

E-MONEY A/S

CURRENCY TOKEN TERMS AND CONDITIONS

These terms and conditions attach to the EUR currency tokens issued by e-Money A/S, a stock-based corporation (*aktieselskab*) registered under Danish Business Authority Central Business Register Number (CVR) 40717382 (the "**Company**") pursuant to an initial token generation and purchase agreement with e-Money Markets ApS, registered under Danish Business Authority Central Business Register Number (CVR) 39449048 (the "**Initial Tokenholder**") dated April 7, 2020 (the "**Initial Agreement**"), and may be amended and/or superseded in accordance with their terms from time to time.

BACKGROUND

- A. The Company has, pursuant to a resolution of its directors dated April 7, 2020, (i) authorised the generation and initial issuance of EUR currency backed tokens (the "**Currency Tokens**"); without maximum amount, and (ii) approved the entry into the Initial Agreement pursuant to which the terms and conditions set out herein (the "**Conditions**") were attached to the Currency Tokens on initial issuance.
- B. The Currency Tokens are digital fiat-backed tokens, created and recorded using distributed ledger technology, as further described herein, which have been issued by the Company pursuant to the Initial Agreement. The Currency Tokens incorporate the technology developed and executed by or on behalf of the Company and provide the holder, as recorded on the applicable blockchain (the "**Ledger**" and each person (including the Company, if applicable) recorded thereon as holding one or more Currency Tokens, a "**Tokenholder**", which expression shall include any permitted transferee under Condition 8 (*Transfers*)) with certain value transfer and payment utilities, as further anticipated under these Conditions.
- C. The Currency Tokens were generated and issued under the Initial Agreement on an unbacked basis but will be sold to Tokenholders other than the Initial Tokenholder on a fiat-backed basis, as described herein. At all times, including on or following transfer to a new Tokenholder, the Currency Tokens are subject to and have the benefit of these Conditions.
- D. These Conditions set out the terms of use and certain rights applicable to the Currency Tokens and are not a document of title. Entitlements are determined by due authentication on the Ledger, by reference to the Wallet (as defined below) address of the Tokenholder. Only the Tokenholders who are duly registered holders of Currency Tokens in the Ledger and who are identified to and verified with the Company by way of Complete ID (as defined below) are, at any given time, entitled to any payment in respect of the Currency Tokens.

1. DEFINITIONS

- (a) In these Conditions capitalised terms shall have the meaning set out in the relevant Condition or as set out below:

"Acceptable Bank" means a bank or financial institution in which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of BBB+ or higher by S&P or Baa 1 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency;

"Backed Currency Tokens" means Currency Tokens for which a Backed Date has occurred;

"Backed Date" means with respect to a Currency Token either (1) the first date on which Issuance Proceeds are added to the Reserve in respect of that Currency Token or (2) with respect to a Currency Token issued pursuant to Condition 2.6, the date of its issuance;

"Blockchain Network" means any digital ledger technology service infrastructure on which the Currency Tokens may be utilised and/or exchanged, as communicated by the Company to the Tokenholders from time to time;

"Business Day" means a day on which the European Central Bank as well as banks are open for general, commercial business in Denmark and Liechtenstein (excluding Saturdays, Sundays and public holidays);

"Cash Equivalent Investments" means at any time:

- (a) certificates of deposit maturing within one year after the relevant Calculation Date and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of Denmark, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant Calculation Date and not convertible or exchangeable to any other security; sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (c) any investment in money market funds which:
 - (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited; and
 - (ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (b) above, to the extent that investment can be turned into cash on not more than 20 Business Days' notice; or
- (d) any other debt security approved by the Company,

in each case, denominated in a currency and to which the Company alone is beneficially entitled at that time;

"Complete ID" means identification and verification of a Tokenholder (including with respect to its Source of Funds if applicable) whether by way of digital verification, Identification Form or other manner satisfactory to the Company in its sole discretion;

"Currency Tokens" means the EUR digital currency tokens created and recorded using the Ledger which have been issued by or on behalf of the Company, which tokens are subject to the Conditions;

"Eligible Assets" means cash deposits held in an interest bearing account or Cash Equivalent Investments held in a securities account with an Acceptable Bank as determined by the Company;

"Identification Form" means identification information in respect of the Tokenholder in a form acceptable to the Company in its sole discretion, which may include Self-Certification Forms where required;

"Initial Issuance Date" means the date that the Conditions Precedent (as set out in Clause 3 (*Conditions Precedent*) of the Initial Agreement,) are satisfied by the Initial Tokenholder as determined by the Company acting in its sole discretion;

"Minimum Buy-back Amount" means the minimum Buy-back Price which the Company will exercise its Buy-back Option, being not less than EUR 100;

"Notice" has the meaning given to it in Condition 12 (*Notices*);

"Purchase Price" has the meaning given to it in Condition 2.4;

"Reserve" means a liquid assets reserve maintained by the Company from the Issuance Proceeds of the Currency Tokens, or such other sources as determined by the Company from time to time, held in Eligible Assets;

"Self-Certification Forms" means any self-certification forms in the form provided by the Company and completed by the holder of Currency Tokens from time to time;

"Service Availability" means with respect to services and/or information to be delivered by the e-Money website (<http://e-money.com>), the availability of the electronic platform on which such information and services are delivered, which is not subject to guaranteed continuous access and which may not be available without interruption, delays, failures, errors, omissions or loss of transmitted information;

"Source of Funds" means the origin of the particular funds or any other monetary instrument which are the subject of the transaction;

"Minor Unit" means the smallest denomination of a currency unit in the applicable currency, i.e. EUR cents (1/100 of a EUR)]; and

"Wallet" means a digital wallet held by the Tokenholder that is capable of storing, sending and receiving Currency Tokens as communicated to the Company.

- (b) In these Conditions, except where the context otherwise requires:
- (i) words importing the singular include the plural and vice versa;
 - (ii) a reference to any law or enactment is to that law or enactment, as it may be applied, amended or re-enacted from time to time and includes any legislation in any jurisdiction;
 - (iii) headings are included in these Conditions for convenience only; and
 - (iv) "due authentication" on the Ledger shall occur at such time as the block containing the confirmation of holding the relevant Currency Token to the applicable Tokenholder's Wallet is added to the Ledger.

2. FORM AND STATUS OF THE TOKENS

- 2.1. The Currency Tokens are digital assets in Ledger registered form and are generated and transferable in denominations of one ten thousandth of the underlying currency Minor Unit.

- 2.2. The Currency Tokens incorporate a buy-back option exercisable by the Company in its sole discretion (the "**Buy-back Option**"). The Buy-back Option will be supported by the Reserve which may be used to satisfy buy-back of the Currency Tokens by the Company from the Tokenholders. The Buy-back Option will operate in accordance with the terms of Condition 3 (*Buy-Back Mechanism*).
- 2.3. On the Initial Issuance Date the Currency Tokens will be priced at a ratio of 10,000 Tokens : 1 Minor Unit such that one Token will be purchased at a price of one Minor Unit / 10,000.
- 2.4. Except as set out in Condition 2.6, any subsequent issuance of the Currency Tokens will be priced per Token, by reference to the then-current Inflation Adjusted Token Price (as further described in clause 4 below), such price per token being calculated and, subject to Service Availability published on the e-Money website (<http://e-money.com>) no less frequently than at one minute intervals on and from the first Backed Date for a EUR Currency Token (when used on a "per Token" basis herein also referred to as the "**Price**").
- 2.5. Except as set out in Condition 2.6, upon the first purchase of Currency Tokens after their issuance pursuant to the Initial Agreement, the Price (calculated by the Company per token and multiplied by the applicable number of Tokens being purchased), shall be paid by the Tokenholder in EUR and such proceeds (the "**Issuance Proceeds**") shall be added to the Reserve. At all times whilst Backed Currency Tokens remain in issue, the Company will maintain the Reserve in an amount which is sufficient to satisfy Buy-back of the Backed Currency Tokens at the then-current Buy-back Price (as defined below) in full.
- 2.6. The Company may from time to time issue, transfer and/or sell Currency Tokens in an amount not exceeding the Inflation (as defined below) without making any contribution to the Reserve.
- 2.7. For the avoidance of doubt, the Company owns the Issuance Proceeds in the Reserve in its own right. The Company has full control over how the Issuance Proceeds are used including for the purposes of acquiring Eligible Assets and maintaining the Reserve. At no time will Issuance Proceeds constitute client money held for or on behalf of the Tokenholders.

3. BUY-BACK MECHANISM

- 3.1. The Tokenholders may from time to time submit an electronic request to the Company to request exercise of the Buy-back Option by the Company (the "**Buy-back Request**"). The Company may in its sole discretion agree to exercise the Buy-back Option including at such times as requested by the Tokenholders pursuant to a Buy-back Request and subject at all times to the Minimum Buy-back Amount. For the avoidance of doubt, the exercise or failure to exercise the Buy-back Option by the Company does not give rise to any right of claim by the Tokenholders against the Company.
- 3.2. Proceeds in respect of a buy-back shall only be payable to Tokenholders who have provided Complete ID to the satisfaction of the Company at the relevant time. Any Buy-back Price that the Company pays to the Tokenholders in exchange for their Currency Tokens will be determined in accordance with the provisions of Condition 4 (*Buy-Back Price*) below.
- 3.3. All Currency Tokens in respect of which the Company has exercised its Buy-back Option will be cancelled and then burned in accordance with Condition 6.7.

4. BUY-BACK PRICE

- 4.1. In exercising the Buy-back Option the Company will calculate the buy-back price for the Currency Tokens to be purchased from the relevant Tokenholder by reference to the number of tokens submitted for Buy-back, the Inflation Adjusted Token Price (as defined below), and

any Transaction Specific Costs (as defined below) (the "**Buy-back Price**"). For the purposes of this Agreement:

"Buy-back Amount" means the Currency Tokens which have been notified for buy-back in the Buy-back Request by the Tokenholder in accordance with the Conditions.

"Calculation Time" means the date and time to the nearest minute when the Tokenholder who submitted the Buy-back Request has successfully been identified via Complete ID, such completion being notified to the Tokenholder by the Company by way of electronic notification.

"Deduction" means:

- (a) any administrative fees including account fees, processing fees, audit fees and any other applicable fees in relation to the Reserve;
- (b) any administrative fees including processing fees generally applicable to the Reserve arising in connection with a Buy-back Request; and
- (c) and custodial fees that apply to the accounts where the Issuance Proceeds are held.

"Inflation Adjusted Token Price" means the calculated value of Currency Tokens for the purposes of exercising the Buy-back Option, by reference to the then current Reserve Amount divided by the total number of Backed Currency Tokens in issue, each as at the relevant Calculation Time.

"Inflation" means the one per cent. per annum inflation in aggregate of the issued amount of Backed Currency Tokens to accrue on a continuous basis, no less frequently than at one minute intervals, representing a service fee.

Reserve Amount" means the Issuance Proceeds adjusted by the following variables as at the relevant Calculation Time (as defined below):

- (a) potential earnings or losses from any Cash Equivalent Investments in the relevant Currency Token denomination that were acquired using the Issuance Proceeds;
- (b) application of interest, positive and/or negative, on the accounts where the Issuance Proceeds are held; and
- (c) any Deductions.

"Transaction Specific Costs" means any costs or fees, including without limitation, processing, liquidation, service and transfer fees, which are applicable to the transactions effected in connection with a particular Buy-back Amount and Buy-back Request.

4.2. The formula for calculating the Buy-back Price shall be as follows:

$$\text{Buy-back Price} = (\text{Buy-back Amount} \times \text{Inflation Adjusted Token Price}) - \text{Transaction Specific Costs}$$

4.3. For the avoidance of doubt, the Company shall not be under any obligation to exercise its Buy-back Option upon presentation of the Buy-back Request by Tokenholders.

5. PAYMENTS ON BUY-BACK OF TOKENS

- 5.1. Subject to Condition 5.2, the Buy-back Price on the Currency Tokens will be payable to the Tokenholders by paying the Buy-back Price in the corresponding currency to which that Currency Token relates to the bank account designated by the Tokenholder upon presentation of its Buy-back Request. Subject to Service Availability and availability of the relevant payment systems, the Buy-back Price will be paid no later than 5 Business Days after the date of the Calculation Time (the "**Payment Date**").
- 5.2. The Company shall not be obliged to exercise its Buy-back Option at the Calculation Time and reserves the right to exercise the Buy-back Option at a time earlier or later than the Calculation Time for any reason, including (but not limited to):
- (a) in connection with any technical requirement relating to the Company's compliance with any of its legal or regulatory obligations in connection with the Currency Tokens;
 - (b) instances where the Company requires advance notice to liquidate Eligible Assets;
 - (c) the Company not having the funds available to make a payment on or before the Payment Date; or
 - (d) any decision by the Company, in its discretion, that funds otherwise available for making a payment of Buy-back Price should be withheld in order to pay costs or liabilities of the Company that are expected to fall due on, around or after the Payment Date.
- 5.3. Any amount of Buy-back Price that is not paid on any Payment Date despite the Company's decision to exercise the Buy-back Option may be deferred (each such amount, a "**Deferred Buy-back Price Amount**"). No additional positive interest or other amount thereon is payable on any Deferred Buy-back Price Amount, however, any Deferred Buy-back Price Amount shall be paid net of any negative interest which has accrued thereon.
- 5.4. Notwithstanding any other provision in these Conditions, any unpaid Buy-back Price and any Deferred Buy-back Price Amount shall not give rise to:
- (a) a debt as between the Company and any Tokenholder or any other person; or
 - (b) a trust relationship as between the Company and any Tokenholder or any other person or the holding on trust of any property on behalf of the Tokenholder or any other person by the Company.
- 5.5. All costs incurred by the Company in relation to any payment under this Condition 5 shall be borne by the Tokenholder and retained from the Buy-back Price (provided that there shall be no double-counting with respect to any Transaction Specific Costs).
- 5.6. All payments in respect of the Currency Tokens shall be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Company is required by applicable law to make any payment in respect of the Currency Tokens subject to any withholding or deduction for or on account of any present or future taxes, imposts, assessments, levies, duties or charges of whatsoever nature. In that event, the Company shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted.

- 5.7. The Tokenholders are responsible for compliance with any tax reporting obligation and other relevant rules and regulations relating to any additional tax or similar charges or liabilities in their own jurisdiction.

Notwithstanding any other provision in these Conditions, no Buy-back Price or payment of any other amount shall be made to any existing or past Tokenholder unless such Tokenholder has satisfied all of the Company's relevant identity checks and know your client compliance requirements relating to the Tokenholder, as the Company may determine in its sole discretion and may request from the Tokenholder from time to time including by way of Complete ID.

6. CANCELLATION

- 6.1. The Currency Tokens shall not have any fixed date for redemption, buy-back or cancellation, however the Company may elect, in its sole discretion, to reduce the number of Currency Tokens from time to time to reflect a material reduction in the Issuance Proceeds or otherwise as it may determine.
- 6.2. The Company may at its absolute discretion cancel the Currency Tokens in whole or in part at any time upon giving 40 Business Days' notice to the Tokenholder.
- 6.3. The Company shall cancel the Currency Tokens as soon as reasonably practicable upon the winding up of the Company and shall provide notice of such cancellation to the Tokenholder (such notice to include the effective date of such cancellation).
- 6.4. In the case of any cancellation of the Currency Tokens in accordance with Conditions 6.1 to 6.3, the Company shall cancel the applicable Currency Tokens and pay Tokenholders an amount equal to the then current Buy-back Price for the applicable Currency Tokens (the "**Full Cancellation Amount**") subject always to the provisions of this Condition 6.
- 6.5. In the case of any cancellation of the Currency Tokens in accordance with this Condition 6 where there are insufficient cash proceeds on the cancellation date (the "**Cancellation Date**"), or on the payment date otherwise specified in respect of such cancellation, to fund the Full Cancellation Amount, the Company shall pay the Tokenholders an amount per Currency Token equal to:
- (a) in the case of cancellation of all the Currency Tokens in issue in full, the Available Amount divided by the number of Currency Tokens being cancelled, in each case as at the relevant Cancellation Date; or
 - (b) in the case of cancellation in part of the Currency Tokens in issue, the Relevant Percentage of the Available Amount on the Cancellation Date divided by the number of Currency Tokens then being cancelled.

"Available Amount" means cash, including cash proceeds of the Eligible Assets which are then realisable, held by the Company in the Reserve, less any Deductions (including all applicable costs and liabilities, as determined by the Company) and less any applicable Transaction Specific Costs.

"Relevant Percentage" means the percentage borne by the number of Currency Tokens then being cancelled to the total number of Currency Tokens then in issue.

- 6.6. The Company will use reasonable endeavours to realise the value of the Reserve by the Cancellation Date provided that, if such realisation would materially and adversely reduce realised proceeds in the opinion of the Company, then such realisation will occur within 6 months of the Cancellation Date. Available Amounts relating to the cancelled Currency

Tokens received within that six month period shall be paid on the last Business Day of each calendar month, as available.

- 6.7. The Company shall burn each Token upon its cancellation and may not regenerate or resell any Token that has been cancelled.

7. **ROUNDING**

For the purposes of any calculations referred to in these Conditions in relation to the Price, the Buy-back Price and the Full Cancellation Amount, unless otherwise specified in these Conditions:

- (e) all decimals and ratios resulting from such calculations will be rounded as required in the reasonable commercial discretion of the Company, with values of 5, 0.5 etc. being rounded upwards; and
- (f) any payable currency amounts resulting from such calculations will be rounded to the nearest Minor Unit (with one half Minor Unit being rounded up).

8. **TRANSFERS**

- 8.1. Subject to clause 8.2 below, the Currency Tokens shall be freely transferable by the relevant holder of the Currency Tokens without the prior written consent of the Company.

- 8.2. The Company may require certain conditions to be satisfied by the relevant transferee Tokenholder ("**Transferee**") before the Transferee can request the Company to exercise its Buy-back Option, and/or before the Company will agree to do so or will make any payment in connection therewith. Such conditions include (but are not limited to) the following:

- (a) satisfaction by the Transferee of relevant identity checks and know your client compliance requirements as the Company may determine in its sole discretion and may request from the Transferee from time to time including by way of Complete ID;
- (b) the Company's satisfaction in its discretion with the status of the Transferee, including as may be established by the Company through third party checks and information; and
- (c) any other condition which the Company determines in its absolute discretion is necessary for the purposes of exercising the Buy-back Option.

9. **LIMITATION OF LIABILITY**

- 9.1. To the fullest extent permitted by applicable law, in no circumstances shall:

- (a) the Company be liable for any loss of any kind (including, but not limited to, loss of revenue, income, business or profits, loss of contract or depletion of goodwill, loss of anticipated savings, loss of use or data, or damages for business interruption or any like loss) arising out of or in any way related to the acquisition, storage, transfer or use of the Currency Tokens, user error or otherwise related to these Conditions. For the avoidance of doubt, the Company can rely on the instructions sent by the Tokenholders without any further verification or confirmation and the Company shall not be liable for any loss arising from the Company following such instruction; or
- (b) the aggregate liability of the Company arising out of or relating to these Conditions or the issuance or the use of the Currency Tokens, exceed the Reserve Amount.

- 9.2. The limitations and exclusions of liability set out in Condition 9.1 shall not limit or exclude liability for the gross negligence, fraud or intentional, wilful or reckless misconduct of the Company, nor shall it limit or exclude any losses for which, as a matter of applicable law, it would be unlawful to limit or exclude liability.

10. BLOCKCHAIN RECORDS

- 10.1. The Company may (but is not obliged to) access and/or maintain a digital record in respect of the Ledger, pursuant to which it may verify from time to time:
- (a) the Wallet address of each Tokenholder;
 - (b) the date on which any exchange or transfer of Currency Tokens occur;
 - (c) the principal amount of Currency Tokens held by each Tokenholder and the date on which they became a Tokenholder; and
 - (d) the date on which a person ceased to be a Tokenholder.

Digital records held by other participants on the Blockchain Network may also form the basis for the verification.

11. AMENDMENTS

The Company reserves the right to amend these Conditions at any time for any reason it sees fit including, but not limited to:

- (a) any further technical considerations as may be required; or
- (b) in order for the Company to comply with any of its legal or regulatory obligations,

and the Company may amend these Conditions by providing notice to the Tokenholders pursuant to Condition 12 (*Notices*) below and any such amendment shall take effect on the date specified in the notice of such amendment, but not sooner than 20 Business Days after the Publication Date (as defined below).

12. NOTICES

Any notice or other communication to be given or made under or in connection with these Conditions shall be in writing in the English language and when given to the Tokenholder shall be posted on the website www.e-money.com (such date of posting the "**Publication Date**") and, when given to the Company shall be issued to it by mail to:

legal@e-money.com

13. GOVERNING LAW

The Currency Tokens and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with Danish law.

14. JURISDICTION

The courts of Denmark have exclusive jurisdiction to settle any dispute arising out of or in connection with these Conditions (including a dispute relating to the existence, validity or termination of these Conditions or any non-contractual obligation arising out of or in connection with these Conditions).