

# Lending Terms

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## 1 General

These Lending Terms govern the terms and conditions that apply to Lending as explained in detail below. These Lending Terms only apply to Clients using Lending. If you have any questions about this, please contact us.

These Lending Terms are subject to Dutch law. These Lending Terms should be read in conjunction with the Amdax Terms, which apply to Services provided by Amdax, as well as with the Risk Notification, which contains important information about the risks associated with the Lending Program (both can also be found on our Website).

Clients should read these entire Lending Terms and the Risk Notification carefully and in its entirety before using Lending. By using Lending, you agree to have read, understood and adhere to the Lending Terms, and to have carefully studied and considered the associated risks set out in the Risk Notification.

Capitalized words and expressions not expressly defined in these Lending Terms (for full list see section 2 below) shall have the same meaning as attributed to them in the Amdax Terms. In case of any conflict between these Lending Terms and the Amdax Terms, the Lending Terms shall prevail.

Please note that Amdax Yield, Lending and the Lending Program are not regulated by MiCAR or any other European financial regulation. Certain protections that apply to Amdax other Services, may therefore not apply to Lending. Any conflicts of interest are handled in accordance with MiCAR requirements. For more information, please read our Conflicts of interest disclosure on our Website.

## 2 Definitions

In these Lending Terms, the following capitalized terms and expressions are defined as follows:

**“Amdax Yield, we, us or our”** means AMDAX Yield B.V., trading under the name of Amdax Yield, a company with limited liability, incorporated under the laws of the Netherlands, having its corporate seat in Amsterdam (Gustav Mahlerplein 49, 1082 MS), trade register number 88147452.

**“Amdax Terms”** means the terms and conditions governing the Services provided by Amdax, consisting of Part I and Part II, also referred to as Terms.

**“Flow”** means the portfolio held with Amdax containing Lending Program Crypto Assets suitable for the Lending Program.

**“Lending Partners”** means contracted third-party service providers for executing lending activities.

**“Lending”** means the lending services offered by Amdax Yield.

**“Lending Program”** means the lending program developed by Amdax.

**“Lending Program Crypto-assets”** means Crypto-assets eligible for the Lending Program held in Flow.

**“Liquidity Management Delay”** means the per-Lending Program Crypto-asset maximum timeframe within which Amdax Yield is required to redeliver Lending Program Crypto-assets following a redelivery request, as disclosed on our Website.

## 3 Key characteristics of Lending

Lending works as follows. By participating in the Lending Program, you make certain Crypto-assets held in Flow available to Amdax Yield for lending purposes. This allows Amdax Yield to

utilize these Crypto-assets, including for on-lending to selected Lending Partners, with the aim of generating revenues on those Crypto-assets.

In return for making your Crypto-assets available under the Lending Program, you benefit from rewards generated through the Lending Program, for example in the form of reduced service fees or other distributions, as further described in these Lending Terms.

As part of Lending, ownership of the lent Crypto-assets transfers to Amdax Yield. In exchange, you acquire a contractual right against Amdax Yield to receive back the same type and amount of Crypto-assets upon redelivery.

During the period in which your Crypto-assets are lent out, you cannot dispose of them yourself. You may request redelivery at any time, subject to applicable liquidity management arrangements, after which the Crypto-assets will be returned to your Vault portfolio.

Lending does not constitute a bank deposit, and no deposit guarantee scheme applies.

Participation in the Lending Program gives rise solely to a bilateral contractual relationship between you and Amdax Yield and does not create any ownership interest in, or exposure to, any pool of assets or any collective investment arrangement.

There are significant risks associated with Lending, including credit and insolvency risks, these are described in section 8 and in more detail in the Risk Notification on our Website. By participating, you acknowledge and accept the risks involved with Lending.

## **4 Lending Program**

### **4.1 Lending Mechanics**

Amdax offers access to the Lending Program via Flow. Under the Lending Program, you lend your Lending Program Crypto-assets to Amdax Yield. This means that you are the lender and Amdax Yield is the borrower of these Lending Program Crypto-assets.

For the operational execution of Lending, and in close cooperation with the Foundation, Amdax facilitates the transfer of Lending Program Crypto-assets within the Foundation's custody environment. The Crypto-assets are moved from the environment held by the Foundation for your benefit, to the environment held by the Foundation for the account of Amdax Yield. As a result of this transfer, the Foundation no longer holds the relevant Crypto-assets for your benefit, but for the account of Amdax Yield.

By participating in the Lending Program, you instruct and authorize Amdax and the Foundation to carry out these transfers and related administrative actions necessary to implement your loan and any subsequent redelivery.

During the period in which your Lending Program Crypto-assets are lent to Amdax Yield, you cannot dispose of them yourself. You may request redelivery at any time, subject to applicable liquidity management arrangements. Amdax facilitates the operational processing of redelivery requests but does not guarantee the timing or duration of the redelivery process.

### **4.2 Role and purpose of Amdax Yield**

Amdax Yield is a sister-company of Amdax. Its role is to borrow Lending Program Crypto-assets from Clients with a Flow portfolio under the Lending Program for the purpose of on-lending them. By on-lending the borrowed Lending Program Crypto-assets to selected Lending Partners, Amdax Yield seeks to generate revenues.

### 4.3 Client consent and use of Crypto Assets

When opting for Flow you need to accept these Lending Terms. You will enter into a loan agreement solely with Amdax Yield in respect of Lending Program Crypto-assets made available under the Lending Program.

By accepting these Lending Terms, you consent to lend Lending Program Crypto-assets to Amdax Yield, which will borrow and use these Crypto-assets for its own account and at its own risk, may on-lend them at its full discretion to carefully selected and vetted Lending Partners, and may receive revenues or interest from such activities.

Amdax's role is limited to facilitating the Lending Program operationally (including recordkeeping and the execution of transfers between the Foundation and Amdax Yield and vice versa) and, where applicable, the operational distribution of rewards to Clients. Amdax does not act as borrower, lender or principal and does not assume credit, counterparty or insolvency risk in respect of Amdax Yield or any Lending Partner.

### 4.4 Costs and rewards of Lending

Participation in Lending is entirely voluntary and does not involve any costs for Clients.

Clients do not pay any separate or additional fees for participating in Lending; any operational costs and agent fees are deducted from revenues generated through the Lending Program and may reduce rewards (if any).

## 5 Legal details of Lending and the Lending Program

### 5.1 Ownership transfer and claim for redelivery

As a result of the loan to Amdax Yield, ownership of the Lending Program Crypto-assets transfers from you to Amdax Yield. Custody, however, remains with the Foundation: following this transfer of ownership, the Foundation no longer holds the relevant Crypto-assets for your benefit, but for the account of Amdax Yield, which holds its own environment within the Foundation's custody infrastructure as a client of Amdax. In return for this transfer of ownership, you acquire a contractual claim against Amdax Yield in the form of a right of redelivery of the same type and amount of Crypto-assets as lent by you to Amdax Yield.

Participation in the Lending Program does not create any right, title or interest in a pool of loans, a portfolio of assets, or any collective arrangement.

Amdax records any mutation in your Lending Program Crypto-asset balance and corresponding value in your Flow portfolio when and to the extent that your Lending Program Crypto-assets are lent by you to and borrowed by Amdax Yield. This mutation leads to an increase of your claim against Amdax Yield simultaneously with an increase of the debt of Amdax Yield to you for redelivery of the same amount and type of Crypto-assets.

Upon redelivery, the Crypto-assets are moved back within the Foundation's custody environment to the environment held by the Foundation for your benefit. From that moment, the Foundation again holds the relevant Crypto-assets for your benefit and your claim against Amdax Yield is extinguished for the redelivered portion.

### 5.2 Role of Amdax as lending agent

Amdax acts solely as a lending agent and operational service provider in connection with the Lending Program. In this capacity, and in close cooperation with the Foundation, Amdax facilitates, on the basis of Client instructions and/or pursuant to its service arrangements with Amdax Yield, the operational execution of transfers of Lending Program Crypto-assets from the

Foundation to Amdax Yield and the return of such Lending Program Crypto-assets from Amdax Yield to the Foundation.

Amdax's activities are limited to the administrative, technical and operational facilitation of such transfers, including the processing of withdrawal and redelivery requests and, where applicable, the operational distribution of periodic rewards for the benefit of the Client.

Amdax does not act as borrower, lender or principal in respect of the Lending Program Crypto-assets, does not assume any credit, counterparty or insolvency risk relating to Amdax Yield or any Lending Partner, and is not involved in lending decisions or on-lending decisions, which are taken solely by and on behalf of Amdax Yield for its own account and at its own risk.

## **6 Borrowing by Amdax Yield and redelivery**

### **6.1 Borrower obligation**

Amdax Yield is the borrower of your Lending Program Crypto-assets. At all times, Amdax Yield will have the obligation to redeliver the same amount and same type of Crypto-assets that are lent out by you to Amdax Yield under the Lending Program from time to time.

### **6.2 Redelivery mechanics**

By lending your Lending Program Crypto-assets to Amdax Yield, you cannot dispose of these Crypto-assets until you have requested Amdax Yield to redeliver the lent Crypto-assets. Redelivery requests are submitted via Amdax for operational processing.

Upon receipt of a redelivery request, Amdax Yield remains solely responsible for the redelivery of the same type and amount of Crypto-assets as your Lending Program Crypto-assets to the Foundation for your benefit. Amdax facilitates, as an operational agent, the processing of the redelivery request and the execution of the relevant transfers between Amdax Yield and the Foundation.

Redelivery may be subject to a Liquidity Management Delay

## **7 On-lending**

Amdax Yield may, within its risk framework, utilize the Lending Program Crypto-assets for purposes of on-lending. It on-lends Lending Program Crypto-assets to vetted Lending Partners in consideration for revenue generated on the on-lent Lending Program Crypto-assets. Revenue generated through on-lending is used by Amdax Yield to (i) cover operational costs, (ii) fund any Client rewards (if applicable), and (iii) any remaining net profit may be distributed within the Amdax group, subject to Amdax Yield maintaining appropriate liquidity to meet redelivery obligations under the Lending Program.

Accordingly, Amdax Yield does not provide a separate on-lending service to you. You do not acquire any rights against Lending Partners and have no direct contractual relationship with Lending Partners.

Any default or non-performance by Lending Partners does not affect your claim for redelivery against Amdax Yield. Clients that use Lending do, however, have residual credit risk exposure to Amdax Yield and may lose part of their Lending Program Crypto-assets and/or rewards (if applicable) in the unlikely event Amdax Yield becomes insolvent.

## **8 Risks and mitigating measures**

There are significant risks to Lending. On-lending activities performed by Amdax Yield are not without risk. For instance, there is a risk that Amdax Yield will not be able to redeliver the Lending Program Crypto-assets to you within the applicable Liquidity Management Delay due to a Lending Partner or multiple Lending Partners defaulting on their repayment obligations under the on-lending activities. Ultimately, there is a risk that Amdax Yield defaults on its repayment obligations under the Lending Program and becomes insolvent.

Risk management mitigations include assessing and evaluating Lending Partners and continuous monitoring to detect early signs of default or insolvency.

Amdax may provide operational monitoring, reporting and reconciliation support to Amdax Yield under a services arrangement. Amdax Yield remains solely responsible for its risk management framework, lending decisions and compliance with its obligations under these Lending Terms.

Neither Amdax nor any other entity within the Amdax group provides any guarantee, support or backstop in respect of Amdax Yield's obligations under these Lending Terms.

We urge you to read the Risk Notification which is published on our Website. By accepting these Lending Terms, you are deemed to have read and understood the risks, and you accept the risks described in the Risk Notification.

## **9 Service restrictions**

Flow gives access to Lending only. No other Services are available from Flow.

You may have a Vault portfolio at the same time, from which you can have access to the other Services.

## **10 Liability, Force Majeure and limitation of liability**

Amdax Yield shall not be liable for a delay in the performance of its obligations under these Lending Terms to the extent such delay is caused by a Force Majeure Event, provided that Amdax Yield continues to use reasonable efforts to perform its obligations as soon as practicable.

In respect of Lending the following specific Force Majeure Events have been identified.

### **10.1 Regulatory intervention**

Unforeseen changes in regulations or regulatory intervention may prevent Amdax Yield or its Lending Partners from accessing or returning Crypto-assets. In such cases, Amdax Yield may be unable to perform or may be delayed in performance of its obligations under these Lending Terms. This clause applies only to situations where regulatory actions are beyond the reasonable control of the entities involved.

### **10.2 Security incidents and systemic events**

Crypto-assets and underlying Distributed Ledger Technology have inherent risks. Major cyber-attacks, hacks, or protocol exploits may affect the ability to transfer or access Crypto-assets. Amdax Yield cannot be held liable for losses that are beyond its reasonable control provided that Amdax Yield has taken reasonable, industry-standard security and operational measures and has contractually required Lending Partners to do the same.

### 10.3 Carve-outs

Nothing in these Lending Terms limits or excludes liability for willful misconduct, fraud, or gross negligence, nor for failure to maintain reasonable security and operational measures in line with industry standards.

## 11 Termination of Lending

### 11.1 Termination by the Client

Lending is provided without a notice period for termination. You may withdraw any Lending Program Crypto-assets at any time. Please note, redelivery may be subject to a Liquidity Management Delay.

You always have the possibility to transfer all your Lending Program Crypto-assets from Flow to Vault. If you want to terminate your loan agreement, please send us a request via [hello@amdax.com](mailto:hello@amdax.com) or contact us via the Chat. If there are any Lending Program Crypto-assets left in Flow we will transfer them to Vault before we can terminate your lending agreement with Amdax Yield and the provision of Lending.

### 11.2 Termination by us

Amdax may, in its sole discretion and without providing reasons, exclude Clients from participation in the Lending Program, suspend access to or use of Flow, and/or terminate the availability of Lending as a service.

Such exclusion, suspension or termination by Amdax relates solely to access to the Lending Program and its operational interface and does not in itself terminate or otherwise affect any existing loan agreement between you and Amdax Yield.

For the avoidance of doubt, termination or suspension of Lending by Amdax does not relieve Amdax Yield of its obligation to redeliver Lending Program Crypto-assets to you in accordance with these Lending Terms, nor does it affect the continuation of other Services offered by Amdax to Clients.