

DESIGNATION AGREEMENT

between
HIFI DAO
and

THIS AGREEMENT is entered into this _____ day of _____, _____ by and between HIFI DECENTRALIZED AUTONOMOUS ORGANIZATION ("Hifi DAO"), an unincorporated non-profit association organized under the laws of the state of Delaware, and _____ ("Designee"), a _____ corporation, (collectively, the "Parties").

WHEREAS, Hifi DAO operates a decentralized finance platform that supports various financial activities including but not limited to decentralized lending;

WHEREAS, Hifi DAO has entered into an agreement with a specialized lending company ("Lending Partner") to utilize Hifi DAO's decentralized lending infrastructure to facilitate loans to its customers;

WHEREAS, Hifi DAO desires to appoint Designee to issue ERC20 collateral tokens related to Lending Partner's hToken credit usage, and receive monthly reporting, financial indicators, and other information from Lending Partner.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. APPOINTMENT OF DESIGNEE

Appointment. Hifi DAO hereby appoints _____ as its Designee for the purpose of managing ERC20 collateral tokens related to Lending Partner's hToken usage, and receiving the monthly reporting, financial indicators, and other information from Lending Partner.

2. DUTIES AND RESPONSIBILITIES OF DESIGNEE

2.1. Issuance of ERC20 Collateral Tokens. The Designee shall issue ERC20 Collateral Tokens to Lending Partner, for usage of hToken credit according to the frameworks and rule sets established by Hifi DAO.

2.2. Receipt of Reports. The Designee shall receive the monthly reports from Lending Partner promptly and in accordance with the agreed-upon timeline.

2.3. Review and Analysis. The Designee shall review and analyze the monthly reports to identify any significant information or deviations from expected performance, including but not limited to any breaches of the Agreement or potential risks to Hifi DAO.

2.4. Timely Notification. The Designee shall promptly notify Hifi DAO of any important information, concerns, or deviations identified during the review and analysis of the monthly reports. Such notification shall be provided in writing and include all relevant details necessary for Hifi DAO to assess the situation and take appropriate actions.

2.5. Communication and Collaboration. The Designee shall maintain open and regular communication with Hifi DAO, providing updates, clarifications, or additional information as requested or required by Hifi DAO in connection with the monthly reporting and financial indicators.

2.6. Confidentiality. The Designee shall treat all information received from Lending Partner as confidential and shall not disclose such information to any third party without the prior written consent of Lending Partner, except as required by law or regulation.

3. AUTHORITY OF DESIGNEE

3.1. Verification of Loan Compliance. The Designee shall have the right to review and verify the compliance of each loan with the frameworks and rule sets established by Hifi DAO. If the Designee determines that any loan does not meet the eligibility requirements, the Designee may request additional information, suspend ERC20 Collateral Token issuance, or take any appropriate legal actions as deemed necessary.

3.2. Interpretation and Clarification of Frameworks and Rule Sets. The Designee shall have the authority to interpret and clarify the frameworks and rule sets for lending established by Hifi DAO. In the event that the Lending Partner requires guidance or clarification regarding the application of these frameworks and rule sets, the Designee shall provide such guidance or clarification in a manner consistent with the objectives and intent of Hifi DAO.

a) Consultation with Hifi DAO. In cases where the interpretation or clarification of frameworks and rule sets may have a significant impact on the lending activities or the interests of Hifi DAO, the Designee shall consult with Hifi DAO before providing such guidance to the Lending Partner. The Designee shall provide Hifi DAO with a written summary of the issue, the proposed interpretation or clarification, and any potential implications for Hifi DAO's review and approval.

b) Documentation of Interpretations and Clarifications. The Designee shall maintain a record of all interpretations and clarifications provided to the Lending Partner, including the date, the specific framework or rule set, and the guidance provided. This documentation shall be made available to Hifi DAO upon request and shall be used to ensure consistency in the application of frameworks and rule sets over time.

c) Periodic Review and Update. The Designee shall periodically review the frameworks and rule sets for lending in consultation with Hifi DAO to identify any areas that may require further clarification, updating, or revision. The Designee shall provide recommendations to Hifi DAO for any necessary changes to the frameworks and rule sets based on its experience in applying and interpreting these guidelines.

4. FIDUCIARY DUTY

4.1. Best Interest of Hifi DAO. The Designee acknowledges and agrees that it shall act in a fiduciary capacity and in the best interest of Hifi DAO in performing its duties and responsibilities under this Agreement. The Designee shall prioritize the interests of Hifi DAO and make decisions that are consistent with the objectives, frameworks, and rule sets established by Hifi DAO.

4.2. Loyalty and Care. The Designee shall exercise the utmost loyalty and care in carrying out its obligations and shall refrain from engaging in any activities that may conflict with or undermine the interests of Hifi DAO. The Designee shall promptly disclose any potential conflicts of interest to Hifi DAO and seek guidance on how to resolve such conflicts in a manner that protects the interests of Hifi DAO.

4.3. Compliance with Applicable Laws and Regulations. The Designee shall ensure that all actions taken in its capacity as Hifi DAO's Designee comply with applicable laws, regulations, and industry standards. The Designee shall maintain appropriate records and documentation to demonstrate compliance and shall promptly notify Hifi DAO of any legal or regulatory issues that may impact the performance of its duties.

5. LIMITATION OF LIABILITY

5.1. No Liability of Designee. The Designee shall exercise reasonable care and diligence in carrying out its duties as specified in this Agreement. However, the Designee shall not be liable to Hifi DAO for any acts, omissions, or errors, except in cases of willful misconduct or gross negligence.

6. MISCELLANEOUS

6.1. Binding Effect. This Agreement shall inure to the benefit of and be binding upon Hifi DAO and Designee and their respective successors and assigns. This Agreement contains all of the terms and conditions agreed upon by the parties and no other contracts, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind any of the parties hereto.

6.2. Entire Agreement. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof. Neither this Agreement nor any term or provision hereof may be changed, waived, discharged or terminated orally, or in any manner other than by an instrument in writing signed by the party against whom the enforcement of the change, waiver, discharge or termination is sought.

6.3. Severability of Provisions. Each provision of this Agreement shall be considered severable if, and to the extent that, any provisions of this Agreement are determined by a court of competent jurisdiction to be invalid and, after deleting such invalid or contrary provisions, the mutual considerations among the parties to this Agreement shall not be deemed materially altered, and the disregarding of such provisions shall not significantly impair the operation or effect of the portions of this Agreement that are valid.

6.4. Attorneys' Fees. If there is a default hereunder, the defaulting party shall pay the reasonable attorneys' fees, legal expenses and court costs of the non-defaulting party in obtaining appropriate legal relief.

6.5. Governing Law. This Agreement shall be interpreted and governed in accordance with the laws of the State of Delaware.

**SIGNATURE PAGE TO
DESIGNATION AGREEMENT BETWEEN
HIFI DAO AND**

_____.

_____.

HIFI DAO

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____