

# HOVERTRUST™ REVOCABLE TRUST AGREEMENT

**CONFIDENTIAL: DISCLOSURE REQUIRES APPROVAL OF BOTH SETTLOR AND TRUSTEE**

## ARTICLE II ORGANIZATION

This **REVOCABLE TRUST AGREEMENT** (as modified, supplemented or amended, from time to time, this “Agreement”) is dated and effective as the Date of Establishment, by the “SETTLOR” as defined on Appendix A hereto and HOVER TRUST COMPANY (ANGUILLA) LTD. (“Trustee”) (solely in its capacity of Trustee).

### RECITALS

**WHEREAS**, the Settlor desires to establish and settle the Trust pursuant to and governed by the Laws of Anguilla;

**WHEREAS**, the Settlor and the Trustee each desire to enter into this Agreement to set forth the terms of the Trust and the respective rights and obligations of the Settlor, the Trustee, and the Beneficiary(ies) hereunder; and

**WHEREAS**, the Settlor, in order to establish the Trust, herewith delivers, conveys, transfers and/or assigns to the Trustee certain assets (“Assets”), which may include but shall not be limited to distributed ledger technology tokens, blockchain tokens, cryptocurrencies, virtual currencies, non-fungible tokens and/or other digital assets or derivations thereof (“Digital Assets”), the receipt, adequacy and legal sufficiency of which are hereby acknowledged, which said Assets and any and all other Assets (including Digital Assets) which may be hereafter delivered, conveyed, transferred and/or assigned to the Trustee by the Settlor or any other Person (as defined herein) as hereinafter provided, and any conversions thereof or accretions thereto, whether capital or income, shall constitute the “Trust Property” and shall be held by the Trustee in trust for the uses and purposes and subject to the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, it being the intention of the parties hereto that the Trust shall constitute a trust pursuant to and governed by Laws of Anguilla and that this Agreement shall constitute the governing instrument of such Trust, the parties hereby agree as follows:

## ARTICLE I DIGITAL CREATION AND MANAGEMENT

**SECTION 1.1 Digital Signature and Creation**. This Trust Agreement shall be memorialized, executed, delivered and created in digital form in and through the HoverTrust™ Digital Platform (“Hover Platform”) located at [www HoverTrust.ai](http://www HoverTrust.ai).

**SECTION 1.2 Governing Law**. The governing law of the Trust shall be the Laws of Anguilla, including the Trust Act (c. T70) as modified, amended and restated from time to time (“Act”).

**SECTION 1.3 Digital Management**. The operation and management of the Trust shall be conducted in and through the Hover Platform and such other methods as approved by the Trustee from time to time.

**SECTION 1.4 Trustee**. As used herein, the “Trustee” means the Person who has signed this Agreement as the Trustee, for as long as such Person shall continue in office in accordance with the terms hereof, and any other Person who may from time to time be duly appointed, qualified and serving as a Trustee in accordance with the provisions hereof, and references herein to a Trustee shall refer to such Person solely in the capacity as a Trustee hereunder.

**SECTION 2.1 Name**. The Trust created by this Agreement is named and defined on Appendix A. For the purposes of this Agreement, and where the context so allows, a reference to the “Trust” shall include a reference to the Trust Property and the functions interests and relationships under the Trust. The Trust’s activities shall be conducted under the name of the Trust. The Trustee may, in the name of the Trust, engage in the activities of the Trust, make and execute contracts and other instruments on behalf of the Trust and sue and be sued in the name of and on behalf of the Trust.

**SECTION 2.2 Office**. The Trust shall be located, and the situs of the Trust shall be, at the location of the Trustee in and from within Anguilla, accessible through the website [www HoverTrust.ai/Login](http://www HoverTrust.ai/Login), as it may change from time to time through notice to the Beneficiary(ies) as provided herein.

**SECTION 2.3 Purpose**. The exclusive purpose and function of the Trust is to ensure that the Trust Property is vested in the Trust or otherwise under the control of the Trust and to preserve and, so far as reasonable, to accumulate and enhance the value of the Trust Property for the benefit of the Beneficiary(ies) (“Trustee Duties”), and to such end and in addition to any other power bestowed at law, the Trust shall have the power to:

- (a) hold, manage, maintain, operate, convert, liquidate, invest and/or reinvest the Trust Property for the benefit of the Beneficiary(ies), and make any payments and disbursements thereof in accordance with this Agreement,
- (b) enter into or receive the Transaction Documents and to administer the Trust Property in accordance with this Agreement,
- (c) enter into any other financing, capital raising and lending arrangements with respect to the Trust Property,
- (d) distribute the Trust Property, whether consisting of capital, income or otherwise, in accordance with this Agreement,
- (e) engage in the other activities described or authorized in this Agreement, the Act and the Laws of Anguilla, and
- (f) except as otherwise limited herein and in the Transaction Documents (as defined hereinafter), to the extent applicable, engage in only such other activities as may be directed by the Trustee in writing from time to time.

Any action authorized or directed by the Trustee under this Agreement may be performed by any authorized trustee, officer, director, employee, agent or designee of the Trustee.

The Trustee shall carry out the Trustee Duties with reasonable care and in accordance with the standard of honesty and sincerity.

For purposes of this Agreement “Transaction Documents” means this Agreement and all written (including distributed ledger technology and digital) agreements, instruments, and other documents to be delivered in connection herewith or therewith, including, without limitation, beneficiary designation forms and change of beneficiary designation forms, notifications, certificates, requests for consents, powers of attorney, requests for acknowledgments, letters of wishes, memoranda of wishes and other documentation in connection with the administration of the Trust, and all appendices, supplements, schedules and other documentation, in each case as modified, supplemented or amended from time to time.

WITH RESPECT TO THE TRUSTEE'S POWER TO HOLD, MANAGE, CONVERT, INVEST AND REINVEST THE TRUST PROPERTY, FROM TIME TO TIME, THE SETTLOR ACKNOWLEDGES THE RISK FACTORS SET FORTH IN APPENDIX B AND EXPRESSLY AUTHORIZES THE TRUSTEE TO DEAL IN DIGITAL ASSETS OR ANY DERIVATIONS THEREOF AND, FURTHERMORE, ACKNOWLEDGES AND ACCEPTS THAT DIGITAL ASSETS ARE A NASCENT TECHNOLOGY AND SUCH DEALINGS IN DIGITAL ASSETS BY THE TRUSTEE MAY RESULT IN TOTAL LOSS OF THE TRUST PROPERTY.

**SECTION 2.4 Additional Property.** Subject to the express approval of the Trustee, the Settlor shall have the right to transfer additional Assets to the Trust from time to time in accordance with and subject to the "Trust Funding Procedures" located at [www.HoverTrust.ai/TrustFundingProcedures](http://www.HoverTrust.ai/TrustFundingProcedures) as may be amended from time to time by the Trustee (which are hereby incorporated into this Agreement by this reference). The Trustee is expressly authorized to charge to the Trust costs, fees and expenses as provided at [www.HoverTrust.ai/TrustFees](http://www.HoverTrust.ai/TrustFees), as may be amended from time to time by the Trustee (which are hereby incorporated into this Agreement by this reference), for administration of any additional transfers of property (including Assets) to the Trust. Any income derived from the capital of the Trust Property, from time to time, shall accumulate and accrete to the Trust Property and reference in this Agreement to the Trust Property shall include capital along with income accumulated and accreted thereupon.

**SECTION 2.5 Declaration and Authority.**

(a) The Settlor hereby appoints the Trustee of the Trust, to have all rights, powers and duties set forth herein, and as permitted by applicable provisions of the Act, which powers are incorporated herein by reference thereto, and which powers shall be in addition to and not in limitation of any common law or equitable powers of the Trustee, and the Trustee hereby accepts this Trust, including all rights, powers and duties set forth herein. It is the intention of the parties hereto to create a revocable trust pursuant to, and have the Trust constitute a trust under, the Act, and that this Agreement constitutes the governing instrument of the Trust. Unless otherwise contrary to law, this Agreement shall control, notwithstanding any provisions of the Act. The Trust is intended to be a special purpose arrangement and the exclusive purpose and function of the Trust is to engage in the activities set forth herein.

(b) The Trustee declares that all property delivered, conveyed, transferred, assigned, contributed and settled to the Trust will be held in trust for the benefit of the Beneficiary(ies) subject to, and in accordance with, the provisions of this Agreement. The Settlor hereby delivers, conveys, transfers, assigns contributes and settles valuable Assets to the Trust, as set out in Appendix A, to be held and administered by the Trustee hereunder along with all other property of the Trust, from time to time, as shall be added by the Settlor. Except as provided in Section 2.4, upon such delivery, conveyance, transfer, assignment, contribution and settlement by the Settlor, the Settlor shall no longer have any right or ownership interest (other than through being a Beneficiary, if so appointed) in the property hereby conveyed, transferred, contributed and settled to the Trust.

(c) Except as expressly provided herein, the Trustee shall (subject to the terms of this Agreement) manage the affairs of the Trust and otherwise act hereunder in accordance with the terms hereof. Without limiting the foregoing, the Trustee may (subject to the terms of this Agreement) convert, sell or otherwise dispose of Trust Property and distribute any and all Trust Property *in specie* or otherwise, to the Beneficiary(ies) as provided herein. Any such action taken by the Trustee shall constitute the act of, and serve to bind, the Trust. In dealing with the Trustee acting on behalf of the Trust, no Person shall be required to inquire into the authority of the Trustee to bind the Trust. Persons dealing with the Trust are entitled to rely conclusively on the power and authority of the Trustee as set forth in this Agreement. For purposes of this Agreement, a "Person" means a legal person, including any individual, corporation, foundation, estate, partnership, general or limited partnership, joint venture, association, joint stock company, limited liability company, trust (including a common law, business or statutory trust), unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

(d) In undertaking the Trustee Duties the Trustee may have regard to any letter of wishes or memorandum of wishes by the Settlor ("Recommendation"), from time to time, delivered in accordance with and subject to the "Recommendations Procedures" located at [www.HoverTrust.ai/Recommendations](http://www.HoverTrust.ai/Recommendations), as may be amended from time to time with the approval of the Trustee (which are hereby incorporated into this Agreement by this reference), provided always that the Trustee shall not be bound to have regard to such letter or memorandum and shall not be accountable in any way for Trustee's failure or refusal to have regard to such letter or memorandum. The Trustee shall be entitled to treat as genuine, and without the need for further verification, any Recommendation delivered in accordance with the Recommendation Procedures as aforesaid.

(e) The Trustee is hereby authorized and directed to file any tax returns required to be filed by the Trust anywhere in the World and to report and disclose any information related to the Trust, the Settlor and/or Beneficiary(ies) required by such tax returns.

**SECTION 2.6 Title to Property of the Trust.** Legal title to all Trust Property shall be transferred to and be vested in the name of the Trust, or if required by law to be in the name of the Trustee, legal title to all Trust Property of the Trust shall be transferred to and vested in the Trustee solely in its capacity as Trustee of the Trust and not in its individual capacity.

**SECTION 2.7 Third Party Beneficiaries.** This Agreement is not intended to confer upon any Person other than the parties to this Agreement, and the Beneficiary(ies), any rights or remedies hereunder.

ARTICLE III  
BENEFICIARY(IES)

**SECTION 3.1 Beneficiary(ies).** The initial beneficiary(ies) of the Trust, and his/her/their Beneficiary Percentage Interest (as defined in Section 3.2), shall be appointed by the Settlor and as noted on Appendix A hereto and registered within the Hover Platform (located at the website [www.HoverTrust.ai/HoverTrusts](http://www.HoverTrust.ai/HoverTrusts)) (the "Beneficiary"). Additional Beneficiaries may be designated from time to time through one or more amendments to this Agreement executed by the Settlor and Trustee, which shall include the names and Beneficiary Percentage Interest of each additional Beneficiary and registered within the Hover Platform. No Person shall be eligible to be constituted or continue to be constituted as a Beneficiary of the Trust unless and until information and documentation has been provided to the Trustee, with respect to such Person, sufficient to ensure and maintain compliance with the Anti-Money Laundering and Terrorist Financing Regulations (c. P98/P98-1) as amended from time to time.

**SECTION 3.2 Distributions.**

(a) From time to time, whether at the request of the Settlor (but subject to the discretion of the Trustee) or otherwise in the sole discretion of the Trustee, the Trustee may distribute Trust Property (whether *in specie* or otherwise) to the Beneficiary(ies) of the Trust, after the payment of the Trustee's expenses pursuant to Section 3.3 and Section 4.3 hereof, and after paying (or reserving Trust Property for the payment of) known liabilities of the Trust. The percentage interest (out of 100 percent) of each Beneficiary in any distributions out of the Trust shall be called the "Beneficiary Percentage Interest" and shall be set forth on Appendix A to this Agreement. The Trustee shall make any distributions of Trust Property of the Trust pro rata (by value) among Beneficiaries in accordance with their respective Beneficiary Percentage Interest at the time of any such distribution.

**SECTION 3.3 Spendthrift Provision.**

(a) The interest of the Beneficiary(ies) in the Trust Property shall not be subject to the claims of any claimant, creditor, any spouse for alimony or support or any other Person, or to legal process, and may not be transferred or assigned, involuntarily or voluntarily by any Beneficiary, and all such transfers or attempted transfers by a Beneficiary, voluntary or involuntary, are hereby expressly prohibited.

(b) Settlor may apply additional Spendthrift Provision(s) to this Agreement by selecting any options set forth in Appendix C along with the applicable terms and conditions (including supplemental costs, fees and expenses).

**SECTION 3.4 Action By Beneficiary(ies).** Any action to be taken pursuant to this Agreement by the Beneficiary(ies) shall be taken upon the approval of the Trustee plus the approval by vote of a majority in the Beneficiary Percentage Interest.

**SECTION 3.5 Withdrawal Rights.** The Settlor shall comply with the procedures set forth in [www.HoverTrust.ai/Distributions](http://www.HoverTrust.ai/Distributions), as may be amended from time to time by the Trustee (which are hereby incorporated into this Agreement by this reference) to request that the Trustee make distributions to the Beneficiaries. The Trustee shall use best efforts, but shall not be obligated, to comply with such request or to comply in a timely manner. Any distributions by the Trustee shall be in the form of a distribution to all Beneficiaries, pro rata (by value) in accordance with their respective Beneficiary Percentage Interest at the time of such distribution.

**SECTION 3.6 Tax Documentation.** Prior to the time of any distributions by the Trustee to the Beneficiary(ies), Trustee may request Beneficiary(ies) provide the Trustee with the certified tax identification numbers of the Beneficiary(ies) by furnishing appropriate individual's resident government forms and documents that the Trustee may reasonably request. If such tax reporting documentation is not provided and certified to the Trustee following such request, the Trustee may be required by law (if applicable) to withhold a portion of any distribution.

#### ARTICLE IV THE TRUSTEE

**SECTION 4.1 Certain Provisions Relating to the Trustee.** The provisions of this Section 4.1 apply to the Trustee's performance of the Trustee's duties and the exercise of the Trustee's rights hereunder, notwithstanding anything herein to the contrary.

(a) During the term of the Trust and subject to its protections, rights and immunities herein, the Trustee, in furtherance of the Trustee Duties, shall:

(I) Hold, manage, maintain, operate, convert, liquidate invest and/or reinvest and otherwise deal with the Trust Property or any part thereof;

(II) Make distributions out of the Trust Property (whether capital and/or income) to the Beneficiary(ies) in accordance with Article III;

(III) Maintain adequate books and records of all Trust Property, including all payments, disbursements or distributions made by the Trustee in accordance with Section 3.2(a);

(IV) File any required tax return on behalf of the Trust, and, out of the Trust Property, pay, on behalf of the Trust, any tax of the Trust, anywhere in the World; and

(V) Otherwise to take out all actions deemed necessary or advisable by the Trustee on behalf of the Trust in its sole discretion and pursuant to the terms of this Agreement.

(b) No provision of this Agreement or any other document or instrument shall require the Trustee to expend or risk the Trustee's own funds or assets or otherwise incur any financial liability in the performance of any of the Trustee's rights or powers hereunder.

(c) The Trustee shall not be responsible for or in respect of and makes no representation as to the validity or sufficiency of, or of any provision of, this Agreement or for the due execution hereof by the Settlor or for the form, character, genuineness, sufficiency, value or validity of any of the Trust Property.

(d) Except as provided in Section 5.3, the Trustee shall not be liable for the default or misconduct of the Settlor, the Beneficiary(ies), or any other Person.

(e) The Trustee shall not have any duty or obligation to manage, control, prepare, file or maintain any report, license or registration, use, sell, convert, dispose of or otherwise deal with the Trust Property, or otherwise to take or refrain from taking any action under or in connection with this Agreement or any other document or instrument except as provided herein, and no implied duties or obligations shall be read into this Agreement against the Trustee.

(f) The Trustee shall be under no obligation to appear in, prosecute or defend any action, or to take any other action other than the giving of notices, which in the Trustee's opinion may require the Trustee to incur any out-of-pocket expense or any liability unless the Trustee shall be furnished with such security and indemnity against such expense or liability as the Trustee may reasonably require.

(g) For purposes of this Agreement, a "Force Majeure Event" means an act of God, war, fire, typhoon, flood, earthquake, natural disasters, governmental action, industry-wide labor disruptions, industry-wide materials shortages, technological failures, or any other event beyond the reasonable control of Trustee. The Trustee shall incur no liability if, by reason of any Force Majeure Event, the Trustee shall be prevented or forbidden from doing or performing any act or thing which the terms of this Agreement provide shall or may be done or performed. If a Force Majeure Event occurs, the Trustee shall, to the extent possible, inform the Beneficiary(ies) within ten (10) days and the time period for any performance shall be extended by a period equivalent to the delay caused by the Force Majeure Event plus any additional period reasonably necessary to allow the Trustee to resume performance of its duties hereunder. The Trustee shall inform the Beneficiary(ies) as soon as possible after the Force Majeure Event ends. If the Force Majeure Event lasts for more than thirty (30) consecutive days after the initial notice of such event, the Trustee shall attempt in good faith to determine a time frame for further performance of this Agreement. If the Trustee cannot solve the problem of further performance within an additional fifteen (15) days, the Beneficiary(ies) may proceed with the removal and replacement of the Trustee in accordance with Section 4.5 below.

(h) Without prejudice to the independence of the Trustee, the Trustee shall not be required to take any action hereunder or in relation to any part of the Trust Property, even if requested in writing by the Beneficiary(ies), if the Trustee shall have reasonably determined, or shall have been advised by counsel, that such action is likely to result in liability on the part of the Trustee or is contrary to this Agreement, or is otherwise contrary to law.

(i) Without prejudice to the independence of the Trustee, whenever the Trustee is unable to decide between alternative courses of action permitted, requested or required by the terms of this Trust Agreement or the Transaction Documents, or is unsure as to the application, intent, interpretation or meaning of any provision of this Trust Agreement or the Transaction Documents, the Trustee may give notice (in such form as shall be appropriate under the circumstances) to the Beneficiary(ies) requesting clarification as to the course of action requested, and, to the extent the Trustee acts in good faith, the Trustee shall not be liable on account of such action to any Person. If the Trustee shall not have received appropriate instructions as provided above within 10 calendar days of sending such notice (or within such shorter period of time as reasonably may be specified in such notice or may be necessary under the circumstances) the Trustee may, but shall be under no duty to, take or refrain from taking such action which is consistent, in the Trustee's judgment, with this Trust Agreement, and the Trustee shall have no liability to any Person for any such action or inaction.

(j) The Trustee in any capacity has not provided and will not provide in the future, any advice, counsel or opinion regarding any legal, investment or tax issues relating to the formation, funding, or operation of the Trust, including, but not limited to, trust law, income, gift, and estate tax issues, securities laws, jurisdictional legal issues, or any other legal or tax matter.

(k) Without prejudice to any other waiver, limitation of liability or indemnification provision of this Agreement or at law, in undertaking the Trustee Duties, the Trustee shall be at liberty to engage and delegate any investment functions and decisions with regard to the Trust Property to a

reputable investment advisor for the purposes of establishing parameters for investments or uses of the Trust Property by the Trustee (“Investment Parameters”) and for the purposes of accumulating and enhancing the value of the Trust Property from time to time. To the extent that any investment or uses of the Trust Property is effected by the Trustee within the Investment Parameters, the Trustee shall not be liable or responsible for any losses or damages (including but not limited to loss of profit) to the Trust Property, or total loss of the Trust Property, so invested or used.

(l) In no event shall the Trustee be liable for special, punitive, indirect or consequential losses or damages of any kind whatsoever (including but not limited to loss of profit), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(m) In the administration of the Trust hereunder, in the exercise of its rights and powers and in the performance of its duties and obligations under this Agreement, including the satisfaction of any outstanding obligations of the Trust, the Trustee may, at the expense of the Trust, (i) act directly or through its agents, attorneys, investment advisors, custodians or nominees pursuant to agreements entered into with any of them, and the Trustee shall not be responsible for all obligations of the Trustee hereunder; it being understood that the Trustee shall not be liable for the conduct or misconduct of its agents, attorneys, investment advisors, custodians or nominees, and (ii) consult with counsel, accountants and other skilled professionals to be selected in good faith and employed by it.

(n) Unless otherwise expressly provided herein, whenever a conflict of interest exists or arises between any Beneficiary(ies), the Trustee shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of bad faith, willful misconduct or gross negligence by the Trustee, the resolution, action or term so made, taken or provided by the Trustee shall not constitute a breach of this Agreement or any other agreement contemplated herein or of any duty or obligation of the Trustee at law or in equity or otherwise.

#### SECTION 4.2 Records Maintenance by the Trustee; Tax Forms.

(a) The Trustee shall use best efforts to maintain accurate and complete accounts, records and computer systems with respect to (i) all Assets, funds, property and other receipts or disbursements with respect to the Trust, and (ii) the management, maintenance, operation, conversion, investment and/or reinvestment of Trust Property on and in the format prescribed by the Hover Platform.

(b) The Trustee shall maintain commercially appropriate and reasonable measures to prevent the loss, misuse, unauthorized disclosure, alteration, corruption, destruction or any other act or omission that compromises the security, confidentiality, or integrity of Trust data and information which may include physical, electronic and procedural safeguards to protect such information against any such security breach. The Trustee shall also comply with all applicable privacy and data protection laws to which the Trustee is subject as well as all of the Trustee’s applicable privacy and data protection policies and notices which the Trustee provides to relevant individuals.

(c) Subject to Beneficiary(ies) executing binding confidentiality/non-disclosure agreements with the Trust, the Trustee (i) shall make available to the Beneficiary(ies), summaries of the relevant files, accounts, books and records maintained by the Trustee or any subcontractor or agent of the Trustee in respect of the Trust and the Trust Property subject to ten (10) days prior written notice and (ii) shall provide summary Trust information to the Settlor [and Beneficiary(ies)] pursuant to the Hover Trust Reporting Protocol located at [www.HoverTrust.ai/trustreporting](http://www.HoverTrust.ai/trustreporting), as may be amended from time to time with the approval of the Trustee (which are hereby incorporated into this Agreement by this reference). Other than pursuant to this Section 4.3(c), the Trustee shall have no further duty to account to the Beneficiary(ies) or any other Person.

(d) Notwithstanding any other provision or obligation of the Trustee herein contained, the Trustee shall not be obligated or required to account

annually or otherwise, or at the termination of the Trust, or upon a change of Trustees of this Trust, to each Beneficiary to whom distribution is required or authorized in the Trustee’s discretion to be distributed currently, or to any Person who may revoke the Trust; nor shall the Trustee be required at the termination of this Trust to account to any remainder Beneficiary, nor, upon a change of Trustees, the Trustee shall also not be required to account to any successor Trustee.

SECTION 4.3 Compensation of Trustee. For its services as the Trustee of the Trust, the Trustee shall be entitled to receive the fees from the Trust set forth at [www.HoverTrust.ai/TrustFees](http://www.HoverTrust.ai/TrustFees), as may be amended from time to time with approval of the Trustee (which are hereby incorporated into this Agreement by this reference). Without prejudice to such fee arrangement or any separate fee and indemnification agreement with respect to the compensation of the Trustee for its services provided and to be provided hereunder, the Trustee shall be entitled to reasonable compensation from the Trust Property for all services rendered by the Trustee hereunder, which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust; and, except as otherwise expressly provided herein, the Trustee shall be entitled to reimbursement from the Trust for all reasonable documented expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Agreement (including the reasonable compensation, documented expenses and disbursements of the Trustee’s agents, the Trustee’s investment advisor, counsel and accountants), except any such expense, disbursement or advance as may be attributable to the Trustee’s own grossly negligent action, grossly negligent failure to act, willful misconduct or bad faith.

#### SECTION 4.4 Resignation and Removal of Trustee; Appointment of Successor.

(a) The Trustee may resign at any time by giving at least fifteen (15) days prior written notice to the Settlor and/or Beneficiary(ies), such resignation to be effective only upon the acceptance of appointment by a successor Trustee in accordance with Section 4.5(d).

(b) In addition, the Settlor may at any time remove the Trustee without cause by delivering 15 days prior written notice of such removal to the Trustee and the Beneficiary(ies), and such removal shall be effective upon the acceptance of appointment by a successor Trustee in accordance with Section 4.5(d).

(c) In case of the resignation or removal of the Trustee, the Settlor shall appoint a successor Trustee by a written instrument. If a successor Trustee shall not have been appointed within thirty (30) days after (i) the Trustee delivers written notice of the Trustee’s resignation in accordance with Section 4.5(a) or the Settlor delivers written notice of the Trustee’s removal in accordance with Section 4.5(b), the Trust shall stand revoked and, upon payment of all outstanding fees and expenses, the Trustee shall duly deliver, convey, transfer and assign the Trust Property to the Settlor.

(d) Any successor Trustee, however appointed, shall execute and deliver to the predecessor Trustee, the Beneficiary(ies) and the Settlor, written notice of such successor Trustee’s acceptance of such appointment, and upon providing to the predecessor Trustee reasonable security for liabilities (whether existing, future, contingent or otherwise), such successor Trustee, without further act, shall become vested with all the property, rights, powers, duties and trusts of the predecessor Trustee in the Trust hereunder with like effect as if originally named the Trustee herein. Such predecessor Trustee shall, upon payment of all outstanding fees and expenses, duly deliver, convey, transfer and assign to such successor Trustee all Assets, or other property comprising the Trust Property then held or subsequently received by such predecessor Trustee upon the trusts herein expressed. No successor Trustee shall have any responsibility to inquire into or be liable for any act or omission of any predecessor Trustee.

(e) Any entity into which the Trustee may be merged or converted or with which the Trustee may be consolidated, or any entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any entity to which substantially all the trust business of the Trustee may be transferred, shall be the Trustee under this Agreement without further act.

(f) The Trustee shall not be required (i) to give bond or surety; (ii) to be appointed by any court; or (iii) to be personally liable or accountable to any Beneficiary or any other Person.

(g) Notwithstanding anything to the contrary in this Section 4.5, if the Trust fails to pay to the Trustee any trustee fees and expenses (including reasonable legal fees and expenses) due and owing under this Agreement, then the Trustee may resign by providing written notice to the Settlor and/or Beneficiary(ies), with such resignation to become effective thirty (30) days following such notice of resignation. Upon the resignation of the Trustee pursuant to this Section 4.5(g), the Trustee shall continue to serve as the Trustee under this Agreement until a successor Trustee is appointed or the Trust stands revoked in accordance with Section 4.5(c).

## ARTICLE V LIMITATION OF LIABILITY OF BENEFICIARY(IES), TRUSTEE AND OTHERS

### SECTION 5.1 Exculpation.

(a) For purposes of this Agreement, an "Indemnified Person" means (a) the Trustee, (b) any affiliate of the Trustee, and (c) any trustee, administrator, manager, officer, director, shareholder, employee, consultant, advisor, representative or agent of the Trustee. No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Trust, Settlor or the Beneficiary(ies) for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Agreement or by law, except that the foregoing limitation shall not limit the liability, if any, of an Indemnified Person to the Beneficiary(ies) to the extent that any such loss, damage or claim is incurred by the Beneficiary(ies) by reason of such Indemnified Person's grossly negligent act or omission, bad faith or willful misconduct with respect to such acts or omissions.

(b) An Indemnified Person shall be fully protected in relying in good faith upon the records of the Trust and upon such information, advice, opinions, reports or statements presented to the Trustee by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Trust including by the Trustee, including information, advice, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which distributions to the Beneficiary(ies) might properly be paid.

### SECTION 5.2 Fiduciary Duty.

(a) To the extent that an Indemnified Person has legal duties (including fiduciary duties) and liabilities relating thereto to the Trust or to the Settlor or Beneficiary(ies), an Indemnified Person acting under this Agreement shall not be liable to the Trust, the Settlor or to the Beneficiary(ies) for such Indemnified Person's good faith reliance on the provisions of this Agreement. The provisions of this Agreement are agreed by the parties hereto to replace such other duties and liabilities whether existing at law or in equity of such Indemnified Person. The Trustee shall have the right, but not the obligation, to request that the Settlor, from time to time, complete, execute and submit (through the Hover Platform) Recommendations (in the form as provided therein) prior to Trustee taking any material action on behalf of the Trust, whether or not has regard to such Recommendations. Notwithstanding any other provision of this Agreement, the Trustee shall neither be required to diversify the Assets comprised in the Trust Property nor be liable for any consequences thereof.

(b) To the fullest extent permitted by applicable law, whenever in this Agreement an Indemnified Person is permitted or required to make a decision in such Indemnified Person's "good faith" or another express standard, the Indemnified Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or by applicable law.

SECTION 5.3 Indemnification of Trustee. Without prejudice to any separate fee and indemnification agreement executed by the Trustee in connection with the performance of its duties and obligations under the Transaction Documents, the Trust and the Settlor, on a joint and several basis, (in each and every capacity in which the Trustee serves hereunder) shall indemnify, protect, save and hold the Indemnified Person harmless against, any and all loss, liability, obligation, damage, claim, penalty, tax (excluding any taxes on the Trustee on, or measured by, any compensation received by the Trustee) or expense of any kind or nature whatsoever arising out of or in connection with the creation, acceptance, operation or administration of the Trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its rights, powers or duties hereunder (each of the foregoing, a "Claim"); provided, however, that the Trust and the Settlor shall not be required to indemnify, protect, save and hold the Trustee harmless from any Claim (or portion thereof) resulting from any gross negligence, willful misconduct or bad faith on the Trustee's part. The indemnity contained in this paragraph shall survive the termination of this Agreement and the resignation or removal of the Trustee.

SECTION 5.4 Waiver of Conflicts. It is hereby acknowledged that the Person serving as Trustee of the Trust, or an affiliate of such Person (including but not limited to a trustee of the Trustee), may also serve in any one or more of capacities under the Transaction Documents. The Settlor hereby acknowledges the potential conflict of interests between Trustee's actions as Trustee and Trustee's actions in such other capacities, and expressly consent to Trustee serving in any or all such capacities, and to the fullest extent permitted by law, waive any potential conflict of interests Trustee may have as a result of serving in such capacities. When taking any action in any of the above capacities, Trustee shall be deemed to be acting only in such other capacity (i.e., other than as a trustee of the Trust), and shall not be deemed to be acting in its capacity as Trustee hereunder. Any limitation placed upon Trustee in any of the above capacities shall not be a limitation upon Trustee's ability to take any such act in any other capacity, unless such activities in such other capacity are also so limited.

SECTION 5.5 Outside Businesses. The Settlor and any Indemnified Person may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Trust, and the Trustee and the Beneficiary(ies) shall have no rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom and the pursuit of any such venture, even if competitive with the business of the Trust, shall not be deemed wrongful or improper. Neither the Settlor nor any Indemnified Person shall be obligated to present any particular investment or other opportunity to the Trust even if such opportunity is of a character that, if presented to the Trust, could be taken by the Trust, and the Settlor and any Indemnified Person shall have the right to take for his/her/its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment or opportunity. Any Indemnified Person may engage or be interested in any financial or other transaction with the Settlor or the Beneficiary(ies) or may act as depository for, trustee or agent for or may act on any committee or body of holders of, any obligations of the Beneficiary(ies).

## ARTICLE VI OTHER PROVISIONS

### SECTION 6.1 Amendment.

(a) The Settlor expressly acknowledges that the Settlor shall not have the right or power, whether alone or in conjunction with others, and in whatever capacity, to alter, amend, modify, revoke or terminate the Agreement or any provisions hereunder in whole or in part, save and except to change the designation of the Beneficiary(ies) as provided in Section 3.1, to remove the Trustee as provided in Section 4.5(b), to amend this Agreement (in conjunction with the Trustee) as provided in Section 6.1(b) and to dissolve the Trust as provided in Section 6.2(a)(i).

(b) Save as otherwise provided in this Agreement, this Agreement may be modified, amended or restated by, and only by, a written instrument executed

by the Trustee and the Settlor. Any such modification or amendment shall thereafter be effective without any further action.

#### SECTION 6.2 Termination, Revocation and Dissolution of the Trust.

(a) The Trust shall terminate and dissolved and be of no further force or effect:

(i) Upon the election by the Settlor to revoke the Trust, executed and delivered to the Trustee pursuant to the protocol available through [www.HoverTrust.ai/Revocation](http://www.HoverTrust.ai/Revocation);

(ii) if, pursuant to Article III, all of the Trust's assets are distributed to the Beneficiary(ies); or

(iii) upon a final, binding adjudication by the Eastern Caribbean Supreme Court (Anguilla Circuit).

(b) As soon as practicable after the occurrence of any event set forth in Section 6.2(a)(i), the Trustee shall distribute all of the Trust's assets, after satisfaction of (or reservation of assets for) the Trust's debts and obligations, to the Settlor. As soon as practicable after the occurrence of any event set forth in Section 6.2(a)(iii), the Trustee shall distribute all of the Trust's assets, after satisfaction of (or reservation of assets for) the Trust's debts and obligations, to the Beneficiary(ies) in accordance with their Beneficiary Percentage Interest.

SECTION 6.3 Headings. Headings contained in this Agreement are inserted for convenience of reference and do not affect the interpretation of this Agreement or any provision hereof.

SECTION 6.4 Successors and Assigns. Whenever in this Agreement any of the parties hereto is named or referred to, the personal representatives, heirs, successors and assigns of such party shall be deemed to be included, and all covenants and agreements in this Agreement by the Settlor and the Trustee shall bind and inure to the benefit of their respective personal representatives, heirs, successors and assigns, whether or not so expressed.

SECTION 6.5 Partial Enforceability. If any provision of this Agreement, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

SECTION 6.6 Digital Signatures and Counterparts. This Agreement may be executed by digital signature provided through the Hover Platform, in counterparts, each of which will be considered an original, but all of which together will constitute the same instrument. Without limiting the foregoing, a facsimile copy of this Agreement or copy of this Agreement sent via electronic mail in portable document format ("PDF") will be considered an original. The parties hereto may execute this Agreement in any number of duplicate originals, including via facsimile signature page or signature on a PDF page sent via electronic mail, and in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The signatures of all of the parties hereto need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or by electronic mail of a signature page in PDF is as effective as executing and delivering this Agreement in the presence of the other parties hereto. Any party hereto delivering an executed counterpart of this Agreement by facsimile or by electronic mail of a signature page in PDF will, upon request of the other parties hereto, also deliver a counterpart of this Agreement executed in wet ink as soon as reasonably practicable following transmittal by facsimile or by electronic mail of a signature page in PDF, but the failure to do so does not affect the validity, enforceability or binding effect of this Agreement.

SECTION 6.7 Arbitration; Consent to Jurisdiction and Service of Process. Each of the parties hereto (each an "Arbitrating Party") and each Beneficiary hereby consents and agrees that any claims, questions or controversies arising out of or related to in any manner whatsoever this Agreement (including, but not limited to, any challenge by the Settlor, the Settlor's spouse (if any) or the Settlor's estate or subrogees (each, a "Settlor Party") against the Trust, the

Beneficiary(ies), or any other party interested in or related in any way to the transactions arising under or related to in any manner whatsoever this Agreement (each, an "Interested Third Party"), notwithstanding the fact such parties are not signatories hereto) (a "Dispute") shall be submitted to arbitration conducted pursuant to the Arbitration Act (c. A105) and under the London Court of International Arbitration (LCIA) Rules in effect at the time of the arbitration, except as they may be modified herein or by mutual agreement of the parties to such arbitration. The number of arbitrators shall be one, who shall be selected by the parties to the arbitration. The seat, or legal place, of arbitration, and the situs of the arbitration, shall be ANGUILLA. The language to be used in the arbitral proceedings shall be English. Any Settlor Party or any Interested Third Party is hereby authorized to invoke this arbitration provision, and any judgment with respect to any award rendered pursuant to this arbitration provision may be enforced in any court of competent jurisdiction. The parties understand that claims submitted to arbitration are not heard by a jury and are not subject to the rules governing the courts. The parties further agree that no claim may be brought as a class action, and that no party has the right to act, nor attempt to act, as a class representative or participate as a member of a class of claimants with respect to any claim related to or arising out of this Agreement. To the extent that this arbitration provision is held unenforceable by a court of competent jurisdiction over this Trust and this matter, each party hereto (a) irrevocably submits to the exclusive jurisdiction of Eastern Caribbean Supreme Court (Anguilla Circuit) in respect of any action or proceeding arising out of or related to in any manner whatsoever this Agreement, (b) expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such tribunal, and hereby waives any objection such party may have based upon lack of personal jurisdiction, improper venue or forum non conveniens, (c) agrees that this Agreement and any claims, questions or controversies arising out of or related to in any manner whatsoever this Agreement (and all documents arising out of or related to in any manner this Agreement or the transactions contemplated hereunder) shall in all respects be governed by and construed in accordance with the Laws of Anguilla and the Act (in each case without reference to conflicts of laws provisions), (d) hereby waives personal service of the claim, summons, complaint and other process issued in any such action or action and agrees that service of such claim, summons, complaint and other process may be made by registered or certified mail addressed to him/her/it at his/her/its notice address in accordance with Section 6.8 and that service so made shall be deemed completed upon the earlier of such party's actual receipt thereof or three (3) days after physical delivery thereof, and (e) HEREBY WAIVES THE RIGHT THAT HE/SHE/IT MAY HAVE TO A TRIAL BY JURY ON ANY CLAIM, COUNTERCLAIM, SETOFF, DEMAND, ACTION OR CAUSE OF ACTION (I) ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, OR (II) IN ANY WAY IN CONNECTION WITH OR PERTAINING OR RELATED TO OR INCIDENTAL TO ANY DEALINGS OF THE PARTIES TO THIS AGREEMENT IN CONNECTION WITH THIS AGREEMENT OR THE EXERCISE OF ANY PARTY'S RIGHTS AND REMEDIES UNDER THIS AGREEMENT OR OTHERWISE, OR THE CONDUCT OR THE RELATIONSHIP OF THE PARTIES HERETO, IN ALL OF THE FOREGOING CASES WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. Each of the parties hereto hereby agrees and acknowledges that this Section 6.7 is intended to encompass any Dispute between any Settlor Party, any Interested Third Party and any Arbitrating Party. Each of the parties hereto hereby represents and warrants that such party has had the opportunity to consult with legal counsel with respect to the terms of this Agreement, including this Section 6.7. The parties hereto expressly agree that the arbitration provisions contained in this Section 6.7 shall not apply to the Trustee in respect of the Trustee's rights, duties, protections and immunities hereunder.

#### SECTION 6.8 Notices.

(a) Any notice required or permitted to be given to the Settlor shall be deemed to have been duly given if notified to the Settlor in the manner prescribed by the Hover Platform, from time to time.

(b) Save as otherwise provided in this Agreement, any notice or instruction required or permitted to be given to the Trustee shall be deemed to have been duly given if given if notified to the Trustee in the manner prescribed by the Hover Platform, from time to time.

(c) Any notice required or permitted to be given to the Beneficiary(ies) shall be deemed to have been duly given if such notice is delivered to them by email (or other notice) to the address/contact information as shown in the Trust's books and records or to such other contact address as the Beneficiary(ies) shall request by notice to the Trustee and the Settlor as provided in the manner prescribed by the Hover Platform, from time to time.

SECTION 6.9 Situs. The situs and place of administration of the Trust shall be Anguilla. It is acknowledged that the situs and place of administration of the Trustee is Anguilla and not located within any other jurisdiction.

SECTION 6.10 Beneficiary Rights Forfeiture. If any one or more Beneficiaries institutes or participates in any litigation, arbitration, or any other claims against the Trust other than in the required arbitration provided in Section 6.7, then the Beneficiary Percentage Interest for such Beneficiary shall be forfeited in their entirety. The Trustee is hereby authorized and directed to execute an amendment to this Agreement to remove the applicable Beneficiary(ies), which action shall be binding on all parties hereto.

SECTION 6.11 Governing Law. IT IS HEREBY AGREED BY ALL PARTIES HERETO THAT THIS AGREEMENT AND THE TRUST WILL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF ANGUILLA.

SECTION 6.12 Savings Clause. Notwithstanding any provision of this Agreement to the contrary, all property of this Trust not otherwise vested under any provision hereof at the expiration of twenty-one (21) years after the death

of the Settlor, shall vest in and be distributed to the Beneficiary(ies) then entitled to the distributions from this Trust. The purpose of this provision is to prevent any possible violation of the rule against perpetuities, and this provision should be so construed.

SECTION 6.13 ANTI-MONEY LAUNDERING. In addition to requirement for compliance with the Anti-Money Laundering and Terrorist Financing Regulations (c. P98/P98-1), the Trustee and the Trust desire to use reasonable efforts to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including those relating to the funding of terrorist activities and money laundering (collectively, "Applicable Regulations"). To do so, the Trustee may be required to obtain, verify and record certain information relating to individuals and entities which maintain a business or other relationship with the Trustee. Accordingly, each of Person agrees to provide to the Trustee, upon its request from time to time, such identifying information and documentation as may be necessary in order to enable the Trustee to comply with such Applicable Regulations. It is expressly agreed that the Trustee shall have no duty to perform any services hereunder for, on behalf of or for the benefit of, any party not having furnished such information as the Trustee, in its sole discretion, determines to be necessary to comply with the Applicable Regulations.

SECTION 6.14 Confidentiality.

*[Signature pages to follow.]*

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed my seal and, to evidence acceptance of the trust herein created, and the Trustee has caused this Agreement to be executed by its duly authorized officer. This Agreement shall be considered dated as of the last dated execution below.

**SETTLOR:**

**SETTLOR NAME:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

**TRUSTEE:**

**HOVER TRUST (ANGUILLA) LTD**

By: \_\_\_\_\_  
Authorized Signatory



## APPENDIX A

### IMPORTANT INFORMATION FOR TRUST

**[NOTE ALL INFORMATION MAY BE CONTAINED IN THE DASHBOARD OF THE PLATFORM AND INCORPORATED HEREIN BY REFERENCE]**

Name of “Trust”: HOVER TRUST [AXA INSERT NUMBER]

Name of “Settlor”: [INSERT NAME], [identifying information and address]

Name of “Trustee”: HOVER TRUST (ANGULLA) LTD,

“Date of Settlement/Establishment”: \_\_\_\_\_, 2022

### ASSETS

<u>NAME OF ASSET</u>	<u>TICKER</u>	<u>QUANTITY</u>
Those Certain Cryptocurrencies Deposited Into Settlor/Beneficiary’s Trust Account on This Date		As Provided In Settlor/Beneficiary’s Trust Account Platform

### LIST OF BENEFICIARIES AND BENEFICIAL INTERESTS

<u>BENEFICIARY NAME</u>	<u>ADDRESS</u>	<u>BENEFICIARY PERCENTAGE INTEREST</u>
[SETTLOR/BENEFICIARY’S NAME HERE]		99.99%
ANGUILLA COMMUNITY BENEFITS LTD.		<u>0.01%</u>



**FORM OF LETTER OF WISHES/MEMORANDUM OF WISHES**

**RECOMMENDATION**

Reference is made to the Trust Agreement of (the "Trust") dated as of \_\_\_\_\_, 2022 (as modified, supplemented or amended as of the date hereof, the "Trust Agreement"). Unless otherwise defined herein, terms defined in the Trust Agreement are used herein as therein defined.

The undersigned SETTLOR hereby indicates its wishes to the Trustee to take the following actions with respect to the Trust: [*Insert Recommendation*]

The SETTLOR hereby certifies that the foregoing authorization and direction is permitted by and authorized under the Trust Agreement. The SETTLOR further certifies that any document the Trustee is being instructed herein to execute and deliver constitutes a "Transaction Document" under the Trust Agreement.

SETTLOR:

By: \_\_\_\_\_

LOCATION OF EXECUTION: \_\_\_\_\_

## **APPENDIX B**

### **RISK FACTORS IN DEALING WITH DIGITAL ASSETS**

The following risk factors apply in dealing with Digital Assets. The following does not purport to be a summary of all the risks associated with dealing with Digital Assets.

- (a) **Blockchain Industry Risks:** The regulatory regime governing the blockchain technologies, cryptocurrencies, tokens and token sales is uncertain, and new regulations or policies may materially adversely affect the development of Digital Assets and the utility and, if applicable, value of such Digital Assets. Regulation of Digital Assets and Digital Asset sales, cryptocurrencies, blockchain technologies, and, if applicable, cryptocurrency exchanges is currently undeveloped and likely to rapidly evolve, varies significantly among international and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in the in other jurisdictions may in the future, enact laws, regulations, guidance, or other actions, which may severely impact the development and growth of Digital Assets and the adoption, utility and, if applicable, value of such Digital Assets. Failure by the promoter of a particular Digital Asset or related platform to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines to such persons and impact the utility or value of the underlying Digital Asset. As blockchain and blockchain related networks and assets have grown in popularity and in market size, international regulatory agencies have begun to take interest in, and in some cases regulate, their use and operation. In the case of virtual currencies, some jurisdictions have created new regulatory frameworks. Other jurisdictions have published guidance on how their existing regulatory regimes apply to virtual currencies and which features are capable of constituting a blockchain token as a virtual currency. Some jurisdictions have amended their statutes to include virtual currencies in the existing licensing regimes. The regulation of non-currency use of blockchain tokens and/or assets in certain jurisdictions is also uncertain. To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a blockchain or blockchain based network, token or asset, the underlying Digital Asset(s) may be materially and adversely affected. Blockchain and blockchain based networks also face an uncertain regulatory landscape in many foreign jurisdictions such as the United States of America, European Union, China and Russia. Various foreign jurisdictions may, in the near future enact, or may have already enacted, laws, regulations or directives that affect some or all Digital Assets. Such laws, regulations or directives may directly and negatively impact the operation of Digital Assets, related platforms and/or the participants thereon. The effect of any future regulatory changes is impossible to predict, but such changes could be substantial and materially adverse to the development and growth of Digital Asset platforms and the adoption, utility and, if applicable, value of the respective Digital Asset. New or changing laws and regulations, or interpretations of existing laws and regulations, in certain jurisdictions, may materially and adversely impact the liquidity, value or price of certain Digital Assets, and the utility, structure, rights and/or transferability of such Digital Assets.

Transfers of, and transactions involving, Digital Assets may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable. In the event that a Digital Asset becomes tradable on any token exchange or pursuant to peer-to-peer transfers, transactions in such Digital Assets may be irreversible, and, accordingly, a purchaser of such Digital Asset may lose all of his/her Digital Assets in a variety of circumstances, including in connection with fraudulent or accidental transactions, technology failures or cyber-security breaches. If applicable, real-time settlement would further increase the risk that correction of transfer or trading errors may be impossible and losses due to fraudulent or accidental transactions may not be recoverable.

Purchasers of Digital Assets may have no control over the operations of the platforms on which such Digital Assets are utilized. Purchasers of such Digital Asset may not be entitled, to vote or be deemed the holder of any interest of such platforms for any purpose, nor may anything be construed to confer on any such purchaser any of the rights of a member, beneficiary or shareholder of such platform or any right to vote for the election of managers or directors or upon any matter submitted to members, beneficiaries or shareholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise, with respect to the operations of such platform.

Promoters of certain Digital Assets may not support or otherwise facilitate any secondary trading or external valuation of such Digital Asset, which could therefore create illiquidity risk with respect to such Digital Assets. Even if secondary trading of such Digital Assets is facilitated by third party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to fraud or manipulation. Furthermore, to the extent that third parties do ascribe an external exchange value to a Digital Asset (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile and diminish to zero.

The management of Digital Assets is onerous and may require unique and complex measures for securing the wallet, vault or other storage mechanism for certain Digital Assets, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If such private key(s) or other access credentials are lost, whether by the original holder of the keys/credential or the operator of the wallet/storage mechanism, the holder of such Digital Assets may lose access to his/her Digital Assets and such Digital Assets may be unrecoverable.

- (b) **General Business Risks:** Blockchain technologies and token-based blockchain platforms, systems or networks are largely unproven business models. While many of these new types of blockchain projects have raised substantial funds from the public and privately over the past few years, it has become apparent during the last several years that public pressures, purchaser pressures, regulatory pressures, project failures and other unknown causes have led to a very substantial decrease in most if not all blockchain projects that allocate tokens for sale to the public. It is unknown at this time whether the perceived or actual utility or value of these blockchain projects will ever increase or the projects will launch and operate successfully or profitably. These risks are generally outside the control of the promoters of

the blockchain tokens to be used in such projects, and its management, and could result in a complete failure of the objectives of projects, which would result in a loss of funds and/or loss of utility and, if applicable, value of the relevant Digital Asset.

The management of many blockchain projects have no, or limited, experience in developing, promoting and supporting or launching and operating such project. This lack of specific experience makes a purchase of Digital Assets related to such projects a speculative and high-risk transaction.

- (c) **Additional Platform Risks:** Certain blockchain projects have no minimum cap that must be realized through the sale of a particular Digital Assets, before it can accept, access and use the proceeds of such sale. Purchasers may not know at the time of purchase how much funds are being or have been realized by such project from the sale of the relevant Digital Asset, nor whether the funds being realized or actually realized will be sufficient for the project to carry out its objectives and purposes, in whole or in part. Additionally, the utility of the relevant Digital Asset may depend, to a large degree, on the number and engagement of participants in the platform being developed. In the event of insufficient engagement by participants in the such platforms or project, the utility of relevant Digital Asset may be, diminished or lost and consequently the funds used to purchase such Digital Assets may be lost.

Blockchain projects/platforms operate in the highly regulated blockchain industry. While the promoters of such project may intend to structure their technology and to operate in accordance with all applicable laws, existing and new laws could materially impact their ability to effectively execute the objectives of the promoters or prohibit certain features from operating on the relevant project/platform. If any of these events occur, the promoters may incur substantial legal costs in defending themselves, or could even be prohibited from developing, maintaining or otherwise operating the project platform, as well as such promoters may be sanctioned or otherwise negatively impacted. In any such events, purchasers may lose the utility of their related Digital Assets and, if applicable, the value of some or all of their purchase funds.

Certain blockchain projects/platform may not reach self-sustainability. There may not be any or any sufficient demand for such products or services offered by such project/platform from participants. In the event that such projects/platform fails to reach profitability and fails to generate enough capital to further continuing to development, maintenance and/or operation of the platform, the project/platform may become insufficiently solvent or insolvent and, in such circumstances, the utility and, if applicable, the value of the related Digital Assets would be negatively impacted.

- (d) **Blockchain Environmental Risks:** Digital Assets may be hosted on various blockchains. The open-source structure of the software underlying most of these blockchains may be susceptible to developments by users or contributors that could damage these blockchain's reputation and could affect the utilization of the Digital Assets on such blockchains, and consequently, the utility and, if applicable, the value of such Digital Assets. Furthermore, an open-source project is not represented, maintained or monitored by an official organization or authority. The open-source nature of software underlying the blockchains hosting Digital Assets means that it may be difficult for the promoters of a blockchain project/platform and/or other contributors to maintain or develop such Digital Assets, and the such persons may not have adequate resources to address emerging issues or malicious programs that develop within the relevant blockchain adequately or in a timely manner. Third parties not affiliated with a blockchain project/platform may introduce weaknesses or bugs into the core infrastructure elements of the relevant blockchain and open-source code, which may negatively impact the storing or operation Digital Assets on such blockchain. Such events may result in a loss of trust in the security and operation of the underlying blockchains and a decline in user activity and could negatively impact the utility and, if applicable, the value of such Digital Assets.

The promoters of a blockchain project/platform may maintain some or all of the proceeds of the sale of the relevant Digital Asset in the form of cryptocurrencies. Whilst such promoters may take all reasonable measures to secure such cryptocurrency holdings against theft or malicious attacks, such attacks are endemic in the blockchain environment. Accordingly, there is the risk that such balances may be lost by reason of such attacks thereby reducing or eliminating the funds available for the development, maintenance and support of the relevant project/platform. Moreover, in the event that such promoters maintain any balances in the form of cryptocurrencies, the market for most cryptocurrencies fluctuate wildly. Accordingly, the value of such balances may decrease significantly or absolutely. In any of these circumstances the relevant project/platform, relying on such development, maintenance and support from the promoters, may fail and the utility and, if applicable, the value of the relevant Digital Asset may correspondingly be negatively impacted.

Many blockchain projects/platforms operate in a highly digital environment that is highly susceptible to digital theft attacks, phishing and malicious attacks at all times. Accordingly, in the event that the software for such project/platform is the subject to such attacks, the related Digital Assets held by purchasers may be lost in part or in full.

- (e) **No Secondary Market:** Certain Digital Assets may be issued by the promoters of a blockchain project/platform but with no secondary market in such Digital Assets becoming available or sufficiently available. Even if a secondary market develops for such Digital Assets, exchanges for such secondary market may be relatively new and subject to little or no regulatory oversight, making them more susceptible to fraud or manipulation. Furthermore, to the extent that third parties may ascribe an external value to a Digital Assets (e.g. as denominated in a cryptocurrency or fiat currency), such value may be extremely volatile and diminish to zero.
- (f) **Tax Treatment:** The tax characterization and consequences in relation to the purchase, holding and disposition of Digital Assets is uncertain and varies from jurisdiction to jurisdiction and the holding of Digital Assets by any person, directly or indirectly, may have unexpected tax consequences.

**APPENDIX C**

**SPENDTHRIFT PROVISIONS**

NONE