*

41. In the event of any benefit being able to accrue or being derived from holding any Digital Asset, Damex assumes no responsibility whatsoever in respect of claiming and receiving any such benefit on your behalf. We will not be liable for any loss of interest due to any delay outside of our control in deciding to obtain or claim any benefit on your behalf. Damex may, in its sole discretion, decide whether or not to claim or obtain any benefit in any Digital Asset held by us on your behalf.

### Notification

42. We will notify you, promptly upon receipt, of any voting actions affecting your Digital Assets which are held by Damex or any appointed Custodian. If the Digital Assets are not held by us, we will instruct an appointed Custodian, on your behalf, to exercise any voting rights or reorganisations provided that we receive your instructions to do so in

good time. Whilst Damex undertakes to notify you of all corporate actions relating to your assets, there may be instances where Damex or any appointed Custodian are not advised of a voting action on any protocol and consequently cannot notify you of the terms of the corporate action. In such event, Damex will accept the default option of the action on your behalf and cannot be held responsible for any loss that you may incur or any other outcome imposed by the company or its registrar.

### Instructions

43. We will take instructions on your behalf. We will not accept instructions from any other person. We will not be liable to you in relation to any failure to participate in such voting actions where your instructions are not received in sufficient time. In the event that we fail to receive an instruction from you and provided the necessary funds are available when required, we will use our best judgement at the relevant time and you will be bound by our decisions unless you have given us specific instructions to the contrary.

### Instructions

#### *Dealing Instructions via Telephone*

44. Instructions received over the telephone will be considered to be received at the time of the termination of telephone calls. Damex may record all telephone conversations as evidence of the instructions given or terms agreed. You accept that such recorded conversations will be conclusive evidence of the verbal instructions received by us. We may, at our discretion, require any instructions given verbally to be confirmed in writing. Where giving instructions to us by telephone our representative may repeat back to you what they understand are your instructions. You will be bound by any such instructions last repeated back to you, if you do not correct them even if they do not reflect your desired instructions they will be deemed to be your instructions and they will be actioned. This applies whether or not you confirm them or remain silent.

#### *Dealing instructions via writing or email*

45. Instructions via writing should be sent to Digital Asset Management Limited, Suite 2.4 & 2.5, Second Floor, Waterport Place, Gibraltar GX11 1AA. Instructions via email should be sent to legal@damex.io together with, in copy the @damex.io email address of your customer relationship manager.

46. We may accept such instructions, when we believe, in our absolute discretion, that these instructions originated from you. They will be transacted on a “best endeavours” basis and we cannot be held responsible for non-receipt of orders. You accept that we shall not be liable to you for any losses that result from Damex being unaware of the issuance of such instructions, and you agree to indemnify us for any losses we incur as a result of reliance on such instructions. Instructions will only be deemed to be received at the time they are accepted by Damex either orally or in writing, by one of our advisers. Neither we nor Damex shall be liable to you for any loss or missed opportunity in the event that instruction has been sent by you to us by fax, email or post and such instructions have not been expressly accepted by us. Orders cannot be received on behalf of another person (e.g. husband or wife) unless we have written authorisation.
47. We may at our sole discretion accept or refuse written instructions purporting to be given by you. On request, we will acknowledge in writing the receipt of any such instructions. We may rely on any communication in any form, which purports to have been made, and which we reasonably believe to have been made, by you or on your behalf. You will be bound by any transaction and/or service(s) entered into and/or expenses incurred on your behalf in reliance of such a communication. We reserve the right not to carry out any instructions that we may reasonably suspect to be unlawful.

#### *Withdrawals*

48. Should you choose to withdraw your Digital Assets in whole or in part this will incur standard fees and are subject to our Terms on instructions. Withdrawals can, provided that all necessary instructions are in place and taking into account the Company’s position (i.e. in times of extreme market demand of our services), be facilitated in 3-5 business days. Withdrawals may be possible on a more urgent basis at our discretion outside of these times at a fee.

#### *Restrictions*

49. We reserve the right, at our sole discretion, not to accept a trade, to review and revise your trading limits, seek references, request Digital Assets to be provided by you at any time before and/or after a transaction. This may result in your transaction not being processed immediately and may mean you are unable to deal immediately or whatsoever.

### *Amendments*

50. Any instruction to buy or sell Digital Assets through us forms an irrevocable commitment to you to buy and sell those Digital Assets in accordance with your instructions. Any instructions received by us cannot subsequently be amended and/or revoked by you once they have been accepted and executed by Damex. Where the dealing instructions submitted were incorrect, you agree to indemnify Damex for any costs or losses incurred by Damex in respect of transactions entered into on your behalf to correct the previous transaction, should Damex decide to accept an instruction to effect such a correction.

### Payment Instructions

51. Instructions to transfer Digital Assets to your public wallet address account may be given to us by telephone, e-mail or by post. Transfers will only be made to a digital wallet address where you are able to provide evidence you have ownership of such a wallet (e.g. other transactions which have occurred to that address) which has been notified to us in writing and accepted by us. Third party transfers will not be made or will only be made in limited circumstances as agreed in writing.

### Dealing

52. We will endeavour to provide best execution services at our sole discretion. We will normally execute orders in due turn as soon as reasonably practicable after receipt. Unless you tell us otherwise you agree that if we are unable to execute your order in full immediately we may execute our own orders or the orders of other customers whilst seeking to complete the execution of your order. Depending on the protocol of the Digital Asset, our best execution services may be affected by delayed transaction times and difficulties due to delays being experienced on the network.

53. All instructions to Damex must be on either a "limit price" basis or "best price" basis. Where you instruct Damex on a best price basis and the number of units of a Digital Asset to be dealt is larger than the Digital Asset's normal market dealing size, the price obtained may differ from the price indicated to you at the time your instruction to deal was received.

### Stop Loss Orders

54. We do not accept instructions for stop loss orders.

## Settlement

### *General*

55. You will ensure that all Digital Assets due to us are transferred to our designated public addresses and all documents delivered to us in good order to settle transactions effected by you or on your behalf, and have done everything necessary to allow settlement by the date confirmed to you at the time of dealing, or as stated in the contract note (whichever is earlier). All cash or assets held by us, or transferred to an appointed Custodian are and will remain free of any lien, charge or encumbrance and all payments due to an appointed Custodian must be made without set-off, counterclaim or deduction.
56. You agree to indemnify us from all fines, taxes and charges that any exchange or third party may impose on us or our nominee as a result of your failure to deliver payment or documents to allow transactions to be settled. You also agree that you are responsible for all of your obligations in respect of tax liabilities or similar penalties that may result from any default in your obligations.
57. All sums due to us in respect of commission and any other charges may be deducted from any Digital Assets which we may hold from time to time on your behalf.

## Conflicts of Interest

58. We may have: (a) a material interest in a transaction to be entered into with or for a customer; (b) a relationship that gives, or may give, rise to a conflict of interest relating to the transaction or service concerned; (c) an interest in a transaction that is, or may be, in conflict with the interest of any of the firm's clients; (d) clients with conflicting interests in relation to a transaction; and (e) an arrangement where we receive payments or other benefits for giving business to the firm through which your order is transacted. Details of such payments or benefits are always available on request.
59. We are involved in a wide range of investment advisory and discretionary services and may at times have interests which conflict with those of our clients. We aim to treat our clients fairly, suitably and appropriately. One of the ways in which we seek to achieve these aims is to have regard to the conflicts of interest that may arise through our business activities where such conflicts may involve a material risk of Damex to our clients. We have put in place a policy to identify, avoid and manage potential conflicts of

interest and we have set out below a summary of that policy and the key information that is needed by clients to understand the measures we are taking to safeguard the interests of our clients. Our internal policies and procedures are designed to ensure that we identify potential conflicts of interest that arise or may arise between us and our clients and between one of our clients and another. The circumstances in which such a conflict of interest or potential conflict of interest may arise, include, but are not limited to, where we may:

(a) act on behalf of you and a third party client or investor in the same transaction, and receive and retain commission or other charges from both parties, with the price of the transaction being different from the bid or offer price;

(b) execute a transaction for you in circumstances where we have knowledge of other actual or potential transactions in the relevant instrument;

we may implement and maintain a number of procedures and measures for managing conflicts of interest that arise in the course of our business. Such measures include, but are not limited to, the following:

(a) structural separation. Such separation may be physical or otherwise, including but not limited to information barriers, compensation arrangements and or management and supervisory structures;

(b) oversight of contacts between and within businesses whose clients have adverse or competing interests with the clients of other business units;

(c) regulation of personal investment and business activities of our employees by Compliance to prevent conflicts of interest arising with the interests of clients.

(d) require employees to comply with a policy of independence and disregard any of the above factors when advising you.

60. Where these measures are not sufficient to ensure, with reasonable certainty, that risks of damage to the interests of one or more clients will be prevented, we will be required to clearly disclose the general nature and/or sources of the conflicts in interest to the client concerned before undertaking business with or for the client and ask the client for consent. If we believe there is no practicable way of preventing damage to the interests of one or more clients, we may decline to act.



61. Further details of our conflicts of interest policy can be provided on request.

62. Subject to clause 52, you agree that we may provide the relevant services despite any such interest and that we are not required to account to you for any income, gain, profit or benefit or other advantage arising from doing so. We may however at our sole discretion decide to inform you as to any potential conflicts and any income, gain, profit or other advantage that we may receive should we feel ethically obligated.

#### Execution-Only

63. Please note that we will not advise you about the merits of a particular transaction when you give the order for that transaction and you confirm that you are not expecting such advice and are dealing on an execution-only basis. If we enter into an execution-only transaction as a result of your instructions we shall have no responsibility to provide any ongoing advice about the investment particularly when Damex is the manager of your Digital Assets.

#### Risk Warning

64. You accept that the prices and values of Digital Assets can aggressively go down as well as up and you may get back less or none of your Digital Assets. Consequently, Damex cannot accept responsibility for any movements in the value of your assets. Please refer to our Risk Notice document included with these terms, on our website [www.damex.io](http://www.damex.io) and also from us directly by emailing [info@damex.io](mailto:info@damex.io). Our Risk Notice is updated from time to time for your benefit.

#### Cancellation Rights

65. You accept that you will not have the right to cancel or withdraw from these transactions. We may be able to reverse or cancel transactions at our sole discretion and such actions may result in fees that will be communicated to you.

#### Before publishing a research recommendation

66. We, as appointed Custodian or an associated company, may publish research that we have acted upon or used the information on which it is based, provided that we do not reasonably expect any such action to have a material effect on the price of a particular Digital Asset. We may provide on request written and oral information and research

recommendations (produced by a person other than us) to facilitate your transactions, using sources believed to be reliable and accurate but which cannot be warranted by us to be accurate and complete. We do not accept liability for any direct or consequential loss arising from the use of any research or recommendation provided in this way. As we do not undertake corporate finance or proprietary trading, our research is independent and without conflict of interest.

#### Applicable Laws and Regulations

67. All transactions are subject to the terms and the customs and practices of the exchange on which they are executed. You warrant to us that you are not prohibited from using our services by the laws of the country in which you currently reside or otherwise, and that your dealings will comply with all relevant laws and regulations affecting you. We will not be required to take any action which would, in our opinion, breach any applicable laws or regulations.

#### Administration

68. All instructions regarding the administration of your account with us, such as notification of change of address or bank details must be made in writing to us.

#### Third Party Instructions

69. If you wish to authorise another party to give instructions on your behalf, the appropriate details must be included on the third party power of attorney form. We may accept any dealing instruction we believe, in good faith, to be from any third party authorised by you to act on your behalf, whether in writing, by telephone, email or otherwise. We will accept any instruction regarding the administration of your account. Should instruction authority be altered, suspended or revoked you should notify us immediately. You accept that if you fail to do so we shall not be liable for any loss that you may incur.

#### Aggregation of Orders

70. To obtain a more favourable price for your orders, we or any appointed Custodian may combine them with those of associated companies and persons connected with us, and of some other clients, instead of executing them separately. If we combine your order with others, we will follow our policy on aggregation (which requires us reasonably to

consider that it would benefit each customer concerned) although you accept that on occasion, aggregation may work to your disadvantage.

#### Events Beyond Our Control (Force Majeure)

71. In the event of any failure, interruption or delay in the performance of our obligations, resulting from acts, events or circumstances outside our reasonable control (which circumstances shall include, but not be limited to unanticipated dealing volumes, market liquidity issues, industrial disputes, acts or regulations of any governmental or supranational bodies or authorities, act of god, pandemic, threats or acts of terrorism, fire, war, civil commotion, insurrection, embargo, breakdown, failure, malfunction or delay caused by any public utility, telecommunications or computer service or systems) we shall not be liable for any loss or damage incurred or suffered by you.

#### Regular Information

72. We will send any notices that we are required to send to you to the address and contact information registered with us.

73. Trade receipts will be issued, either in paper or electronic format, every time you trade (up to approximately 24 hours after you close your trade) and will provide details of the trade and charges incurred. If there are any details with which you disagree, please contact us immediately.

74. Note that when we send communications to you via email, the communication will be deemed to be delivered to you upon us sending the email to the relevant ISP whether or not the email arrives at your email address. We will not be obliged to seek acknowledgement or receipt from you. In the event that we have addressed an email to your email address and it is seen by another person, you agree that we will be deemed not to have breached any duty of confidentiality owed to you and we will not be liable for any loss, costs or expenses incurred by you as a result. We will not be liable to you for any delay or failure of delivery of any email sent by us.

#### Joint Accounts

75. You shall be jointly and severally liable for the payment of all sums owing to us and for the performance of all obligations undertaken by you or on your behalf pursuant to these terms and conditions.

76. Unless you authorise us otherwise, we will act upon instructions given by any one of you. Unless and until we receive written notice signed by all of you withdrawing or varying this authority, any action taken by us in complying with instructions given under such authority will be binding on all of you. Any amendments to static data including change of address or bank details must be given in writing by all signatories.
77. In the event of the death of any of you, these terms and conditions will remain binding on the survivor(s) of you and upon the successors of the deceased party(ies).
78. Documents (such as contract notes, statements and valuations) and payments will only be sent by us to the first named of you at their address or to such other recipient as you may all authorise.
79. Where you are trustees of a trust or personal representatives of an estate, you undertake to give us immediate notice of any change in the trustees or personal representatives.
80. Where you are trustees of a trust, you warrant that you have been validly appointed and undertake to supply us with copies of any documents now existing (or hereafter executed) limiting, extending or varying the powers of the trustees or amending the objects of the trust. Failure to provide us with such copies shall absolve us from any breach of the terms or objects of the trust.
81. Where you are personal representatives of an estate, these standard terms of business shall continue in force with you in your capacity as trustees of the relevant will, following completion of the administration of the estate.

#### Liability and Indemnity

82. Damex and any appointed Custodian shall not be liable for any loss arising other than as a result of its own **gross negligence, wilful default, or contravention of regulatory rules**, if any. In any event, we will not be liable for any indirect or consequential loss (including loss of profit). Damex or any appointed Custodian shall have no liability for any market or trading losses you may incur.
83. You undertake to indemnify Damex and any appointed Custodian against any liability (including legal costs) it may incur arising from the provision of its services in relation to your account, any breach by you of the provisions of this agreement or the agreement

that we have entered into with either of the aforementioned parties, or any failure to make delivery or payment when due.

84. Advice given by either ourselves or our employees in relation to transactions carried out on your behalf is given in good faith. Damex shall not be liable for any financial loss suffered by you unless this results from <sup>1</sup> the **gross negligence, fraud, or wilful default** of Damex or from breach by Damex of applicable laws and regulations.
85. We and any appointed Custodian reserve the right to decline to execute any transaction for you, for any reason whatsoever. The value of your assets and the income arising therefrom may decrease as well as increase. We shall not be held liable for any loss incurred by you arising from changes in market conditions or market fluctuations.
86. If any provision of these terms and conditions is or becomes invalid or contravenes any Gibraltar Financial Services Commission rules, the remaining provisions shall not be invalidated.
87. You hereby agree to indemnify and shall keep us indemnified against all suits, actions, proceedings, losses, costs, damages, expenses, and liabilities whatsoever (including legal fees on a full indemnity basis) (“Losses”) which we may suffer or incur directly or indirectly as a result of or in connection with this Agreement, including Losses suffered by us in enforcing our rights under this Agreement.

#### Undertakings and Liabilities

88. We accept no responsibility for your account until Digital Assets are received and have made a number of confirmations of not less than 5 on a public blockchain. We also accept no responsibility for any loss or delay caused in the payment, or transfer of funds, to us.

#### Prohibited Use

89. You may not use Damex or Damex’s services to engage in the following categories of activity (“Prohibited Uses”). The specific types of use below are representative, but not exhaustive. If you are uncertain as to whether your use of our services involves a Prohibited Use, or have questions about how these requirements apply to you, please contact our team. By agreeing to these terms you agree that you will not use your Account to do any of the following:

- a. *Unlawful Activity* - Activity which would violate, or assist in violation of, any law, statute, ordinance, or regulation, sanctions programs or which would involve proceeds of any lawful activity; publish, distribute or disseminate any unlawful material or information. This includes market abuse activity and market manipulation;
- b. *Abusive Activity* - Actions which impose an unreasonable or disproportionately large load on our infrastructure, or detrimentally interfere with, intercept or expropriate any system or information; transmit or upload any material to Damex that contains viruses, worms or any other harmful or deleterious programs; attempt to gain unauthorised access to Damex systems; or transfer your account or rights to a third party, unless by operation of law or with the express permission of Damex;
- c. *Fraud* - activity which operates to defraud Damex, Damex clients, or any other person; provide any false, inaccurate, or misleading information to Damex;

### Complaints

90. We have a written complaints procedure, a copy of which is available on request. If you are dissatisfied with any of our services or feel you have suffered a loss through any actions of Damex, its directors, employees or agents, then you should write in the first instance to us. Please see further information on our complaints policy at [www.damex.io/complaints](http://www.damex.io/complaints). Please write to the Compliance Officer Digital Asset Management Limited detailing the nature of your complaint and the redress you are seeking.

### Data Protection

91. Any and all Personal Information (as defined under Regulation (EU) 2016/679 (“**GDPR**”)) that we may need to process to provide you with our services will be processed in accordance with our privacy policy, which can be found on our website [www.damex.io/privacy](http://www.damex.io/privacy) and also from us directly by emailing us [info@damex.io](mailto:info@damex.io), and in observance with any rule, law, and regulation as may be applicable to us from time to time when carrying out such processing. Our privacy policy is updated from time to time for your benefit.

### Marketing

92. You agree that we may also use this information within Damex for marketing purposes. If you do not wish to receive marketing information or if your details change, please notify us in writing.

### Anti-Money Laundering Legislation

93. Damex is obliged under Gibraltar's Proceeds of Crime Act 2015 and other legislation to verify the identity of our customers and carry out due diligence to combat financial crime, money laundering and terrorist financing. As a result, we will need to make certain enquiries and to obtain information from you for this purpose. In providing this information you declare and affirm to us that such assets and/or cash introduced to us by you will be from lawful sources and not deemed to be unlawful, illegal or immoral, either in their country of origin or in Gibraltar.

### Termination

94. You or Damex may terminate this agreement by giving not less than 1 calendar month's written notice which will be effective on receipt. On giving or receiving notice, you and Damex shall settle outstanding transactions and liabilities as soon as is reasonably practicable and subject thereto, your account(s) shall be closed. We are under no obligation to explain our reasons for terminating the arrangement. Termination will not affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty. If, on termination, any sum is, or may become, due from you to us, you shall pay such sum to us immediately, and without demand. On termination of the agreement, we reserve the right to cancel, close out, terminate or reverse any transaction or enter into any other transaction or do anything which has the effect of reducing or eliminating any liability under any contracts, positions or commitments undertaken on your behalf. Where two or more people are contracted with us under a joint agreement a valid notice of termination given by one person will terminate the agreement as regards all persons.

95. Upon being provided with a written notice, you agree to provide us with a public wallet address as soon as is reasonably practicable so that we may return to you the Digital Assets held on your behalf. This wallet address must be able to receive your selected Digital Asset currency for receipt.

96. You agree that we are not obliged to verify the correctness or validity of any public wallet address that you provide to us and subject to returning your digital assets to your specified public wallet address you agree to hold us free from liability in relation to your Digital Assets.
97. Once we are provided with a public wallet address and you choose your selected Digital Asset currency of receipt, we will convert your Digital Assets into that currency as soon as is reasonably practicable.
98. Subject to having received or served a valid written notice, a valid public wallet address and selected Digital Asset currency of receipt, we will endeavour to return any Digital Assets held by ourselves as soon as is reasonably practicable, typically in 3-5 business days.

#### Invalidity of Terms

99. If any provision or term of the Agreement is declared to be illegal, invalid or unenforceable for any reason (such as breaching GFSC rules or any market rules in which a trade was effected), that term or provision shall be treated as though it had never been part of the agreement and will be ineffective without prejudice to the remainder of the term or any other term or provision thereof. Any deletion shall be considered not to materially affect the agreement.

#### Death

100. If you are an individual natural person, in the event that you should pass away, your account will be suspended, we may close any open position which carries a future contingent liability, and no instructions over any account in your name can be accepted until the title of your personal representatives to the account(s) has been granted. Upon receipt of a copy of the grant of representation of your estate, Damex will instruct the nominee to deliver your investments to your personal representatives. We reserve the right to charge fees in relation to intensive administrative work that Damex may need to perform for your Personal Representatives.

#### **Record Retention**

101. In accordance with legal and regulatory requirements, we will retain your records for a minimum period of five years following the termination of any relationship between us.



This period may be extended by force of law, regulatory requirement or agreement amongst us.

### Amendment

102. We reserve the right to alter these terms at any time, upon giving 10 business days' notice in advance. You are deemed to have consented to any alteration that may be effected to these terms and conditions if we do not receive notification otherwise from you, in writing, within the time that the changes were notified to you and their coming into effect. No amendment will affect any outstanding order or transaction or any legal rights or obligations which may have already arisen.

### Successors and Assigns

103. For the avoidance of doubt, we may in our absolute discretion and in order to ensure continued compliance with any rules or regulations, transfer our rights and obligations hereunder to any assigns and successors legally appointed. Your rights and obligations hereunder may not be transferred or assigned to any third party without our prior written agreement although they shall subsist and endure to the benefit of your successors.

### Taxation

104. Neither we nor any of our employees, officers, directors or agents hold ourselves out as having any tax expertise whatsoever, nor do we accept any liability or responsibility for any kind of loss or damage incurred or suffered by you as a result of or in conjunction with the tax consequences of any transaction. You should always contact a suitably qualified person for taxation advice and receive suitable advice. We may request to receive a copy of your tax advice.

105. The Government of Gibraltar has signed intergovernmental agreements with various countries with the aim of improving international tax compliance. As a result of this, financial institutions are required to pass on details of any customers they believe may be foreign tax residents to the Gibraltar Competent Authority. Information on holding Digital Assets may be information we may have to disclose under our obligations under Gibraltar law. The information to be released includes (but is not limited to) the account holder's (and anyone connected to the account) name, address, date of birth, tax number, account value at y/e, interest received and proceeds from any sales. These

details do not breach any data protection laws. Once the Gibraltar Competent Authority has your details, they will report to the relevant tax authority. As it is not certain whether Damex may be obliged to provide all of this information, Damex is retaining this information for the avoidance of doubt in the event of a future need for compliance subject to Record Retention. By accepting these T&C's and using Damex's services you explicitly agree and authorise Damex, should we be required, to provide the Gibraltar Competent Authority with this data and hold Damex free from any liability and/or damages in relation to any such disclosure.

106. Damex may withhold sums on account of tax if it deems it necessary to do so or if it is required by law to do so. You agree to provide us with all such information and documentation as is reasonably requested by us to enable Damex to make any such withholdings. Damex shall not offer a tax reclaim service and accordingly you will be responsible for reclaiming any recoverable tax, if any, on your assets.

#### Internet Facilities & Transferring Digital Assets

107. We may, subject to amendment, include terms in relation to accessing your transaction orders using an online portal.

#### *Security*

108. It is your responsibility to have secure access to the internet when transferring Digital Assets to Damex. It is your responsibility to ensure that you securely store the private keys for any Digital Assets which you hold for your own account and you will not rely on Damex's assistance in this regard and you will indemnify Damex for any losses which may be incurred in your transferring of Digital Assets to Damex and you agree to hold Damex not liable for any assistance provided to you with executing transfers from your Digital Asset public key wallet address.

#### Information Available on our Website & Advertising

#### *External Links*

109. We may on our Website provide links to certain internet sites sponsored and maintained by third parties. Such sites are publicly available and we provide access to such links solely as a convenience to you. We make no representations or warranties concerning the content of such sites and the fact that access to such sites is provided

does not constitute our endorsement, authorisation or sponsorship of such sites or their sponsors nor are we necessarily affiliated to such sponsors.

### *Electronic Advertising*

110. Our products and services may be advertised on our Website. If you have asked us previously not to send you any marketing material, you agree that this restriction will not apply in respect of our website.

### *Advertising & Publication*

111. You agree that you will not publicise or disclose to third parties, unless required by law, your account, the terms of this agreement, our services or the business relationship without our prior consent. Equally, Damex will not seek to publicise or disclose our business relationship, unless as required by law, without your prior consent.

### *Research*

112. You should understand that whilst you may be able to access certain research tools and reports through our Website, the availability of such information does not constitute a recommendation to buy, sell or otherwise trade all or any of the Digital Assets mentioned therein. Neither we nor our suppliers make any representation as to the accuracy, completeness or timeliness of any information or opinions made available to you on the Website. No information or opinions on the Website constitute an offer or solicitation by us or a person connected with us to buy or sell.. You should seek your own professional advice as to the suitability of any transactions referred to on our website. Where Damex provides certain calculator tools on its Website, Damex does not accept responsibility for the validity or results produced by these tools. It is your responsibility to verify the accuracy of their output.

### *Copyright*

113. All information and opinions on the Website are protected by copyright and other intellectual property laws. They may be displayed and printed for your personal non-commercial use only. You agree not to reproduce, transmit or distribute them to anyone (including, but not limited to, bulletin boards, mailing lists or newsgroups) without prior written consent.

*Emails*

114. You accept that we have no liability to you, arising from breach of confidentiality or otherwise, if any other person sees any communication, which is deemed to have been delivered to your e-mail address.

*NO Protections Under Compensation Scheme*

115. The Digital Assets held by us are not protected by any Investor Compensation Scheme under Gibraltar law as we are not trading, offering or holding ourselves out as providing assistance in relation to financial instruments.

*Governing Law*

116. These terms and conditions are governed by the laws of Gibraltar and each party submits to the jurisdiction of the Gibraltar Courts for the resolution of disputes.

## **SCHEDULE 1 - DAMEX DIRECT SERVICES (OTC PORTAL)**

This Schedule is an addendum to the OTC Terms and Conditions to which you have agreed to. This Schedule ONLY APPLIES in relation to your acceptance and use of Damex's OTC portal application ("Damex Direct (OTC)"). Your use of services outside of Damex Direct (OTC) are governed by different terms of service and may be with a different legal entity within the Damex Group.

These terms and conditions govern the relationship between you and your use of Damex Direct (OTC), and set out the rights and obligations, as well as risk notices, of your use of Damex Direct (OTC) and the Services which include but are not limited to digital asset receipt, withdrawal and exchange as well as fiat receipt, withdrawal and exchange.

PLEASE READ THESE TERMS AND CONDITIONS (THE "**TERMS**") CAREFULLY AND THOROUGHLY. IT IS ESSENTIAL THAT YOU UNDERSTAND THESE TERMS PRIOR TO ACCESSING OR USING OUR SERVICES (AS DEFINED HEREIN). WHEN OPENING THE DAMEX DIRECT (OTC) APPLICATION, YOU ARE INVITED TO AGREE WITH THESE TERMS. BY CLICKING ACCEPT, OR BY ACCESSING OR USING OUR SERVICES, YOU AGREE TO BE BOUND BY THESE TERMS IN THEIR ENTIRETY AND ALL TERMS INCORPORATED BY REFERENCE.

DAMEX DOES NOT PROVIDE ADVICE ON THE LEGAL IMPLICATIONS OF ACCEPTING THESE TERMS.

These are our standard terms and conditions. If you have entered into bespoke terms with Damex, those terms and conditions will supersede any conflicting terms and conditions in these Terms and can be provided by your account manager on request.

### **1. RISK WARNING**

- 1.1. Purchasing and investing in Digital Assets is a high-risk activity which incurs risks which are not inherent in managing traditional financial instruments and other assets. The value of Digital Assets can be subject to aggressive volatility and previous performance of Digital Assets valued against other Digital Assets or fiat currencies is not indicative of future performance.

- 1.2. Please refer to our Risk Notice document included on our website <https://www.damex.io/web/risk-notice>. Our Risk Notice is updated from time to time for your benefit.
- 1.3. By using Damex Direct (OTC) and our Services, you acknowledge and agree that:
  - 1.3.1. You are aware of the risks associated with transacting in Digital Assets;
  - 1.3.2. You assume all risks with respect to your use of the Services; and
  - 1.3.3. Damex is not responsible for or liable for any such risks of adverse outcomes.

## **2. MODIFICATION OF TERMS**

- 2.1. We reserve the right to alter these Terms and any other documents relevant to the Services we offer at any time. Damex will prompt you with notice of changes to these Terms by mail and publish the updated Terms on the Website and within the platform above. It remains your responsibility to refer to and read these Terms from time to time.
- 2.2. You shall accept any amendment before being able to continue using Damex Direct (OTC). Your continuous use of Damex Direct (OTC) and/or any Order placed after the amendment will require prior acceptance of the amended Terms. Further or alternatively, continued use of our Services will imply your consent to any amended Terms.

## **3. DEFINITIONS AND INTERPRETATIONS**

- 3.1. For the purposes of this Schedule, the following terms shall have the meanings ascribed to them below. Any capitalised terms used in this Schedule that are not defined herein shall have the meanings commonly understood in the relevant industry or field:

**“2FA”** means any form of two-factor authentication security system that Damex may implement in Damex Direct (OTC) where the Account Holder is required to present any two or more pieces of evidence to authenticate that they are the Account Holder.

**“Account Holder”** means any natural person as an individual customer or as or on behalf of a Corporate customer as the situation may be who successfully completes the onboarding process and gains access to Damex Direct (OTC) and is legally responsible for a Damex Direct (OTC) Account. The Account Holder may add other users and assign Roles to them. The Account Holder is referred to as “You” and/or “you” and/or as “Your” and/or “your” when indicating the possession of something within the Terms.

**“Anti-Money Laundering Legislation”** means all applicable anti-money laundering laws and regulations, including without limitation the Proceeds of Crime Act 2015 of Gibraltar.

**“Assets”** means Digital Assets and Fiat Assets held in your Damex Direct (OTC) Account.

**“Authorised User”** means the individual(s) elected and authorised by the Account Holder to be responsible for the management of the Damex Direct (OTC) Account with particular account access controls as set out in the relevant onboarding documents and as notified by the Account Holder to Damex from time to time.

**“Bank Account”** means an account opened by a regulated bank, financial institution or custodian which is registered in the Account Holder’s name or that of the Corporate Customer.

**“Business Day”** means any day which is not a Saturday, Sunday or public or bank holiday in Gibraltar.

**“Corporate”** means any other entity/person or entities/persons including but not limited to a corporate or non-corporate entity such as a trust, an SPV, a group, a consortium or other vehicle or legal person.

**“Damex”** means Digital Asset Management Limited (referred to as “Damex”, “us”, “we”, “our” or “ourselves”) a private limited company incorporated in Gibraltar with registered number 116618 and with registered office at Suite 1, Burns House, 19 Town Range, Gibraltar and place of business at Suite 2.4 & 2.5 Waterport Place, Gibraltar.

**“Damex Direct (OTC) Account”** means the digital accounts, which are opened by Damex for the Account Holder upon the Account Holder’s registration with Damex Direct (OTC).

**“Damex Direct (OTC) Content”** means any and all content available on Damex Direct (OTC) which is also accessible on Damex Direct (OTC).

**“Digital Assets”** means a digital representation of value that can be digitally traded as functions as (1) a medium of exchange; and/or (2) a unit of account; and/or (3) a store of value, but does not have legal tender status (i.e., when tendered to a creditor, is a valid and legal offer of payment) in any jurisdiction. It is not issued or guaranteed by any jurisdiction, and fulfils the above functions only by using distributed ledger technologies and agreement within the community of users of the virtual currency or tokens. These assets are distinct from fiat

currencies. Digital Assets do not include any services or products including (a) shares or equity in companies or other legal entities; (b) debt instruments; (c) unit trusts, mutual funds and other collective investment schemes; (d) warrants to subscribe for investments under (a) and (b); (e) depositary receipts or other types of instruments relating to investments under (a), (b) and (c); (f) futures and options; (g) securitised derivatives; (h) hedge funds; (i) contracts for difference (j); or electronic money. Digital Assets include Tokens.

**“Digital Asset Wallet”** means the Wallet designated to support the holding of Digital Assets.

**“Dormant Account”** means a Damex Direct (OTC) Account that has been suspended or deactivated or where an Account Holder or Authorised User has not logged into their Damex Direct (OTC) Account for a period of at least 12 months.

**“Execution”** or “Executed” or “Executing” of an Order and/or Transaction on behalf of Authorised Users means acting to conclude agreements to buy or sell one or more Asset(s) on behalf of Account Holders.

**“Exchange”** means trading venues interfaced with Damex Direct (OTC) to which Damex has access to in order to Execute Order(s) placed by Authorised User(s) on their behalf.

**“Feedback”** means the questions, comments, ideas, reviews or feedback relating to Damex Direct (OTC) and/or the Services that you may voluntarily post, submit or otherwise communicate to us.

**“Fiat Assets”** or **“Fiat”** means centralised issued currency which is not backed by a physical commodity or financial instrument and established as a currency by governmental regulations or law.

**“Intellectual Property Rights”** means without limitation, all patents (including models and inventions), trademarks, service marks, trade names, domain names, business names, copyrights, design rights, database rights, rights to or in computer software, know-how, trade secrets, rights to or in confidential information and all other intellectual property rights and rights or forms of protection of a similar nature or effect which may subsist anywhere in the world whether or not registered or capable of registration, together with all applications for registration of, and any licence to use, any of the foregoing and "Intellectual Property" shall be construed accordingly.

**“Market Price”** means the price of a Digital Asset found on the Exchanges at a particular time & date.

**“Network Fee”** means the cost of processing a transaction on a Digital Asset network, also known as miner or gas fees.



**“Order(s)”** means the instruction provided by an Authorised User through Damex Direct (OTC) to carry out a Transaction pursuant to these Terms.

**“Outgoing Transaction”** means any transaction which would concern the transfer of Assets from a Damex Direct (OTC) Account to any other Damex Direct (OTC) Account, third party Digital Asset Wallet or Bank Account.

**“Product Period”** means the period of time that Damex provides you with a licence to use and access the Damex Direct (OTC) services offered under these terms.

**“Prohibited Uses”** means the prohibited uses and category of uses of the Services as set out in the Prohibited Usage clause of these terms.

**“Personal Data”** means any information about an individual from which that person can be identified. It does not include data where the identity has been removed (anonymous data).

**“Refunds”** means a (partial) reversal of a particular Transaction, whereby the funds are reimbursed to the Account Holder on the request of Damex.

**“Restricted Jurisdiction”** means and includes: (i) the United States of America; (ii) the People’s Republic of China; (iii) South Korea; (iv) Vietnam; and any other jurisdiction which prohibits or requires any supervision oversight licensing regulatory compliance legal compliance and/or prior approval from any regulatory (or similar) authority or body or from any monetary or securities body or authority for:

- the possession, dissemination or communication of Damex Direct (OTC); and/or
- the use of the Services.

**“Restricted Persons”** refers to any firm, company, partnership, trust, corporation, entity, government, state or agency of a state or any other incorporated or unincorporated body or association, association or partnership (whether or not having separate legal personality) that is established and/or lawfully existing under the laws of a Restricted Jurisdiction (including in the case of United States of America, under the federal laws of the United States of America or under the laws of any of its States);

**“Role”** refers to the designated level of access and authority an Authorised User has within Damex Direct (OTC).

**“Schedule”** means these Terms and Conditions to which you have agreed to as an annexure to the OTC Terms and Conditions.

**“Service Fees”** shall mean any fees which may be charged by Damex for the Services, including but not limited to Transaction Fees, processing fees charged for Withdrawals and dormancy fees.

**“Services”** means all products, services, content, features, technologies, functions offered by us from time to time on or through Damex Direct (OTC).

**“Terms”** means the Terms and Conditions contained in this Schedule in relation to Damex Direct (OTC) as may be amended from time to time, including all schedules referred to herein.

**“Token”** means digital utility tokens that are issued using distributed ledger technologies which provide users with access to a product or service though do not allow or enable users to own any equity in the product of the issuer or any issuing party or any equity in the service provider, its subsidiary or affiliates.

**“Transaction”** means the Execution of an Order on or through Damex Direct (OTC).

**“Transaction Fees”** means the amount that Damex charges in order to carry out a Transaction, as agreed in writing with Damex and as reflected on the Damex Direct (OTC) Account profile on the Website.

**“Transaction Price”** means the cost per Digital Asset or Fiat Asset or the cost of Executing an Order at the time when it was Executed.

**“Wallet”** means digital wallets available to Account Holders on their Damex Direct (OTC) Account, including Fiat Asset and/or Digital Asset Wallets.

**“Withdraw”** or **“Withdrawal”** means to remove any amount of Digital Asset and/or Fiat Assets from the Wallet, thereby instructing Damex to return Assets to you in the cryptocurrency address and/or Bank Account you intend to send the withdrawn value.

**“Website”** means the website available at [www.damex.io](http://www.damex.io).

- 3.2. In case of any discrepancy between this Schedule, the OTC Terms and Conditions, the Privacy Policy and/or the Risk Notice, this Schedule shall prevail over all other documents related thereto.

## **ACCEPTANCE OF THESE TERMS**

4. When you click on “I agree to the Terms and Conditions, and I have read the Privacy Policy” or similar prompt when registering or using a Damex Direct (OTC) Account:
  - 4.1. You agree that you have the capacity to bind you in your personal capacity, or the legal person on whose behalf you are operating the Damex Direct (OTC) Account as the situation may be;

- 4.2. You agree that these Terms become a legally binding agreement between you, the legal person whom you may represent as may apply and any third parties referred to herein.
- 4.3. You agree that you or the legal person whom you may represent as may apply are responsible for the management, control and conduct of any Authorised User;
- 4.4. You confirm that your knowledge of English is sufficient to understand the meaning of the Terms, the Privacy Policy and the Risk Notice. You hereby consent that you will not hold Damex liable for any losses or damages resulting from a misunderstanding of the Terms, the Privacy Policy and/or the Risk Notice originating in your linguistic limitations of the English language. Documents or communications in any other languages are for your convenience and only the English language version of them are official.
- 4.5. By subsequently using Damex Direct (OTC) you further acknowledge that you have read, understood and agree to be bound by and comply with these Terms, the Privacy Policy and the Risk Notice in their latest version, as they may be amended from time to time by Damex, as well as with all applicable laws and regulations. If you do not agree with these Terms, the Privacy Policy and/or the Risk Notice you should refrain from using Damex Direct (OTC) and/or benefitting from the Services.

## **5. Damex Direct (OTC) ACCOUNT**

- 5.1. By registering to use a Damex Direct (OTC) Account, you represent and warrant that:
  - 5.1.1. You have read, understood and accept these Terms, the Privacy Policy and the Risk Notice and are legally bound by these Terms;
  - 5.1.2. As an individual, you are at least 18 years of age or older or have the legal capacity to enter legally binding agreements under applicable laws. Misrepresentation of your age to gain access to Damex Direct (OTC) and the Services is a breach of these Terms;
  - 5.1.3. You have not been previously suspended or removed from using Damex Direct (OTC) or the Services;
  - 5.1.4. You do not have an existing Damex Direct (OTC) Account;

- 5.1.5. You are not a Restricted Person and you are not a citizen, national, resident (tax or otherwise), green card holder of any Restricted Jurisdiction and that your dealing will comply with all relevant laws and regulations affecting you. You agree to cease using Damex Direct (OTC) and the Services should you become a Restricted Person or you are in a Restricted Jurisdiction after your registration as an Account Holder.;
- 5.1.6. If you act as an employee or agent of a legal entity, and enter into these Terms on their behalf, you represent and warrant that you have all the necessary rights and authorisations to bind such legal entity and to access and use Damex Direct (OTC) and the Services on behalf of such legal entity;
- 5.1.7. You are not using Damex Direct (OTC) on behalf of any third party.

## **5.2. Registration and Verification**

- 5.2.1. All Account Holders must apply for a Damex Direct (OTC) Account in order to access Damex Direct (OTC) and benefit from the Services. When you register a Damex Direct (OTC) Account, you must provide the information identified in this section or otherwise requested by Damex. You agree to provide complete and accurate information when opening a Damex Direct (OTC) Account, and agree to immediately update any information you provide to Damex to maintain the integrity and accuracy of the information. Once you have successfully finished the onboarding process, you become an Account Holder and gain access to Damex Direct (OTC) and the Services. Each Account Holder (including a natural person, business or legal entity) may maintain only one Damex Direct (OTC) Account at any time. However, Account Holders can appoint one or more Authorised Users, including themselves, to access the Damex Direct (OTC) Account with the consent of Damex. The registration, use, protection and management of the Damex Direct (OTC) Account and each Authorised User are equally governed by the provisions of these Terms, unless otherwise stated in these Terms.
- 5.2.2. Through the registration process, or later, you agree to share certain information and documentation requested and you authorise Damex to

use any Personal Data or other information for the purposes of identity verification and other screening procedures (including any updated personal information). The information we require to verify your identity may include, but is not limited to, your name, email address, contact information, phone number, username, government-issued ID, date of birth, and other information collected during the registration process. If you fail to reply promptly or within a reasonable period notified to you to any request from us, or if your responses are unsatisfactory, we may close or suspend your Damex Direct (OTC) Account and/or you may be unable to use Damex Direct (OTC) and the Services.

- 5.2.3. You agree to provide true, accurate and complete information when opening a Damex Direct (OTC) Account and to maintain and promptly update the information you have provided to ensure it remains true, accurate, actual and complete at all times whilst you are an Account Holder..
- 5.2.4. You authorise Damex, or a third-party service provider, to take any measures deemed necessary to verify and authenticate your identity, confirm the information you submit and to take any action we deem necessary based on the results of our investigations.
- 5.2.5. If you provide any information that is, or that we have reasonable grounds to suspect to be inaccurate, misleading, outdated or incomplete, we reserve the right to, in our sole and absolute discretion, but subject to applicable laws, block access to or to suspend, close or terminate your Damex Direct (OTC) Account, refuse to let you purchase or withdraw Assets, and freeze Assets or your Damex Direct (OTC) Account, at any time, with or without advance notice. The same measures can be undertaken should you fail to notify Damex of changes to your Personal Data promptly.
- 5.2.6. To the fullest extent permitted by law, we shall not be liable to make any compensation, monetary or otherwise, following such suspension, freeze, termination or inability to use your Damex Direct (OTC) Account.
- 5.2.7. You are responsible for any fees that we incur with respect to your Damex Direct (OTC) Account as a result of any of the foregoing. Such

fees will be charged as Service Fees.

### **5.3. Registration Refusal**

5.3.1. Damex reserves the right to reject any registration and to refuse Services to anyone for any reason, at its sole and absolute discretion, and without any obligation to indemnify the concerned person or Account Holder.

5.3.2. In the event that Damex does not accept you as an Account Holder and/or should you fail to provide the information required by Damex to onboard you as an Account Holder, the Assets sent to your Wallet(s) or Account(s) will be sent back to the Bank Account or the public address from which they originate or in the case this address does not support funds back, a new one given by the Account Holder. All fees applicable to such transfer (including but not limited to Service Fees, bank fees for Fiat Assets or Network Fees for Digital Assets) will be charged to you as a liability towards Damex which will be set-off and withdrawn from your Assets.

### **5.4. Fiat Services**

5.4.1. By agreeing to these Terms when registering a Damex Direct (OTC) Account, you agree to the Fiat Services as contained in the OTC Terms and Conditions to which you have agreed.

### **5.5. Account Access**

5.5.1. In order to log into your Damex Direct (OTC) Account, you will be required to enter your login ID and password and comply with such other security procedures as we may implement from time to time such as, without limitation, 2 Factor Authentication (2FA).

5.5.2. You hereby agree to consider your access credentials as confidential information on any electronic device you use, and you understand to not disclose such information to any third party.

- 5.5.3. You are responsible for all transactions on your Damex Direct (OTC) Account where the correct security information has been provided, notwithstanding that such activities were not authorised by you or by an Authorised User.
- 5.5.4. You are solely responsible for maintaining the security and confidentiality of your login credentials, and 2FA. You agree to notify us immediately of any unauthorised use of your login credentials as well as of any other breach of security.
- 5.5.5. You can use your Damex Direct (OTC) Account on multiple electronic devices. It is therefore your sole responsibility to ensure that all the electronic devices used are properly secured and that unauthorised access to Damex Direct (OTC) is not permitted. Any unauthorised access to Damex Direct (OTC) on any electronic device by third parties could result in the loss or theft of Assets held in your Wallet(s), including but not limited to your linked Bank Account(s). You hereby indemnify and hold us harmless against all costs, claims, expenses and damages arising in connection with the use or access to your Damex Direct (OTC) Account by or with any third party.
- 5.5.6. You may not transfer, lease, licence, assign or sell your Damex Direct (OTC) Account (or any use thereof) to a third party without the consent of Damex. If, as permitted by Damex, you grant express permission to a third party to access or connect to your Damex Direct (OTC) Account, you acknowledge and agree that granting such permission to a third party to take specific actions on your behalf does not relieve you of any of your responsibilities under these Terms. Any action of such third party shall be considered to be an action authorised by you. Further, you acknowledge and agree that you will not hold Damex responsible for, and will indemnify Damex from, any liability arising out of or related to any act or omission of any third party.
- 5.5.7. To the fullest extent permitted by applicable law, you agree that we will not be liable for any loss that you may incur as a result of a third party accessing your Damex Direct (OTC) Account, either with or without your knowledge. Damex disclaims any and all liability arising from fraudulent entry and use of your Damex Direct (OTC) Account and/or the Services.

Damex will take such action as we determine warranted, including without limitation, terminating your access, freezing your Damex Direct (OTC) Account, closing the Damex Direct (OTC) Account, and taking all necessary and appropriate actions under applicable laws, should a third party fraudulently obtain access to your Damex Direct (OTC) Account.

## **5.6. Account Usage Requirements**

- 5.6.1. Access to Damex Direct (OTC) is restricted to individuals that have been designated by the Account Holder as Authorised Users.
- 5.6.2. The Account Holder must notify Damex of all individuals it wishes to be an Authorised User.
- 5.6.3. Each registered Authorised User is permitted to access and use Damex Direct (OTC) in accordance with these Terms.
- 5.6.4. The Account Holder shall be responsible for training its Authorised Users in the appropriate use of Damex Direct (OTC).
- 5.6.5. The Account Holder shall ensure its Authorised Users:
  - 5.6.5.1. take all reasonable care to ensure Damex Direct (OTC) access credentials, including login details, where applicable, are kept confidential to each Authorised User; and
  - 5.6.5.2. do not share any information that would enable another party to access the Damex Direct (OTC) Account.
- 5.6.6. The Account Holder acknowledges and agrees that each Authorised User is authorised by the Account Holder to act on its behalf. Damex shall deem any instruction given by an Authorised User as an instruction given by the Account Holder.
- 5.6.7. The Account Holder will be responsible for (a) timely notification to Damex of any revocation of an Authorised User's access to the Damex Direct (OTC) Account, and (b) the removal of any Authorised User on the Damex Direct (OTC) Account and will be liable for Transactions made, fees incurred and use of Damex Direct (OTC) until Damex has had one full Business Day to act on any received notice.
- 5.6.8. In instances where Damex holds a reasonable belief that your Damex Direct (OTC) Account has been accessed or compromised by a



third-party, Damex reserves the right to suspend, freeze or cancel the use of Damex Direct (OTC) Accounts by persons other than Authorised Users. If you suspect or become aware of any unauthorised use of your Damex Direct (OTC) Account, you should notify Damex immediately. Damex assumes no liability for any loss or damage arising from the use of the Damex Direct (OTC) Account by you or any third party with or without your authorisation.

#### **5.7. Authorised Users**

- 5.7.1. The Account Holder may appoint one or more individuals as Authorised Users to manage their Damex Direct (OTC) Account. The Account Holder is solely responsible for selecting and authorising Authorised Users.
- 5.7.2. The Account Holder shall set appropriate account access controls for each Authorised User, as outlined in the relevant onboarding documents. These controls may include restrictions on specific transactions, account features, or timeframes.
- 5.7.3. The Account Holder must notify Damex of any changes to Authorised Users or their account access controls. Damex will implement these changes as soon as reasonably practicable.
- 5.7.4. The Account Holder remains ultimately responsible for all activities conducted through the Damex Direct (OTC) Account, even if performed by Authorised Users.
- 5.7.5. Authorised Users are liable for their own actions and any losses or damages incurred as a result of their use of the Account Holder's Damex Direct (OTC) Account.
- 5.7.6. The Account Holder may terminate the authorization of an Authorised User at any time. Upon termination, the Authorised User's access to the Account Holder's Damex Direct (OTC) Account will be revoked.

## 5.8. Fraud Detection

- 5.8.1. You must notify us immediately if you suspect or become aware of any fraud or unauthorised use of your Damex Direct (OTC) Account or any other breach of security by contacting support or emailing your account manager.
- 5.8.2. Upon receipt of such written notice, Damex shall take reasonable steps to protect your Damex Direct (OTC) Account. Damex is entitled to accept and rely on Orders, authorisations, instructions and any other actions coming from your Damex Direct (OTC) Account prior to receiving notice that a Damex Direct (OTC) Account has been compromised.
- 5.8.3. If you share your device and/or access credentials with any third party, Damex will not be liable for any loss that you may incur as a result of a third party using your Damex Direct (OTC) Account with or without your knowledge.

## 5.9. Prohibited Usage

- 5.9.1. You may not use Damex Direct (OTC) or the Services to engage in the following categories of activity (“Prohibited Uses”). The specific types of prohibited uses below are representative, but not exhaustive. If you are uncertain as to whether your use of our Services involves a Prohibited Use, or have questions about how these requirements apply to you, please contact our team. By agreeing to these Terms you agree that you will not use your Damex Direct (OTC) Account to do any of the following:
  - 5.9.1.1. Unlawful Activity - Activity which would violate, or assist in violation of, any law, statute, ordinance, or regulation, sanctions programs or which would involve proceeds of any lawful activity; publish, distribute or disseminate any unlawful material or information. This includes market abuse activity and market manipulation;
  - 5.9.1.2. Abusive Activity - Actions which impose an unreasonable or disproportionately large load on our infrastructure, or detrimentally interfere with, intercept or expropriate any system or information; transmit or upload any material to Damex that contains viruses,

worms or any other harmful or deleterious programs; attempt to gain unauthorised access to Damex systems; or transfer your account or rights to a third party, unless by operation of law or with the express permission of Damex;

- 5.9.1.3. Fraud - activity which operates to defraud Damex, Damex clients, or any other person; provide any false, inaccurate, or misleading information to Damex.

## 5.10. Order Execution

- 5.10.1. Should you wish to proceed with an Execution of an Order following the display of a Market Price to you in Damex Direct (OTC) you shall click “Confirm”, “Buy Now” or similar prompt. By clicking such a prompt you instruct and give Order to Damex to use the Fiat Assets and/or Digital Assets in your Wallet to Execute the Order on your behalf. You are aware and agree that Damex merely Executes the Order and is under no obligation to verify whether the Order is adequate and appropriate.
- 5.10.2. When Damex Executes a Transaction based on your Orders we are not able to assess whether the Transactions you make are compatible with your necessities, and therefore, you are responsible for your use of the Assets in your Damex Direct (OTC) Account.
- 5.10.3. An Order placed through Damex Direct (OTC) will be Executed, and the Transaction will be reflected in our Damex Direct (OTC) Account.
- 5.10.4. The Account Holder is solely responsible for determining whether any Transaction or Order placed through Damex Direct (OTC) is appropriate, suitable, adapted to his/her financial situation, personal objectives, financial circumstances, and risk tolerance. The Account Holder should consult a legal, financial or tax professional regarding his/her specific situation before placing an Order through Damex Direct (OTC).
- 5.10.5. Should an Account Holder have an insufficient amount of Assets in their Damex Direct (OTC) Account to Execute an Order, the Transaction will be cancelled. Trade minimums may vary from time to time on Damex Direct (OTC).

- 5.10.6. You will not hold Damex liable for any damages and losses which result from the change in Market Price.

#### **5.11. Transaction Price**

5.11.1. The Transaction Price for the Execution of each Order shall be disclosed to the Authorised User prior to Execution. The Transaction Price quoted to the Authorised User shall be valid for a limited period of time as indicated in Damex Direct (OTC). By accepting these Terms, you hereby agree to instruct and to authorise Damex to solicit the Market Prices available on Damex Direct (OTC) in order to calculate a Transaction Price before allowing the Authorised User to instruct the Execution of the Order.

5.11.2. The calculation of the Transaction Price is based on the Market Price displayed by Damex. All information on which the Transaction Price is based, including the Market Prices are provided by the Application Programming Interface (the "API") of Exchanges that Damex may use. Damex has no influence on this information and does not assume any responsibility for the accuracy or completeness thereof. Damex is not responsible and will not be held responsible by you for any false or misleading information presented on Damex Direct (OTC) which arises from the direct or indirect responsibility of the Exchanges except to where such information is as a result of the negligence or wilful misconduct by Damex.

#### **5.12. Minimum and Maximum Transaction Thresholds**

5.12.1. Damex may establish minimum and maximum transaction thresholds for various types of transactions, such as deposits, withdrawals, and trades. These thresholds may vary depending on factors such as the Account Holder's account type, trading history, and applicable regulatory requirements.

5.12.2. The Account Holder acknowledges and agrees that they are responsible for ensuring that their transactions comply with the applicable minimum

and maximum thresholds. Any transactions that exceed these thresholds may be rejected or processed at Damex's discretion.

- 5.12.3. Damex reserves the right to modify the minimum and maximum transaction thresholds at any time, with or without notice. Any changes to the thresholds will be communicated to the Account Holder in accordance with Damex's notification procedures or via the Damex Direct (OTC) portal.

### 5.13. **Third-Party Payments**

- 5.13.1. For a complete overview of the applicable Service Fees please refer to your fee schedule provided to you on onboarding, on your order form and as indicated on your Account settings page on Damex Direct (OTC). Should you have any questions please contact your account manager.

### 5.14. **Fees**

- 5.14.1. For a complete overview of the applicable Service Fees please refer to your fee schedule provided to you on onboarding, on your order form and as indicated on your Account settings page on Damex Direct (OTC). Should you have any questions please contact your account manager.
- 5.14.2. The relevant fees associated with a transaction will be clearly displayed to the Authorised User on the Damex Direct (OTC) platform at the time of the transaction. The Account Holder is responsible for ensuring that the Authorised User is aware of the applicable fees before proceeding with the transaction.
- 5.14.3. Certain Service Fees must be collected by invoice in advance, such as including but not limited to the Onboarding Assessment Fee and Annual Subscription Fee. Other fees will be on a pay-per-use basis with collection of fees taking place by automatically debiting amounts prior to or after a given transaction.
- 5.14.4. By clicking "Confirm" or similar prompt, you are giving your consent for Transaction Fees to be deducted by Damex for the Execution of an Order.

- 5.14.5. Damex reserves the right to adjust any Service Fees payable by you, under this Schedule, effective as of any date of enforcement provided that (a) any increase in the Fees may only be executed once in 12 months and shall not exceed five percent (5%) of the Fees that were in effect prior to such adjustment, and (b) Damex shall notify you of such adjustment not later than 1 calendar month prior to the date of its enforcement.
- 5.14.6. Certain Service Fees such as the Account Assessment Fee and Annual Subscription Fee are non-refundable and any refund or partial refund is at the sole discretion of Damex.

**5.15. Network Fees**

- 5.15.1. We may charge Network Fees to process Digital Asset transactions on your behalf. We will calculate the Network Fees at our discretion, although we will notify you of the Network Fees prior to executing any Order.
- 5.15.2. Particularly during periods of high volume, illiquidity, fast movement or volatility in the Exchange of the Assets, the Network Fee at which an Order is Executed may be different from the prevailing Network Fee indicated by Damex Direct (OTC) at the time of your Order.
- 5.15.3. If there's a significant increase or a decrease in the Network Fees that are subject to the Order, which would have an effect on the Transaction Price, the Transaction will be Executed provided that the percentage margin of the increase or decrease of the Transaction Price shall not exceed the safety threshold defined by Damex of the price at the time when the Order was made by you. If the change in the Transaction Price is higher than the threshold margin defined by Damex at its sole discretion, the transaction will likely be cancelled and not be processed and in such an event you shall be informed that the Transaction was not Executed on your screen.

**5.16. Set-Off**

- 5.16.1. If any money you owe us is overdue for payment, or if you fail to remedy a negative balance on your Damex Direct (OTC) Account, with or without our prior notice, we may exercise our right to set-off. This means that we have the right to debit any amount necessary from other payment methods that you have made available to us, including from any other balances held in your Damex Direct (OTC) Account or other linked accounts, to reduce or repay what you owe us or to remedy a negative balance.
- 5.16.2. Where applicable, if the amount to be set-off is expressed in different currencies we reserve the right to convert available balances in your Damex Direct (OTC) Account at a market rate of exchange for the purpose of set-off. Any exercise by Damex of its right to set-off shall not limit or affect any other rights or remedies available to it under these Terms or otherwise.
- 5.16.3. Damex will only do this if we consider it reasonable to do so, taking into account your circumstances and any regulatory requirements.
- 5.16.4. You have no right to set-off any claims that you may have against Damex against any liability that you may have to Damex.
- 5.16.5. Our right to set-off also applies to any other balances held in your Damex Direct (OTC) Account or other linked accounts.

**5.17. Withdrawals and Deposits**

- 5.17.1. You may withdraw Assets that are available on your Damex Direct (OTC) Account by submitting a request through Damex Direct (OTC). As part of the request to Withdraw you will be prompted to provide us with any such information as we may need in order to fulfil the specific request to Withdraw including, amongst other things:
  - 5.17.1.1. the relevant type of Assets that you intend to Withdraw; the specific amount to be Withdrawn;

- 5.17.1.2. the cryptocurrency address to which you intend to send the withdrawn value in Digital Assets or Bank Account details to which you intend to send the withdrawn value in Fiat Assets; and
- 5.17.1.3. any such other information as we may need from time to time in order to provide you with this Service.
- 5.17.2. As part of our Wallet services we provide you with dedicated wallet addresses for depositing Digital Assets and account details for depositing Fiat Assets (“Deposit”) that you intend to hold in your Damex Direct (OTC) Account on Damex Direct (OTC). Assets will be automatically credited to your Damex Direct (OTC) Account and displayed under the relevant Wallet on Damex Direct (OTC) upon receipt, subject to AML Requirements or regulatory requirements.
- 5.17.3. You acknowledge and agree that we may for limited periods hold all Assets received from our Account Holders in an omnibus wallet or account owned by us and that we shall, in our sole and absolute discretion, determine how, where, and the manner in which Assets deposited by you and other Account Holders is held.
- 5.17.4. You agree that all of the information and data provided by you in respect of any Withdrawals or Deposits is correct and accurate and that you will hold Damex harmless and free from any liability in relation to any incorrect information or data entered on your Damex Direct (OTC) Account. Further or alternatively you also agree that wallet address details you have entered and provided are correct and appropriate for the given digital asset selected and that Damex will not be held responsible for any incorrect information and/or data provided by you should you provide wallet information relating to a blockchain or distributed ledger not supported by Damex Direct (OTC). You also agree to Damex's Risk Notice and acknowledge, without limitation, that assets sent to an incorrect address or on the wrong blockchain are not recoverable.



**5.18. Order Cancellation and Refunds**

- 5.18.1. Once an Order has been placed through Damex Direct (OTC) and subsequently Executed, the Account Holder is not entitled to cancellations or Refunds. However, Damex reserves the right, at its sole discretion, to provide Account Holder(s) with refunds or permit cancellations.
- 5.18.2. Orders may be cancelled, interrupted, disrupted and/or prevented from being Executed if instructed to do so by a relevant authority that a Transaction is being made with the intention to circumvent Anti-Money Laundering Legislation or other criminal activity.
- 5.18.3. Distributed ledger technology does not allow for the reversal, deletion, removal or amendment of any Transactions which will be recorded. You understand and accept that any Transactions involving Digital Assets are not reversible.

**5.19. Failed, Cancelled or Aborted Transactions**

- 5.19.1. If a transaction is unsuccessful or declined due to any reason, including but not limited to insufficient funds, technical difficulties, regulatory restrictions, timeouts, or bouncing of transactions, Damex will make reasonable efforts to notify the Account Holder of the failure or decline. However, Damex is not responsible for any delays, errors, or failures in processing transactions.
- 5.19.2. In the event of a failed or declined transaction due to a timeout or bouncing, Damex may attempt to reprocess the transaction at a later time. If the reprocessing is successful, the transaction will be completed in accordance with the terms of this Schedule. However, if the reprocessing is unsuccessful, Damex may refund the Account Holder's funds, subject to applicable laws and regulations.
- 5.19.3. Damex is not responsible for any losses or damages incurred by the Account Holder as a result of a failed or declined transaction, including those caused by timeouts or bouncing. The Account Holder acknowledges and agrees that they are solely responsible for ensuring

that their transactions comply with all applicable laws and regulations, and that they have sufficient funds available to complete their transactions within the specified timeframes.

**5.20. Platform Data**

- 5.20.1. To provide you with a better understanding of your Asset(s) balances, Withdrawals, profit/loss and the Transaction Fees which are or may be charged, you will be provided with statistics in your Damex Direct (OTC) Account. These statistics are provided for information purposes only and Damex may discontinue showing such information at any time without notice.
- 5.20.2. We make no warranties, express or implied, or representations to the accuracy, completeness or the reliability of content of such information provided. We assume no liability or responsibility for any error or omissions in the information contained therein.
- 5.20.3. Any advertising material (including social media posts, video content, articles, blog posts, and any further content produced by Damex) is purely informative and shall not serve as investment advice, marketing of financial products or as personal recommendations to you.

**5.21. Statement of Account**

- 5.21.1. A statement of your Damex Direct (OTC) Account may be accessed in electronic format for viewing within Damex Direct (OTC). Damex uses commercially reasonable efforts to ensure such information contained in your Damex Direct (OTC) Account statements is accurate and reliable; however, errors may occur.
- 5.21.2. If you believe that your statement of your Damex Direct (OTC) Account contains any errors, please contact us immediately of such error.

## **5.22. Account Security**

- 5.22.1. It is your responsibility to have secure access to the internet when transferring Digital Assets to Damex. It is your responsibility to ensure that you securely store the access information for any Digital Assets which you hold for your own account and you will not rely on our assistance in this regard and you will indemnify Damex for any losses which may be incurred in your transferring of Digital Assets to Damex and you agree to hold Damex not liable for any assistance provided to you with executing transfers from your Digital Asset public key wallet address.
- 5.22.2. By registering on Damex Direct (OTC), you hereby agree to:
- 5.22.2.1. maintain the security and confidentiality of your Damex Direct (OTC) Account by protecting your login credentials from unauthorised access or use;
  - 5.22.2.2. ensuring that your devices and software used to access the Damex Direct (OTC) Platform are kept up-to-date with the latest security patches and updates. Outdated devices and software may be vulnerable to security breaches, and the Account Holder acknowledges and agrees that they are solely responsible for the security of their devices and software.
  - 5.22.2.3. promptly notify Damex if you discover or suspect any unauthorised access or use of your Damex Direct (OTC) Account or any security breaches related to your Damex Direct (OTC) Account;
  - 5.22.2.4. be fully responsible for all activities that occur under your Damex Direct (OTC) Account and for any action that takes place through your Damex Direct (OTC) Account, and accept all risks of any authorised or unauthorised access to your Damex Direct (OTC) Account;
  - 5.22.2.5. not impersonate anybody by opening a false Damex Direct (OTC) Account;
  - 5.22.2.6. not allow, enable, permit or licence any access of Damex Direct (OTC) to any company who may be considered a competitor of Damex;

- 5.22.2.7. not exploit Damex Direct (OTC), any of Damex's servers, errors or any other vulnerabilities relating to Damex Direct (OTC) platform that may result in the extraction of value directly from Damex, any Account Holder or any of Damex's associated third parties; and
- 5.22.2.8. not use robots, scrapers or other tools to open a Damex Direct (OTC) or extract Personal Data or information from Damex Direct (OTC).

## 5.23. **Dormant Account**

- 5.23.1. In the event that your Damex Direct (OTC) Account is deemed a Dormant Account by us, Damex shall provide you with notice of such decision.
- 5.23.2. If you fail to respond to such notice within 30 days of receipt, the date required to respond as indicated on the notice, or as otherwise required by law (whichever the earliest), Damex reserves the right to deduct a monthly dormancy fee or other administrative charges from unclaimed Assets it is holding in your custody.

## 5.24. **Closing a Damex Direct (OTC) Account**

- 5.24.1. You may close your Damex Direct (OTC) Account by providing written notice to Damex or by selecting 'close account' or similar prompt as may appear on the Damex Direct (OTC) portal, and upon receipt of such notice, Damex will notify you of any impending transactions that are required to be processed before your Damex Direct (OTC) Account can be closed. After notifying us of your desire to close your Damex Direct (OTC) Account, we may terminate your ability to transact in your Damex Direct (OTC) Account and only permit you to request a withdrawal in respect of the remaining available Assets associated with your Damex Direct (OTC) Account. Closing your Damex Direct (OTC) Account will not affect any rights and obligations incurred prior to the date of Damex

Direct (OTC) Account closure. All Assets must be withdrawn before the closing of your Damex Direct (OTC) Account will be finalised.

#### **5.25. Account Recovery**

5.25.1. If you lose access to your Damex Direct (OTC) Account, Damex may be able under certain conditions to regain access to your Damex Direct (OTC) Account. The procedures outlined in the “Forgot Password?” or similar prompt will need to be followed by the User in order to regain access to the Damex Direct (OTC) Account.

#### **5.26. Suspension & Termination of a Damex Direct (OTC) Account**

5.26.1. Without limiting other remedies that may be available to us, Damex reserves the right in its sole and absolute discretion, but subject to applicable laws, to block access to or to suspend, close or terminate your Damex Direct (OTC) Account, refuse to let your purchase or Withdraw Assets, and freeze Assets or your Damex Direct (OTC) Account, at any time, with (termination) or without (suspension prior notice), if:

5.26.1.1. we are required by legislation, court order, binding regulatory or governmental order;

5.26.1.2. we, in our sole and absolute discretion, reasonably suspect your Damex Direct (OTC) Account is being used for or to facilitate a Prohibited Use;

5.26.1.3. you breach these Terms; and

5.26.1.4. at our sole discretion where we are under no obligation to explain our reasons.

5.26.2. You may terminate this Schedule and these Services by giving not less than 30 days written notice. Please note that should this Schedule be terminated before the end of an Initial Period or Renewal Period, you will not be refunded the relevant Annual Subscription Fee. Any refund or partial refund of fees is subject to the sole discretion of Damex.

- 5.26.3. Termination will not affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty. If, on termination, any sum is, or may become, due from you to us, you shall pay such sum to us immediately, and without demand.
- 5.26.4. On termination of this Schedule and these Terms, we reserve the right to cancel, close out, terminate or reverse any transaction or enter into any other transaction or do anything which has the effect of reducing or eliminating any liability under any contracts, positions or commitments undertaken on your behalf. Where two or more people are contracted with us under a joint agreement a valid notice of termination given by one person will terminate the agreement as regards all persons.

## **6. INTELLECTUAL PROPERTY**

### **6.1. Ownership of Intellectual Property Rights**

- 6.1.1. Damex retains all right, title and interest in all Intellectual Property Rights in and to Damex Direct (OTC), the material published on Damex Direct (OTC), and/or the Services.
- 6.1.2. The registered and/or unregistered trademarks used on Damex Direct (OTC) are the property of Damex and its licensors. Such trademarks should not be copied, reproduced, modified, republished, uploaded, posted, transmitted, scraped, collected or distributed in any form or by any means, whether manual or automated. The use of any trademarks without our express consent in writing is strictly prohibited.
- 6.1.3. All information and opinions on Damex Direct (OTC) are protected by copyright and other intellectual property laws. They may be displayed and printed for your personal non-commercial use only. You agree not to reproduce, transmit or distribute them to anyone (including, but not limited to, bulletin boards, mailing lists or newsgroups) without prior written consent.

## 6.2. **Reviews, Feedback & Comments**

- 6.2.1. You grant Damex the right to use Feedback for any purpose without restriction, acknowledgement or compensation to you, including, without limitation, to develop, copy or publish the Feedback.
- 6.2.2. You agree to fully indemnify and hold harmless Damex (including its respective employees, directors and representatives) against any claim or action brought by a third party, arising out of or in connection with any of the Feedback left by you. Should you have any claim against any other Account Holder, you shall address such dispute directly to such Account Holder.

## 7. **GENERAL**

### 7.1. **Death of Account Holder**

- 7.1.1. In the event that a User dies or is otherwise legally incapacitated, Damex will cooperate with duly authorised representatives in accordance with applicable laws and regulation.
- 7.1.2. Upon notice of the death of a User, Damex will suspend activity in Damex Direct (OTC) Account, pending verification or resolution of such notice. Notwithstanding the foregoing, Damex reserves the right to require that the recipient or ultimate beneficiary of any transfer of assets from a Damex Direct (OTC) Account:
  - 7.1.2.1. provides evidence reasonably satisfactory to Damex, according to local law, that demonstrates entitlement to a transfer;
  - 7.1.2.2. indemnifies and holds Damex harmless to the extent and in the form required by Damex, including, but not limited to, claims of negligence; and
  - 7.1.2.3. provides Damex with any other information, evidence, documentation, confirmation or any other details or verification that we may reasonably require in order to allow us to process such a request.

- 7.1.3. Subject to Damex's requirements, remaining Assets to be withdrawn from a Damex Direct (OTC) Account that is deceased or legally incapacitated may only be withdrawn in full and no outstanding balances of Digital Assets or Fiat Assets are allowed to remain on the Damex Direct (OTC) Account.
- 7.1.4. Damex reserves the right to charge fees in relation to intensive administrative work that Damex may need to perform for your authorised representative.



## Risk Warning/ Notice in relation to Digital Assets

We at Digital Asset Management Limited (Damex are happy and proud to be able to serve the growing and changing industries of digital currencies, virtual currencies and tokenized assets (“Digital Assets”). Ultimately we are committed to setting high standards of governance in managing Digital Assets as one of the world’s first few providers of Digital Asset management and wish to provide all of our clients and anyone with whom we engage with with as much education on Digital Assets as possible. As a result we wish to remind you of the risks associated with investing and trading in Digital Assets.

Investing and trading Digital Assets are volatile and the prices can go up and down. Like real goods and products, the price of Digital Assets are volatile and are subject to large swings in value and at any time may lose a majority or all of their value. As such, there is an inherent risk that gains or losses will occur as a result of buying, selling or trading anything on any market. Digital Asset trading also has special risks not generally shared with official nation issued currencies, goods or commodities in a market. Unlike most recognised currencies or commodities and financial instruments, Digital Assets are backed by technology and decentralised systems of trust. Typically with Digital Assets offered by Damex will not have a central bank or authority that can take corrective measures, such as creating or issuing more Digital Assets, in order to protect the Digital Assets value in periods of crises.

Digital Assets may be autonomous or issued by particular legal entities that may be based and domiciled in any jurisdiction in the world. Distributed Ledger Technologies are technology applications and software which by and large share information throughout a number of different jurisdictions and locations using protocols, many of which are open source. As a result such open source protocols are subject to change in their architecture, composition and make-up. As a result, changes may occur and the the underlying protocols are subject to sudden changes in operating rules (also known as “forks”), and that such forks may materially affect the value, function, and/or even the name of any Digital Asset.

In Gibraltar, if a person is carrying on by way of business any activity in storing or transferring value for others using distributed ledger technologies (such as blockchain), this is a regulated activity. Digital Assets are largely unregulated systems and assets in a number of other jurisdictions. However, some jurisdictions ban and impose criminal penalties on the use, creation and/or the legal or beneficial ownership of Digital Assets and individuals should always be alive to the jurisdictions which they may have connections with and how those jurisdictions regulate Digital Assets may involve criminal liabilities, taxation or other penalties.

Digital Assets are susceptible to irrational (or rational) ‘bubbles’ or loss of confidence (usually referred to as ‘FUD’ - Fear, Uncertainty and Doubt), which could collapse demand relative to supply. In particular Digital Asset markets are largely susceptible to consumer sentiment and swings in confidence are particularly volatile. For example, confidence in particular Digital Assets may collapse due to unexpected changes imposed by software developers or others, a change of regulatory position, creation of superior competing alternative Digital Assets, or a deflationary or inflationary spiral. Confidence might collapse because of technical problems such as where Digital Assets are lost or stolen, if hackers or governments are able to affect transactions or compromise and affect the settling and processing of other elements of any particular Digital Asset protocol (for example, a 51% attack). Changes in confidence for any particular Digital Asset are also inherent due to ongoing reputational and public relation events where principals of any particular creator or entity responsible for aspects of any particular Digital Asset may be involved in litigation, fraudulent activity or other reputational questioning.

Our view at Damex is that individuals should look to Digital Assets to complement their existing investment strategies and lifestyle choices on digital mediums. Ultimately acquiring and holding Digital Assets should not simply be done with a view to consider the financial appreciation or depreciation as the sole metric of the use of Digital Assets. Digital Assets by and large are created with a utility and ultimate use for individuals and therefore acquiring and holding Digital Assets is not simply an investment decision; it is a lifestyle choice as to how individuals may wish to carry out their dealings on digital mediums in the expectation of growing adoption of distributed ledger technologies. Individuals should always carefully assess whether their financial situation and risk appetite is suitable for buying, selling or trading Digital Assets. Damex carries out its own risk assessments and may choose to not accept the new business of individuals, or indeed may choose to discontinue servicing existing clients, whose financial position is not one that may accommodate tolerance for the highly risky nature of trading or holding Digital Assets.

Individuals should be aware of the risks associated with any market maker, platforms or any other process whereby individuals are purchasing Digital Assets using fiat currencies. These may include but are not limited to the risks of disclosing personal information such as identity and bank account information and considering that this information may be compromised. Individuals may also wish to consider the reputational risks associated with using any particular provider for facilitating the purchasing of Digital Assets from fiat as such providers may be involved in 'mixers' whereby the true ownership and transaction history of any given Digital Asset wallet is obfuscated by processing payments through a network of wallet addresses. Similarly individuals should consider the risks associated with the technical elements of owning Digital Asset wallets and also the risks associated in holding any Digital Assets in a 'hot wallet' (i.e. on a device connected to the internet) and the risks that they may be susceptible to hacks. Clients should be reminded that whilst Damex may recommend various exchanges, Damex is not responsible for the actions of these exchanges and clients should note that these exchanges frequently may experience problems in issuing Digital Assets or issuing fiat in exchange for Digital Assets due to technical issues, regulatory changes and/or decisions, market liquidity and extreme moments of market demand. Please note that given the somewhat experimental nature of some Digital Assets and affiliated technologies, liquidity on certain exchanges may be experienced during moments of high demand.

Ultimately we are committed to safety, security and transparency. We are excited and privileged to be servicing the Digital Asset management space at such an early stage in its development

and we are committed to provide clients with the best service, support and education but we cannot always promise perfection during moments of extraordinary high demand. We will continue to update all our clients of any significant changes to risks by updating this page from time to time and we will also endeavour to also include updates on our website or other social media pages.



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Digital Asset Management Limited is a company incorporated in Gibraltar with registered number 116618 and trading address at Suite 2.4 and 2.5, Second Floor, Waterport Place, Gibraltar. Damex and damex.io are registered business names of Digital Asset Management Limited and the Company is authorised and regulated as a Distributed Ledger Technology Provider by the Gibraltar Financial Services Commission in accordance with the Financial Services Act 2019, Gibraltar.