



poundtoken.io User Agreement

Last Updated 6th April 2022

This User Agreement (“Agreement”) is a contract between you and Blackfridge SC Limited (“**poundtoken.io**”, “**poundtoken**”, “we” or “us”) that applies to your use of the **poundtoken** Services (as defined in Section 15 of this Agreement) as a user (“User”, “you” or “your”).

poundtoken and **poundtoken.io** are business names of Blackfridge SC Limited. Blackfridge SC Limited is a company incorporated in the Isle of Man under company Number 134289C. Registered Address 55 Athol Street, Douglas IM1 1BL.

Blackfridge SC Limited is licensed and regulated by the Isle of Man Financial Services Authority to carry on Class 8 (2)(a) and (4) – Money Transmission Services as a part of the Authorities Regulatory Sandbox.

By registering an account with **poundtoken.io** for **poundtoken** Services (a “**poundtoken** Account”) or using any of the **poundtoken** Services, you agree that you have read, understood, and accept all of the terms and conditions contained in this Agreement as well as our Privacy Policy and Cookie Policy, and you acknowledge and agree that you will be bound by these agreements and policies. Section 31 of this Agreement governs how this Agreement may be changed over time. The indented *italicised* text throughout this Agreement is there to help you understand the Agreement but is not part of the Agreement. If after reading this Agreement in its entirety you are unsure of the terms of the Agreement or you have any questions, please contact us via email at hello@poundtoken.io.

1. About poundtoken

poundtoken is an “ERC-20” token issued by **poundtoken.io** that operates on the Ethereum blockchain. **poundtoken**’s ticker on digital exchanges is GBPT. **poundtoken** is fully backed 1:1 by funds held by **poundtoken.io** with

regulated banking partners in safeguarded segregated accounts, on behalf of, and for the benefit of, Users. This means for every **poundtoken** issued by **poundtoken.io** and remaining in circulation, **poundtoken.io** will hold on behalf of Users one fiat pound in its bank account(s) (the “Segregated Accounts”).

2. Scope of **poundtoken** and Key Terms

Your use of **poundtoken** and **poundtoken** Services is subject to this Agreement and **poundtoken.io**'s obligations under this Agreement are conditional on you complying with its provisions. You understand that any violation of this Agreement may result in potential consequences, including the possible loss or forfeiture of deposited fiat currency and/or GBP tokenized for **poundtoken**.

Upon successful deposit of fiat or **poundtoken**, subject to AML/CFT checks on deposits made by you, **poundtoken** is (within 5 working days) added to your **poundtoken.io** balance. If the deposit is made in fiat the amount will be converted by us to **poundtoken** and added to your available balance, less fees. Your account will show a record of your fiat deposit, conversion to **poundtoken**, fees incurred and available **poundtoken** balance. In the event further information is required prior to your **poundtoken.io** balance being updated we will contact you for further information.

You understand and agree that you may only tokenize GBP to **poundtoken** and redeem **poundtoken** for GBP through this process directly with **poundtoken.io** and may not do so independently with any of **poundtoken.io**'s banking partners.

Each **poundtoken** will have an established value of one (1) GBP pound (fiat) at the time of being tokenized and redeemed by you, subject to the terms set forth in this Agreement and fees where applicable. While in possession of your funds, **poundtoken.io** agrees to segregate customer funds, and will maintain those funds within segregated accounts. The funds within segregated accounts will be managed in accordance with the regulations and direction as issued by the Isle of Man Financial Services Authority. The purpose of the segregated accounts is to safeguard customer's funds and to ensure they remain separated from all other funds managed or used by **poundtoken.io**. You also agree that **poundtoken.io** is entitled to any income, interest or other benefit from the management, maintenance or use of funds held within the segregated accounts. You understand that sending **poundtoken** to another address automatically transfers and assigns to the owner of that address (a “Holder”), and any subsequent Holder, the right to redeem **poundtoken** for fiat so long as the Holder is eligible to, and does, register a **poundtoken** Account. The base currency for monies held in segregated accounts is Pound Sterling (GBP).

3. Applicable Laws and Regulations

Your use of the **poundtoken** Services is subject to the laws, regulations, and rules of any applicable governmental or regulatory authority, including, without limitation, all applicable tax, anti-bribery and corruption, anti-money laundering (“**AML**”) and countering the financing of terrorism (“**CFT**”) provisions.

You unequivocally agree and understand that by registering a **poundtoken** Account and using the **poundtoken** Services in any capacity, you will act in compliance with and be legally bound by this Agreement and all applicable laws and regulations (including, without limitation, those stated in this Section 3, where applicable). For the avoidance of doubt, continued use of your **poundtoken** Account and **poundtoken.io**'s obligations to you under this Agreement are conditional on your continued compliance at all times with this Agreement and all applicable laws and regulations.

poundtoken.io must comply with applicable legal requirements regarding information accompanying transfers of funds, more commonly known as the “Travel Rule”. Where required, during stablecoin transfers, we will send and receive information to or from digital wallet hosts. That information may contain your name, unique identification number, address, identification number or date and place of birth as well as the receivers name and wallet address.

4. Eligibility; Limitations

The **poundtoken** Services are currently only available to individuals and institutions located in supported jurisdictions. Contact us at hello@poundtoken.io to enquire if your jurisdiction is supported.

If you are registering to use the **poundtoken** Services as an individual, you must be at least 18 years of age and must not have been previously suspended or removed from the **poundtoken** Services or any other service or product offered by **poundtoken.io**, Blackfridge SC Limited or its affiliate entities, including but not limited to Blackfridge Holdings Limited, Blackfridge AC Limited, Blackfridge EX Limited, to enter into this Agreement.

If you are registering to use the **poundtoken** Services on behalf of a legal entity, you represent and warrant that (i) such legal entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization; (ii) you are duly authorized by such legal entity to act on its behalf, and (iii) such organization (and any affiliate entity) must not have been previously suspended or removed from the **poundtoken** Services or any other service or product offered by **poundtoken.io**, Blackfridge SC Limited or its affiliate entities, including but not

limited to Blackfridge Holdings Limited, Blackfridge AC Limited, Blackfridge EX Limited, to enter into this Agreement.

Use of certain **poundtoken** Services may have further eligibility requirements that will need to be verified prior to you using such **poundtoken** Services or from time to time in order to continue your use of the **poundtoken** Services.

By accessing or using the **poundtoken** Services, you further represent and warrant that:

a) you are not a Restricted Person nor are you resident of a Restricted Territory (each as defined in Section 39 below).

b) you will not be using the **poundtoken** Services for any illegal activity, including, but not limited to, illegal gambling, money laundering, fraud, blackmail, extortion, ransoming data, terrorism financing, criminal activity, other violent activities, or any prohibited market practices, including, but not limited to, those listed under Sections 23 and 24.

You also understand that there are additional representations and warranties made by you in Section 5 (Accuracy of Information) and Section 39 (Compliance with Export Restrictions) and that any misrepresentation by you is a violation of this User Agreement.

If **poundtoken.io** determines or suspects that you have violated this User Agreement, including, but not limited to, transacting with Blocked Addresses (as defined in Section 14), or engaging in Restricted Activities or Prohibited Transactions then **poundtoken.io** may be forced to terminate your **poundtoken** Account and you may forfeit any funds otherwise eligible for redemption.

Notwithstanding the foregoing, **poundtoken.io** may determine not to make the **poundtoken** Services, in whole or in part, available in every market, either in its sole discretion or due to legal or regulatory requirements, depending on the User's location. We may without liability to you or any third-party refuse to let you register for a **poundtoken** Account.

5. Registration Process; Identity Verification

When registering your **poundtoken** Account, you must provide current, complete, and accurate information for all required elements on the registration page, including your full legal name. You also agree to provide us, when registering a **poundtoken** Account and on an ongoing basis, any additional information we request for the purposes of identity verification and the detection of money

laundering, terrorist financing, fraud, or any other financial crime, including, but not limited to, a copy of your government issued photo ID or evidence of residency such as a certified lease or utility bill. You permit us to keep a record of such information and authorize us to make the inquiries, whether directly or through third parties, that we consider necessary to verify your identity or protect you and/or us against fraud or other financial crime, and to take action we reasonably deem necessary based on the results of such inquiries. When we carry out these inquiries, you understand, acknowledge, and agree that your personal information may be disclosed to credit reference and fraud prevention or financial crime agencies and that these agencies may respond to our inquiries in full.

In certain circumstances, we may require you to submit additional information about yourself or your business, provide records, and complete other verification steps (such process may be referred to as "**Enhanced Due Diligence**").

You represent and warrant that all information provided to us pursuant to this Agreement is true, accurate and not misleading in any respect. If any such information changes, it is your obligation to update such information as soon as possible.

From time to time we may be required to request further information regarding your transactions in order to comply with applicable laws and regulation. Failure to provide such information in a timely fashion may result in the suspension of your ability to use the **poundtoken** Services (until you provide such information) or the closure of your **poundtoken** Account.

We reserve the right to maintain your account registration information after you terminate your **poundtoken** Account for business and regulatory compliance purposes, subject to applicable laws and regulation. For example, we are subject to various AML and CFT regulations which, in a number of jurisdictions, require us to retain certain personal data for a minimum period following the closure of your **poundtoken** Account.

6. AML and CFT Compliance

Our AML and CFT procedures are guided by all applicable laws and regulations regarding AML and CFT. These standards are designed to prevent criminals using our products and services for money laundering or terrorist financing. We take compliance very seriously and it is our policy to take all necessary steps to prohibit criminal and fraudulent transactions, report suspicious activities or transactions, and actively engage in the prevention of money laundering and any related acts that facilitate money laundering, terrorist financing or any other

financial crimes. Your details, documents held by us in relation to you, and the details of transactions on our ecosystem may be shared with law enforcement agencies, other agencies or third-party screening and verification providers (like Refinitiv World-Check and QuallID) in line with relevant laws and regulations. Your details, documents held by us in relation to you, and the details of transactions on our ecosystem may also be shared with our banking partners to ensure that they comply with their AML/CFT legal requirements.

As a part of our ongoing commitment to compliance with law and regulations we may contact you at any time to request information, ensure the information we hold about you remains accurate or request clarification on information or documents that we hold about you.

We will use third parties to conduct checks on our customers as well as the wallets which hold **poundtoken**. These checks will assist us in meeting our regulatory requirements and reducing the risk of **poundtoken** being used for criminal purposes. We may freeze any **poundtoken** which is believed to be used for crime.

7. Platform transactions

Platform transactions include fiat deposits, fiat withdrawals, **poundtoken** issuance and redemptions. **poundtoken.io** holds the equivalent value of one Pound (GBP £1) in Segregated Accounts for each **poundtoken** that remains in circulation. Your ability to carry out platform transactions is conditional on you completing the customer onboarding process and holding the correct *claim on funds* (see section 14). Under normal market conditions platform transactions can take up to 5 working days. Under abnormal market conditions platform transactions may take up to 30 days. Fiat deposits can only be credited from or withdrawn to a bank account which has been verified to be in the name of the customer.

8. poundtoken Support Only; Forks & Advanced Protocols Not Supported

Your **poundtoken** Account only supports sending and receiving **poundtoken**. If you attempt to send any other virtual currency, token, digital currency, or similar digital assets other than **poundtoken** (“Other Digital Assets”) to your **poundtoken** Account, such Other Digital Assets will be lost forever. If you attempt to send **poundtoken** from your **poundtoken** Account to a wallet or address that does not support **poundtoken** your **poundtoken** will be lost forever. **poundtoken.io** bears no responsibility for any losses you might incur as a result of you sending Other Digital Assets to your **poundtoken** Account or you sending **poundtoken** from your **poundtoken** Account to a wallet or address that does not support **poundtoken**.

poundtoken.io supports only **poundtoken** which has been issued by us and is under no obligation to support any other stablecoin similar to **poundtoken** and assumes no responsibility for any value that might be lost as a result of this lack of support.

Note that in the event of a fork **poundtoken.io** may have to suspend all activities relating to **poundtoken** (including tokenizing pounds for **poundtoken**, or redeeming **poundtoken** for pounds, sending and receiving **poundtoken**) until normal service can resume.

9. Ethereum Network and Smart Contract Modifications

poundtoken operates on the Ethereum blockchain. **poundtoken.io** does not have any ability or obligation to prevent or mitigate attacks or resolve any other issues that might arise with the Ethereum blockchain. Any such attacks or delays on the Ethereum blockchain might materially delay or prevent you from sending or receiving **poundtoken**, and **poundtoken.io** shall bear no responsibility for any losses that result from such issues.

Note that in certain circumstances, including, but not limited to, a fork of the Ethereum blockchain or the identification of a security issue with the Ethereum blockchain, **poundtoken.io** may be forced to suspend all activities relating to **poundtoken** (including tokenizing pounds for **poundtoken**, or redeeming **poundtoken** for pounds, sending and receiving **poundtoken**) for an extended period of time until such Downtime is over and **poundtoken** Services can be restored. This Downtime will likely occur immediately upon a fork of the Ethereum blockchain, potentially with little to no warning, and during this period of Downtime you will not be able to tokenize Pounds for **poundtoken**, nor redeem, send, or receive **poundtoken**.

poundtoken.io reserves the right to migrate **poundtoken** to another blockchain or protocol in the future should **poundtoken.io** determine, in its reasonable discretion, that doing so is necessary or desirable. Upon **poundtoken.io**'s request, you agree to take any and all actions reasonably necessary to effectuate the migration of your **poundtoken** to another blockchain or protocol identified by **poundtoken.io**. If you fail to effectuate such migration, the **poundtoken** may not be compatible with your **poundtoken** Account going forward. Notwithstanding any other provision of this Agreement, **poundtoken.io** will not be responsible or liable for any damages, losses, costs, fines, penalties, or expenses of whatever nature, whether or not reasonably foreseeable by the parties, which you may suffer, sustain, or incur, arising out of or relating to your failure to effectuate such migration of your **poundtoken** to another blockchain or protocol identified by **poundtoken.io**.

10. Privacy Policy

We are committed to protecting your personal information and helping you understand exactly how your personal information is being used.

We will store files and other papers/information relating to you either physically or electronically for a minimum period of six years after our business relationship has ended following which we may destroy them without further notice to you. Data may be held for a longer period subject to legal requirements. All electronic data is stored on an encrypted cloud environment and is backed-up on the Isle of Man; by instructing us you hereby accept that **poundtoken.io** shall not be held liable for any cyber-crime or related interventions that risk the security of the cloud-held data. In accordance with the Data Protection Act 2018, our Privacy Policy can be found on our website, or a copy can be requested by contacting us at hello@poundtoken.io.

You should carefully read our Privacy Policy, as it provides details on how your personal information is collected, stored, protected, and used.

11. Communications

By entering into this Agreement, you agree to receive electronic communications and notifications from us. We do not issue paper documents unless agreed in exceptional circumstances.

Printing and mailing correspondence, disclosures, and account statements takes time, money, and resources so we like to handle these matters electronically.

All communications between you and us will be in English. Where we have provided you with a translation of the English language version of any document or agreement, you agree that such translation is provided for your convenience only and that the English language version of the document or Agreement governs your use of the **poundtoken** Services.

12. Security of User Information

You are responsible for maintaining the confidentiality and security of all account names, user IDs, passwords, personal identification numbers (PINs) and mobile unlock codes that you use to access the **poundtoken** Services. You are responsible for keeping your email address up to date in your **poundtoken** Account profile and for maintaining the confidentiality of your user information. You agree to (i) notify **poundtoken.io** immediately if you become aware of any

unauthorized use of your **poundtoken** Account, the **poundtoken** Services, or any other breach of security regarding the **poundtoken** Services. We strongly advise you to enable all relevant security features such as two-factor authentication, as available: this offers you greater protection from possible attackers attempting to log in to your Account rather than password alone and in situations where your email and/or password is compromised by a third-party data breach. **poundtoken.io** will not be liable for any loss or damage arising from your failure to protect your account information.

We shall not bear any liability for any damage or interruptions caused by any computer viruses, spyware, or other malware that may affect your computer or other equipment, or any phishing, spoofing, or other attack. We advise the regular use of a reliable virus and malware screening and prevention software. If you question the authenticity of a communication purporting to be from **poundtoken.io**, you should login to your **poundtoken** Account through the **poundtoken** Services website or mobile applications, not by clicking links contained in emails.

*We go to great lengths to protect your account, but we need you to do the same. It is important that you always protect not only your **poundtoken.io** password but also the email account associated with your account and any device used to access your account.*

13. Account Suspension & Closure

We may without liability to you or any third party suspend your **poundtoken** Account, consolidate your **poundtoken** Accounts if you have more than one, or terminate your **poundtoken** Account or suspend your use of one or more of the **poundtoken** Services in accordance with the terms of this Agreement, as determined in our sole and absolute discretion. Such actions may be taken as a result of account inactivity, failure to adequately respond to customer support requests, failure to positively identify you, a court order, your violation of the terms of this Agreement (including, but not limited to, Sections 23 and 24) or for any other reason. This may result in a GBP 2,500 administration fee as well as other reasonable fees incurred to transfer any fiat to your verified bank account. Fees to transfer the **poundtoken** into GBP fiat will be incurred at the standard rate in accordance with the Fee Schedule.

poundtoken.io may also temporarily suspend access to your **poundtoken** Account in the event that a technical problem causes system outage or **poundtoken** Account errors until the problem is resolved.

You may terminate this Agreement at any time by closing your **poundtoken** Account in accordance with this Agreement. In order to do so, you should contact hello@poundtoken.io who will assist you in closing your **poundtoken** Account. You may not terminate your **poundtoken** Account if **poundtoken.io** believes, in its sole discretion, that such closure is being performed in an effort to evade a court order or legal or regulatory investigation or to avoid paying any amounts otherwise due to **poundtoken.io**.

We encourage you to transfer any **poundtoken** out of your **poundtoken** Account or redeem your **poundtoken** for Pounds prior to issuing a request to terminate your **poundtoken** Account. We will be unable to terminate your **poundtoken** Account at your request unless you have zero **poundtoken** in your **poundtoken** Account. We reserve the right to restrict or refuse to permit redemptions or transfers from your **poundtoken** Account if (i) your **poundtoken** Account has otherwise been suspended or unilaterally terminated by **poundtoken.io** in accordance with this Agreement or (ii) to do so would be prohibited by law or a court order or we have determined that the **poundtoken** were obtained fraudulently.

Upon closure or suspension of your **poundtoken** Account, you authorize **poundtoken.io** to cancel or suspend pending transactions and forfeit all proprietary rights and claims against **poundtoken.io** in relation to any funds otherwise eligible for redemption.

In the event that you or **poundtoken.io** terminates this Agreement or your access to the **poundtoken** Services, or cancels your **poundtoken** Account, you remain liable for all activity conducted on or with your **poundtoken** Account while it was active and for all amounts due hereunder.

If you are seeking to terminate a **poundtoken** Account on behalf of a deceased User, please contact hello@poundtoken.io.

14. Risk Factors & Disclosures

The following list of risks associated with **poundtoken** and the **poundtoken** Services is not exhaustive.

No guarantee of price stability

Subject to the limitations set forth in this User Agreement, (i) when **poundtoken.io** tokenizes pounds for **poundtoken** it will always do so at a rate of one pound (£1) per one (1) **poundtoken** and (ii) when **poundtoken.io** redeems **poundtoken** for

Pounds, it will always redeem such **poundtoken** at a rate of one pound (£1) per one (1) **poundtoken**, less fees where applicable.

For each **poundtoken** that is issued by **poundtoken.io** and remains in circulation, **poundtoken.io** will maintain the equivalent of one pound (£1) with its banking partners in Segregated Accounts, on behalf of, and for the benefit of, Users. **poundtoken.io** believes these actions will promote the price stability of **poundtoken** with an intended goal of one (1) **poundtoken** being worth one pound (£1). However, this does not guarantee that the value of one (1) **poundtoken** will always equal one pound (£1). Due to a variety of factors outside of **poundtoken.io**'s control, the value of **poundtoken**, particularly on third-party platforms such as cryptocurrency exchange platforms, can fluctuate above or below one pound (£1). **poundtoken.io** cannot control how third parties value **poundtoken**, and **poundtoken.io** is not responsible for any losses or other issues that may result from fluctuations in the value of **poundtoken**.

Third-party platforms

poundtoken is based on open-source software and runs on the Ethereum blockchain. This means that third parties can elect to support **poundtoken** on their platforms without any authorization or approval by **poundtoken.io** or anyone else. As a result, **poundtoken** support on any third-party platform does not imply any endorsement by **poundtoken.io** that such third-party services are valid, legal, stable, or otherwise appropriate. **poundtoken.io** is not responsible for any losses or other issues you might encounter using **poundtoken** on non-**poundtoken.io** platforms.

Users accept all consequences of sending **poundtoken** off of **poundtoken.io**'s platform. **poundtoken** transactions are not reversible. Once you send **poundtoken** to an address, you accept the risk that you may lose access to, and any claim on, that **poundtoken** indefinitely or permanently. For example, (i) an address may have been entered incorrectly and the true owner of the address may never be discovered, (ii) you may not have (or subsequently lose) the private key associated with such address, (iii) an address may belong to an entity that will not return the **poundtoken**, (iv) an address belongs to an entity that may return the **poundtoken** but first requires action on your part, such as verification of your identity. For the avoidance of doubt, nothing in this Agreement is intended to obligate **poundtoken.io** to track, verify or determine the provenance of **poundtoken** balances for Users, including any form of security interests claimed thereon.

Blocked Addresses & Forfeited Funds

poundtoken.io reserves the right to “block” certain **poundtoken** addresses and, if such addresses are **poundtoken.io** custodied addresses, freeze associated **poundtoken** (temporarily or permanently) that it determines, in its sole discretion, are associated with illegal activity or activity that otherwise violates the terms of this User Agreement (“**Blocked Addresses**”). In the event that you send **poundtoken** to a Blocked Address, or receive **poundtoken** from a Blocked Address, **poundtoken.io** may freeze such **poundtoken** and take steps to terminate your **poundtoken** Account. In certain circumstances, **poundtoken.io** may deem it necessary to report such suspected illegal activity to applicable law enforcement agencies and you may forfeit any rights associated with your **poundtoken**, including the ability to redeem **poundtokens**. **poundtoken.io** may also be forced to freeze **poundtoken** and/or surrender associated pounds held in Segregated Accounts in the event it receives a legal order from a valid Authority requiring it to do so.

poundtoken is issued and redeemed in accordance with **poundtoken.io** policies including the **poundtoken.io** Blacklisting Policy. **poundtoken.io** reserves the right to block the transfer of **poundtoken** to and from an address in circumstances set forth in the **poundtoken.io** Blacklisting Policy.

Software protocols and operational challenges

You are aware of and accept the risk of operational challenges. **poundtoken.io** may experience sophisticated cyber-attacks, unexpected surges in activity or other operational or technical difficulties that may cause interruptions to the **poundtoken** Services. You understand that the **poundtoken** Services may experience operational issues that lead to delays, including delays in redeeming **poundtoken**. You agree to accept the risk of transaction failure resulting from unanticipated or heightened technical difficulties, including those resulting from sophisticated attacks. You agree not to hold **poundtoken.io** accountable for any related losses.

Compliance

You are responsible for complying with applicable law. You agree that **poundtoken.io** is not responsible for determining whether or which laws may apply to your transactions, including tax laws. You are solely responsible for reporting and paying any taxes arising from your use of the **poundtoken** Services, including any accurate reporting of the tax or legal status of **poundtoken** in your jurisdiction. You agree that you have and will pay all applicable taxes as required by law for the funds and **poundtoken** used by you in connection with **poundtoken.io**.

Legislative and regulatory changes

Legislative and regulatory changes or actions in the Isle of Man or international level may adversely affect the tokenization of pounds into **poundtoken**, and the use, transfer, redemption and/or value of **poundtoken**.

No deposit insurance

Funds received by **poundtoken.io** do not constitute deposits as defined in the Regulated Activities Order 2011 and are not covered by the Isle of Man Depositors' Compensation Scheme.

GBP fiat or **poundtoken** held in your **poundtoken.io** account is not subject to any deposit compensation scheme.

Claim on funds

poundtoken.io holds the equivalent value of one pound (£1) in Segregated Accounts, on behalf of, and for the benefit of, Users for each **poundtoken** that is issued by **poundtoken.io** and remains in circulation. Your ability to redeem **poundtoken** for pounds is conditional on (i) your possession of a corresponding amount of **poundtoken** associated with a registered **poundtoken** Account, (ii) no violation of this User Agreement, (iii) no action, pending or otherwise, by a regulator, law enforcement or a court of competent jurisdiction that would restrict redemption, and (iv) successful approval of our business relationship with you including the customer on-boarding process.

Sending **poundtoken** to another address automatically transfers and assigns to that Holder, and any subsequent Holder, the right to redeem **poundtoken** for fiat so long as the Holder is eligible to, and does, register a **poundtoken** Account.

*Legal treatment of **poundtoken** transfers*

The regulatory status of **poundtoken** and blockchain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to **poundtoken**, blockchain technology and its applications. Accordingly, it is not possible to determine whether a **poundtoken** transfer would be recognized under applicable law by a court or regulator at a local, or international level.

Encumbrances

Depending on the actions of the holders of digital wallet addresses before your receipt of **poundtoken** from another digital wallet address, it is possible that the transfer of **poundtoken** between wallet addresses could result in the **poundtoken** in your **poundtoken** Account becoming subject to a lien or other form of security interest before redemption.

On-chain transactions irreversible

When **poundtoken** is sent to a third-party wallet address, such transaction is completed on the Ethereum blockchain. This means that such transaction is irreversible and **poundtoken.io** does not have the ability to reverse or recall any transaction once initiated. You bear all responsibility for any losses that might be incurred as a result of sending **poundtoken** to an incorrect or unintended **poundtoken** address.

15. Services; Third Parties

poundtoken.io provides you with a secure and convenient way to establish a **poundtoken** Account for purposes of (i) tokenizing Pounds for **poundtoken** from **poundtoken.io**, (ii) redeeming **poundtoken** for Pounds from **poundtoken.io**, (iii) sending and receiving **poundtoken** to and/or from **poundtoken** Accounts (collectively, the “**poundtoken Services**”); subject to this Agreement and provided that any of these Services can be discontinued at any time in accordance with Section 20. For purposes of the foregoing, sending, or receiving **poundtoken** via a non-**poundtoken** Account, are specifically excluded from the definition of **poundtoken** Services.

poundtoken.io does not have control of, or liability for, any products or services that are purchased or sold by third parties using the **poundtoken** Services. **poundtoken.io** is not liable for any losses or issues that may arise from such third-party transactions, including, but not limited to, legality (including any consequences for illegal transactions that might be triggered under this Agreement), quality, delivery, or satisfaction with any products purchased by means of a **poundtoken** transfer. If you are not satisfied with any goods or services purchased from, or sold to, a third party using the **poundtoken** Services, you must handle those issues directly with the third-party seller or buyer, as applicable.

*If you use your **poundtoken.io** Account to send money to someone in exchange for a product or service, and you have a problem with that product or service, you will need to resolve that dispute directly with the third party.*

16. Mobile Services

To the extent you access the **poundtoken** Services through a mobile device, your wireless service carrier's standard charges, data rates, and other fees may apply. By using mobile **poundtoken** Services, you agree that we may communicate with you by SMS, MMS, text message, push notification, and/or other electronic means via your mobile device and that certain information about your usage of the **poundtoken** Services may be communicated to us. In the event that you change or deactivate your mobile telephone number, you agree to promptly update your account information to ensure that your messages are not sent to any person who might acquire your old number.

In order to maintain the security of your account, two-factor authentication is highly recommended. That means that you need to have a valid phone that can receive SMS text messages and update your account information if your phone number changes.

17. Fees; Authorization

We charge fees as advised within the Fee Schedule or as otherwise agreed between you and us prior to completing a transaction. These fees are deducted as described on the Fee Schedule. You should always check the Fee Schedule before completing a transaction in your **poundtoken** Account to make sure you understand exactly what fees might be incurred. You also agree to pay any other fees that may be charged in connection with sending funds to **poundtoken.io** or receiving funds from **poundtoken.io**.

Fees may be increased from time to time. Such increases will be updated on our Fee Schedule and provided to customers with balances within the Blackfridge ecosystem at least 30 days in advance of the proposed increase date. An exception to this is the gas fee incurred when withdrawing **poundtoken** to an external digital wallet. Due to the fluctuating nature of gas fees, these will be updated without notice, but will be updated on our Fee Schedule prior to any change. You will be advised of all fees to be incurred for a transaction before you proceed with that transaction.

Customers with balances over **poundtoken** 1,000.00 remaining following 21 days since deposit (of **poundtoken** or fiat) within the Blackfridge ecosystem, will be contacted by Blackfridge to request instruction on how you wish to deal with your remaining balance. Without satisfactory instructions within 3 days we will return these balances to your bank account or wallet less charges as described in our Fee Schedule.

Blackfridge will not receive remuneration from third parties in connection with transactions effected by Blackfridge with or for customers, however, Blackfridge may receive remuneration from third parties where you are referred by Blackfridge to them to provide other services to you.

Dormant accounts, namely accounts without any transactional activity within the Blackfridge ecosystem within any rolling 12-month period, may be charged a dormancy fee in accordance with the Fee Schedule. Customers whose accounts become dormant accounts will be contacted by Blackfridge and advised of the status of their account and what charges will be incurred at least 30 days prior to the first dormancy fee being deducted from their account.

18. poundtoken/GBP Conversion

All tokenizations of Pounds will be credited in **poundtoken** to your **poundtoken** Account based on a rate of one (1) **poundtoken** per one pound (£1) less fees. All deposits of funds to **poundtoken.io** in order to complete a tokenization of pounds into **poundtoken** should be denominated in GBP pounds. If you transmit funds in a currency other than GBP pounds, **poundtoken.io**'s banking partners will convert such funds to pounds at such bank's then applicable conversion rate and may charge additional fees for completing such currency conversion. Your **poundtoken.io** Account will then be credited with an amount of **poundtokens** less fees equal to the number of pounds that results following such currency conversion and deduction of any fees charged for such currency conversion. **poundtoken.io** is not responsible for any processing delays that may result in connection with completing such currency conversion. Additionally, **poundtoken.io**'s banking partners may not support all non-pound currencies and may be forced to reject or return a wire received in a non-supported currency. Note that your Fiat Currency Account and **poundtoken** Account only support amounts out to two decimal places, so all amounts will be rounded down to two decimal places.

19. Transaction Limits

poundtoken.io reserves the right to change the tokenization, redemption, conversion, storage, and velocity limits on your **poundtoken** Account as we deem necessary. We may establish individual or aggregate transaction limits on the size or number of tokenizations or redemptions you make during any specified time period. Any attempt to exceed limits applied will be suspended and investigated by us. We may alter limits on accounts upon satisfactory verification of source of wealth and source of funds information.

20. Right to Change/Remove Features or Suspend/Delay Transactions

We reserve the right to change, suspend, or discontinue any aspect of the **poundtoken** Services at any time, including hours of operation or availability of any feature, without notice and without liability. This will not change your rights and ability to redeem **poundtoken**.

Where we have concerns surrounding your transactions, we may decline to process any tokenization or redemption without prior notice and may limit or suspend your use of one or more **poundtoken** Services at any time, in our sole discretion.

Suspension of your use of any of the **poundtoken** Services will not affect your rights and obligations pursuant to this Agreement. We may, in our sole discretion, delay tokenizations or redemptions if we believe the transaction is suspicious, may involve fraud or misconduct, violates applicable laws, or violates the terms of this Agreement.

21. Transactions Irreversible

Once a transaction has been initiated, it cannot be reversed. Except as set forth in this Agreement, all transactions processed through the **poundtoken** Services are non-refundable. You may have additional refund or chargeback rights under your agreement with the recipient of such funds, your bank, or applicable law. You should periodically review statements from your bank, which should reflect all applicable transactions made using that payment method. You can also access the record of your transactions by logging into your **poundtoken.io** Account.

22. Insufficient Funds

If a payment made to tokenize pounds for **poundtoken** is reversed by your bank or **poundtoken.io**'s banking partners after a tokenization of Pounds for **poundtoken** is completed, then **poundtoken.io** reserves the right to (i) retroactively cancel such tokenization of pounds for **poundtoken** and deduct such **poundtoken** from your **poundtoken** Account, (ii) deduct such amounts from future tokenizations to your **poundtoken** Account or otherwise received into your **poundtoken** Account, (iii) suspend your **poundtoken** Account and access to the **poundtoken** Services until resolved, (iv) if you maintain more than one **poundtoken** Account, set off the negative amount of **poundtoken** in one **poundtoken** Account by applying the amount of **poundtoken** you hold in your other **poundtoken** Account(s) against the negative amount, and (v) pursue legal action or any other means of recovery legally available. To secure your performance of this Agreement, you grant to **poundtoken.io** the right to (a) block transfers of **poundtoken** from your account, including any non-**poundtoken**

account, (b) set off any fees or other amounts owed by you against funds **poundtoken.io** holds on your behalf.

In the event that **poundtoken.io** is forced to engage a third party to assist with the recovery of any funds owed by you to **poundtoken.io**, you will be charged any fees or expenses that are incurred by **poundtoken.io** in connection with such recovery efforts, including, but not limited to, collection fees, legal fees or convenience fees charged by third parties. You hereby explicitly agree that all communication in relation to funds owed by you to **poundtoken.io** or a delinquent account will be made by electronic mail or phone. Such communication may be made by **poundtoken.io** or by any third party acting on its behalf, including but not limited to a third-party collection agent. Note that if **poundtoken.io** is forced to engage such third parties in connection with recovering amounts that you owe **poundtoken.io**, your credit may be negatively impacted.

23. Restricted Activities

In connection with your use of the **poundtoken** Services, you hereby agree that you will not:

- a) violate (or assist any other party in violating) any applicable law, statute, ordinance, or regulation;
- b) intentionally try to defraud (or assist in the defrauding of) **poundtoken.io** or other **poundtoken.io** users;
- c) provide false, inaccurate, or misleading information;
- d) take any action that interferes with, intercepts, or expropriates any system, data, or information;
- e) partake in any transaction involving the proceeds of illegal activity;
- f) transmit or upload any virus, worm, or other malicious software or program;
- g) attempt to gain unauthorized access to other **poundtoken** Accounts, the **poundtoken.io** website, or any related networks or systems;
- h) use the **poundtoken** Services on behalf of any third party or otherwise act as an intermediary between **poundtoken.io** and any third parties;
- i) collect any user information from other **poundtoken.io** users, including, without limitation, email addresses;

j) defame, harass, or violate the privacy or intellectual property rights of **poundtoken.io** or any other **poundtoken.io** users; or

k) upload, display or transmit any messages, photos, videos, or other media that contain illegal goods, violent, obscene, or copyrighted images or materials

(such activities, "**Restricted Activities**").

24. Prohibited Transactions

Using the **poundtoken** Services for transfers related to the following is prohibited, and **poundtoken.io** reserves the right to monitor for transactions that relate to:

a) any Restricted Persons or persons or entities located in Restricted Territories (as each term is defined in Section 39);

b) weapons of any kind, including but not limited to firearms, ammunition, knives, explosives, or related accessories;

c) controlled substances, including but not limited to narcotics, prescription drugs, steroids, or related paraphernalia or accessories, unless licensed and authorized by the jurisdiction in which the customer is based as well as by the jurisdiction in which the transaction takes place;

d) bribery, corruption, money-laundering, or terrorist financing;

e) any sort of Ponzi scheme, pyramid scheme, or multi-level marketing program;

f) goods or services that infringe or violate any copyright, trademark, or proprietary rights under the laws of any jurisdiction;

g) credit repair services, or other services that may present consumer protection risks;

h) court ordered payments, structured settlements, tax payments, or tax settlements;

i) any unlicensed money transmitter activity;

j) layaway systems, or annuities;

k) counterfeit goods, including but not limited to fake or "novelty" IDs;

l) wash trading, front-running, insider trading, market manipulation or other forms of market-based fraud or deceit;

m) purchasing goods of any type from “Darknet” markets, or any other service or website that acts as a marketplace for illegal goods (even though such marketplace might also sell legal goods); or

n) any other matters, goods, or services that from time to time we communicate to you that are unacceptable and which, for example, may be restricted by our and your bank or payment partners

(such transactions, “**Prohibited Transactions**”).

In the event that **poundtoken.io** learns you are making any such Prohibited Transactions, **poundtoken.io** will consider it to be a violation of this Agreement and may suspend or terminate your **poundtoken** Account, which can result in the potential forfeit of any funds otherwise eligible for redemption.

25. Unauthorized Transactions

If an Error (as defined below) occurs through your **poundtoken** Account, and you follow the procedures set forth in this Section 25, **poundtoken.io** will reimburse the amount of any Error.

What Constitutes an Error?

For purposes of this Section 25, an “Error” means one of the following: (i) if you transfer fiat currency from your bank account, **poundtoken.io** receives the funds, but the corresponding **poundtoken** do not show up in your **poundtoken.io** Account, (ii) if you complete a withdrawal from your **poundtoken.io** Account and the funds are not properly delivered by **poundtoken.io** to your bank account, (iii) you transfer **poundtoken** from your **poundtoken** Account to an external address and we debit your **poundtoken** Account for a **poundtoken** amount in excess of the sent amount, (iv) if you receive **poundtoken** to your **poundtoken** Account and we do not add the proper amount to your **poundtoken** Account, (v) if the transaction records in your **poundtoken** Account do not accurately reflect your transactions, (vi) if the transaction records in your **poundtoken** Account do not accurately reflect your transactions, or (vii) there is some other material mathematical or computational error by **poundtoken.io** in calculating tokenization, redemption, deposit or withdrawal amounts.

If an Unauthorized Transaction (as defined below) occurs through your **poundtoken** Account, and you follow the procedures set forth in this Section 25,

poundtoken.io will endeavour to recover the amount of any Unauthorized Transaction.

What Constitutes an Unauthorized Transaction?

For purposes of this Section 25, "Unauthorized Transaction" means a transaction that was initiated from your **poundtoken** Account without your authorization and that does not benefit you.

Notifying **poundtoken.io** of an Unauthorized Transaction or Error

You should notify us immediately if you believe that (i) an Unauthorized Transaction or Error has occurred, (ii) your password and/or two-factor authentication access has been compromised, (iii) a device on which you have downloaded the **poundtoken.io** app or which contains an active **poundtoken.io** session has been stolen or lost, or (iv) you believe there is an Error in your transaction records or account history, or you have a question regarding your transaction records or account history.

In order for Errors to be covered by **poundtoken.io**, you must notify us within five (5) days of such Error showing up in your transaction history and/or account statement. If you do not notify us within five (5) days, then you will not be covered by the protections of this Section 25.

In order for Unauthorized Transactions to be investigated by **poundtoken.io**, you must notify us within five (5) days of such Unauthorized Transaction showing up in your transaction history and/or account statement. If you do not notify us within five (5) days, then **poundtoken.io** may not be able to investigate the Unauthorized Transactions.

Notification Process

The fastest and most efficient way to notify us of an Unauthorized Transaction or Error is to contact Support via email at hello@poundtoken.io. You can also notify us by sending an old-fashioned letter to Blackfridge SC Limited, 55 Athol Street, Douglas, Isle of Man IM1 1BL.

However, you choose to notify us, you must include: (i) the name and email associated with your **poundtoken** Account, (ii) a detailed description of what Unauthorized Transaction or Error you believe occurred, or what information you need in order to determine if an Unauthorized Transaction or Error occurred, and (iii) the amount in Pounds or **poundtoken** of such Unauthorized Transaction or Error.

Note that in connection with investigating and/or resolving any Unauthorized Transaction or Error, we may need to request further information from you regarding the circumstances of the Unauthorized Transaction or Error. If you do not provide such additional information, it may inhibit our ability to resolve your issue or limit your rights under this Section 25.

Steps **poundtoken.io** Will Take Following Notification

Once you have provided us with proper notification (including delivering all of the information set forth in the subsection above and responding to any requests for further information), we will investigate the potential Unauthorized Transaction or Error. We will typically be able to complete our investigation within ten (10) days but may require up to thirty (30) days if your **poundtoken** Account is new (meaning your **poundtoken** Account has been active for less than thirty (30) days at the time we receive your notification).

Sometimes, we may need more time in order to complete our investigation (up to thirty (30) days, or sixty (60) days for a new account). If we need to take more than ten (10) days to investigate your claim (or thirty (30) days for new accounts), we will notify you.

Once we have completed our investigation, we will notify you of our findings within five (5) business days. If we determine that your claim of an Error is valid and eligible, we will credit your **poundtoken** Account for the amount of the Error, subject to the limitations set forth below.

Regardless of the results of our investigation, we will send you an email explaining our findings. If you have any questions or concerns regarding our investigation, you can request further information.

Errors We Discover

If we discover an Error on our own that results in you receiving less than the amount of pounds or **poundtoken** to which you are entitled, we will rectify it by crediting your **poundtoken** Account or bank account corresponding to the difference. If we discover an Error on our own that results in you receiving more than the amount of funds to which you are entitled, we will rectify it by debiting your **poundtoken** Account corresponding to the difference.

*You should always keep a close eye on your **poundtoken.io** account, push notifications, email receipts and monthly account statements that you receive*

from **poundtoken.io** to make sure that such transactions are authorized or so that you can avail yourself of the full benefits of this Section 25.

26. Taxes

poundtoken.io will maintain a record of your transaction history, which you will be able to access through your **poundtoken** Account for purposes of making any required tax filings or payments, but it is your responsibility to determine what, if any, taxes apply to the payments you make or receive, and to collect, report, and remit the correct tax to the appropriate tax authority. This transaction history will include all transactions you complete with **poundtoken.io** including receiving pounds, issuing **poundtoken**, redeeming **poundtoken** for pounds, depositing **poundtoken**, withdrawing **poundtoken**, and withdrawing pounds to your bank account. **poundtoken.io** will make any tax withholdings or filings that we are required by law to make, but **poundtoken.io** is not responsible for determining whether taxes apply to your transaction, or for collecting, reporting, or remitting any taxes arising from any transaction. As more fully described in this Agreement, **poundtoken.io** will hold pounds or equivalent assets on behalf of Users in a Segregated Account or Accounts. **poundtoken.io**, not the Users, will earn interest, income or other benefits on the pounds or equivalent assets in such accounts, and **poundtoken.io** will surrender the established value of the **poundtoken** in pounds upon valid redemption of **poundtoken** in accordance with the requirements set out in this Agreement. **poundtoken.io** and each User do not intend the tokenization of Pounds to result in a transfer of ownership of the pounds to **poundtoken.io** and **poundtoken.io** may take the position that this arrangement constitutes a bailment or other arrangement by which **poundtoken.io** holds the pounds for the benefit of the Users pending valid redemption.

27. Indemnification; Release

You agree to indemnify and hold **poundtoken.io**, its affiliates, and service providers, and each of their officers, directors, agents, joint venturers, employees, and representatives harmless from any claim or demand (including attorneys' fees and any losses, fines, fees, or penalties imposed by any regulatory authority) arising out of your breach of this Agreement, your violation of any law or regulation or your use of the **poundtoken** Services.

For the purpose of this Section 27, the term "**losses**" means all net costs reasonably incurred by us or the other persons referred to in this Section that are the result of the matters set out in this Section 27 and that may relate to any

claims, demands, causes of action, debt, cost, expense, or other liability, including reasonable legal fees (without duplication).

*“Indemnify” means to compensate someone for the harm or loss they may suffer. If you breach this Agreement or violate the law and it results in **poundtoken.io** facing claims or expenses, you agree to cover those losses.*

If you have a dispute with one or more Users or third parties, you release **poundtoken.io** (and its affiliates and service providers, and each of their officers, directors, agents, joint ventures, employees, and representatives) from any and all claims, demands, and damages (actual and consequential) of every kind and nature arising out of or in any way connected with such dispute.

*If you have a dispute with anyone other than **poundtoken.io**, you release us from liability associated with that dispute.*

28. Limitation of Liability; No Warranty

YOU EXPRESSLY UNDERSTAND AND AGREE THAT **POUNDTOKEN.IO** AND OUR AFFILIATES AND SERVICE PROVIDERS, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, JOINT VENTURERS, EMPLOYEES, AND REPRESENTATIVES WILL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY DAMAGES, OR DAMAGES FOR LOSS OF PROFITS INCLUDING BUT NOT LIMITED TO, DAMAGES FOR LOSS OF GOODWILL, USE, DATA, OR OTHER INTANGIBLE LOSSES (EVEN IF **POUNDTOKEN.IO** HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), WHETHER BASED ON CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE, RESULTING FROM: (I) THE USE OR THE INABILITY TO USE THE **POUNDTOKEN** SERVICES; (II) THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES RESULTING FROM ANY GOODS, DATA, INFORMATION, OR SERVICES PURCHASED OR OBTAINED OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO THROUGH OR FROM THE **POUNDTOKEN** SERVICES; (III) UNAUTHORIZED ACCESS TO OR ALTERATION OF YOUR TRANSMISSIONS OR DATA; OR (IV) ANY OTHER MATTER RELATING TO THE **POUNDTOKEN** SERVICES.

We will not be liable for “exemplary damages” (often called punitive damages) or other indirect losses. If there is a potential error in the service that causes you a financial loss, we will limit our indemnity to you for that financial loss and no more.

SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES OR THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES. ACCORDINGLY, SOME OF THE LIMITATIONS SET FORTH ABOVE MAY NOT APPLY TO YOU. IF YOU ARE DISSATISFIED WITH ANY PORTION OF THE **POUNDTOKEN** SERVICES OR WITH THIS AGREEMENT, YOUR SOLE AND EXCLUSIVE REMEDY IS TO DISCONTINUE USE OF THE **POUNDTOKEN** SERVICES AND TERMINATE YOUR **POUNDTOKEN** ACCOUNT.

THE **POUNDTOKEN** SERVICES ARE PROVIDED "AS IS" AND WITHOUT ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESS, IMPLIED OR STATUTORY. **POUNDTOKEN.IO**, OUR AFFILIATES, AND OUR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, JOINT VENTURERS, EMPLOYEES, AND SUPPLIERS SPECIFICALLY DISCLAIM ANY IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT. **POUNDTOKEN.IO** MAKES NO WARRANTY THAT (I) THE **POUNDTOKEN** SERVICES WILL MEET YOUR REQUIREMENTS, (II) THE **POUNDTOKEN** SERVICES WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, OR (III) THE QUALITY OF ANY PRODUCTS, SERVICES, INFORMATION, OR OTHER MATERIAL PURCHASED OR OBTAINED BY YOU WILL MEET YOUR EXPECTATIONS.

*We cannot guarantee that **poundtoken.io** is always going to meet your demands. As we grow, we will likely add new services, change certain features and drop old features. We hope you are always happy with **poundtoken.io**, but we can't contractually guarantee you will be.*

poundtoken.io will make reasonable efforts to ensure that requests for electronic debits and credits involving bank accounts are processed in a timely manner, but **poundtoken.io** makes no representations or warranties regarding the amount of time needed to complete processing because the **poundtoken** Services are dependent upon many factors outside of our control, such as delays in the banking system. Some jurisdictions do not allow the disclaimer of implied warranties, so the foregoing disclaimers may not apply to you.

29. Force Majeure

poundtoken.io shall have no liability for any failure or delay resulting from any condition beyond our reasonable control, including but not limited to governmental action or acts of terrorism, earthquake, fire, flood, or other acts of God, labour conditions, power failures, equipment failures, and Internet disturbances.

30. Arbitration

Except for claims for injunctive or equitable relief or claims regarding intellectual property rights (which may be brought, in an individual capacity only, and not on a class-wide or representative basis, in the courts specified in Section 40 without the posting of a bond), any dispute between you and **poundtoken.io** related in any way to, or arising in any way from, our **poundtoken** Services or this Agreement (“**Dispute**”) shall be finally settled on an individual, non-representative basis in binding arbitration in accordance with the Isle of Man Arbitration Act 1976 for arbitration of consumer-related, as modified by this Agreement, or in accordance with rules on which we may mutually agree; provided, however, that to the extent a Dispute is within the scope of a small claims court’s jurisdiction, either you or **poundtoken.io** may commence an action in small claims court, in the country of your most recent physical address, to resolve the Dispute.

Any arbitration will be conducted by a single, neutral arbitrator and shall take place in the country of your most recent physical address. The arbitrator may award any relief that a court of competent jurisdiction could award, including attorneys’ fees when authorized by law. The arbitral decision may be enforced in any court of competent jurisdiction. An arbitral decision is subject to very limited review by a court.

If there is a dispute, it will be solved by a single, neutral arbitrator, and not in a courtroom.

31. Amendments

poundtoken.io may amend any portion of this Agreement at any time by posting the revised version of this Agreement with an updated revision date. The changes will become effective, and shall be deemed accepted by you, the first time you use the **poundtoken** Services after the initial posting of the revised User Agreement and shall apply on a going-forward basis with respect to transactions initiated after the posting date. In the event that you do not agree with any such modification, your sole and exclusive remedy is to terminate your use of the **poundtoken** Services and terminate your **poundtoken** Account. You agree that we shall not be liable to you or any third party as a result of any losses suffered by any modification or amendment of this Agreement.

If the revised Agreement includes a material change, we will provide you with prior notice via our website and/or email before the material change becomes effective. For this purpose, a “material change” means a significant change other than changes that (i) are to your benefit, (ii) are required to be made to comply with applicable laws and/or regulations or as otherwise required by one of our

regulators, (iii) relates to a new product or service made available to you, or (iv) otherwise clarifies an existing term.

*As **poundtoken.io** grows and offers new products and services, we will need to make changes to this Agreement. If we make a big change, we'll let you know by email. You can always tell when this Agreement was last changed by checking the "Last Updated" date at the top of the Agreement.*

32. Assignment and Third-Party Holders

You may not transfer or assign this Agreement or any rights or obligations hereunder, by operation of law or otherwise and any such attempted assignment shall be void, subject to the following exception. Sending **poundtoken** to an address will automatically transfer and assign to that Holder, and any subsequent Holder, the right to redeem **poundtoken** for fiat so long as the Holder is eligible to, and does, register a **poundtoken** Account.

Each Holder is subject to all terms of this Agreement as if a User including, but not limited to, the requirements to not transact with Blocked Addresses and not engage in Restricted Activities or Prohibited Transactions.

We reserve the right to freely assign this Agreement and the rights and obligations of this Agreement to any third party at any time without notice or consent. If you object to such transfer or assignment, you may stop using our **poundtoken** Services and terminate this Agreement by contacting us at hello@poundtoken.io and asking us to close your **poundtoken** Account.

33. Survival

Upon termination of your **poundtoken** Account and this Agreement, all rights, and obligations of the parties that by their nature are continuing will survive such termination.

34. Third Party Use

poundtoken.io prohibits customers from allowing third parties from using their accounts. Any such use may result in account suspension or closure.

35. Website; Third Party Content

poundtoken.io strives to provide accurate and reliable information and content on the **poundtoken.io** website, but such information may not always be correct, complete, or up to date. **poundtoken.io** will update the information on the

poundtoken.io website as necessary to provide you with the most up to date information, but you should always independently verify such information. The **poundtoken.io** website may also contain links to third-party websites, applications, events, or other materials (“Third Party Content”). Such information is provided for your convenience and links or references to Third Party Content do not constitute an endorsement by **poundtoken.io** of any products or services. **poundtoken.io** shall have no liability for any losses incurred as a result of actions taken in reliance on the information contained on the **poundtoken.io** website or in any Third-Party Content.

From time to time we might post helpful links or articles on our website, but you should investigate those sources on your own.

36. Limited License; IP Rights

We grant you a limited, non-exclusive, non-sublicensable, and non-transferable license, subject to the terms and conditions of this Agreement, to access and use the **poundtoken** Services solely for approved purposes as determined by **poundtoken.io**. Any other use of the **poundtoken** Services is expressly prohibited. **poundtoken.io** and its licensors reserve all rights in the **poundtoken** Services, and you agree that this Agreement does not grant you any rights in or licenses to the **poundtoken** Services except for the limited license set forth above. Except as expressly authorized by **poundtoken.io**, you agree not to modify, reverse engineer, copy, frame, scrape, rent, lease, loan, sell, distribute, or create derivative works based on the **poundtoken** Services, in whole or in part. If you violate any portion of this Agreement, your permission to access and use the **poundtoken** Services may be terminated pursuant to this Agreement. "**poundtoken** ", "**poundtoken.io**", and all logos related to the **poundtoken** Services are either trademarks, or registered marks of **poundtoken.io** or its licensors. You may not copy, imitate, or use them without **poundtoken.io**'s prior written consent. All right, title, and interest in and to the **poundtoken.io** website, any content thereon, the **poundtoken** Services, and all technology and any content created or derived from any of the foregoing is the exclusive property of **poundtoken.io** and its licensors.

We grant you access to use our products and services, but we still own the intellectual property associated with these products and services.

37. Event of the business winding down

In the event we decide or are required to wind-down the business we will attempt to return all funds held in segregated accounts to holders of stablecoin as soon as possible. We will provide stablecoin holders with fiat equivalent to the value of stablecoin held (less fees).

Where you hold a fiat or stablecoin balance within the **poundtoken.io** platform we will redeem your stablecoin into fiat and arrange to transfer the full fiat balance on the **poundtoken.io** platform to a bank account held in your name. Applicable fees may apply for the redemption and bank transfer.

Where stablecoin are not on the **poundtoken.io** platform but are circulating on "open blockchain" outside of our platform, we may freeze that stablecoin and await contact from the wallet holder to arrange redemption for fiat equivalent to the value of stablecoin held (less fees).

We may also seek to transfer client assets to another regulated entity so that you can continue to use the stablecoin with the knowledge that the fiat collateral remains safe. If we intend on doing this, we will contact all active users of the **poundtoken.io** platform and advise them of the changes taking place and how it will affect you. You will also have the option to redeem any stablecoin and withdraw your fiat before this change is made.

We will seek to do this as soon as possible following the decision to wind-down.

During the wind-down process, if there are **poundtoken** which have not been redeemed 2 months after the beginning of the wind-down process, the business may, when it deems it appropriate, transfer the GBP safeguarded collateral into a trust for the benefit of **poundtoken** holders. In the event this trust is established the business will publish details on its website as to how holders can redeem their **poundtoken**.

38. Unclaimed Property

If **poundtoken.io** is holding on your behalf funds corresponding to the **poundtoken** capable of redemption in your **poundtoken** Account, and **poundtoken.io** is unable to contact you and has no record of your use of the **poundtoken** Services for several years, applicable law may require **poundtoken.io** to report the corresponding funds as unclaimed property to the applicable jurisdiction. If this occurs, **poundtoken.io** will try to locate you at the address shown in our records, but if **poundtoken.io** is unable to locate you, it may be required to deliver any such funds to the applicable state or jurisdiction as unclaimed property. **poundtoken.io** reserves the right to deduct a dormancy fee or other administrative charges from such unclaimed funds, as permitted by applicable law.

*If you haven't logged into your account for a number of years and we are unable to get in touch with you, we might be required to consider your **poundtoken** Account balance and the underlying funds abandoned, and we might then be required to transfer your **poundtoken** Account balance and the underlying funds to your jurisdiction.*

39. Legal Compliance

poundtoken.io is subject to Anti-Money Laundering and Countering the Financing of Terrorism, Sanctions, Export and Trade Controls and Countering Proliferation restrictions.

poundtoken.io is subject to United Nations, United Kingdom and Isle of Man Sanctions regimes. You confirm that you, and any other person or entity related to you is not subject to any Government (of any country) or recognised international organisation issued sanction. **poundtoken.io** may refuse to enter into any business relationship or suspend or close any business relationship with any customer which is subject to or related to a government (of any country) or recognised international organisation issued sanction.

You may not use **poundtoken** Services to contravene or overcome any Government (of any country) or recognised international organisation issued sanction.

You may not use the **poundtoken** Services if (i) you are a resident, national or agent of any of the listed "Restricted Territories" as defined by **poundtoken.io** from time to time, (ii) you are named within the US Specially Designated Nationals And Blocked Persons List (SDN) United Nations, United Kingdom and Isle of Man Sanctions regimes ("Restricted Persons"), or (iii) you intend to transact with any Restricted Territories or Restricted Persons. This list may change at any time. **poundtoken.io** reserve the right to refuse **poundtoken** services to any party.

40. Governing Law; Venue

This Agreement (including any non-contractual matters and obligations arising therefrom or associated therewith) shall be governed by, and construed in accordance with, the laws of the Isle of Man. Any dispute, controversy, proceedings or claim between the Parties relating to this Agreement (including any non-contractual matters and obligations arising therefrom or associated therewith) shall fall within the jurisdiction of the courts of the Isle of Man.

Except for those disputes that shall be resolved in arbitration or in small claims court pursuant to Section 30, each party agrees to submit to the personal and exclusive jurisdiction of the courts located in Isle of Man, provided that any claims or disputes shall be subject to the arbitration provisions set forth in Section 30. You agree with us that, if you are a consumer, the courts in the permitted region where you are resident will have non-exclusive jurisdiction.

41. Entire Agreement

The failure of **poundtoken.io** to exercise or enforce any right or provision of the Agreement shall not constitute a waiver of such right or provision. If any provision of this Agreement shall be adjudged by any court of competent jurisdiction to be unenforceable or invalid, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and remain enforceable between the parties, except as specified in Section 31. The headings and explanatory text are for reference purposes only and in no way define, limit, construe, or describe the scope or extent of such section. This Agreement, including **poundtoken.io**'s policies governing the **poundtoken** Services referenced herein, the Privacy Policy and the Cookie Policy constitute the entire agreement between you and **poundtoken.io** with respect to the use of the **poundtoken** Services. This Agreement is not intended and shall not be construed to create any rights or remedies in any parties other than you and **poundtoken.io** and other **poundtoken.io** affiliates which each shall be a third-party beneficiary of this Agreement, and no other person shall assert any rights as a third-party beneficiary hereunder.

*This Agreement (along with the Privacy Policy and Cookie Policy) are the only documents that govern your relationship with **poundtoken.io** with respect to the **poundtoken** Services. If some future court order deems any particular provision of this Agreement unenforceable, the rest of the Agreement is still valid, except as specified in Section 31.*

42. General disclaimer

poundtoken and **poundtoken.io** are business names of Blackfridge SC Limited. Blackfridge SC Limited is a company incorporated in the Isle of Man under company Number 134289C. Registered Address 55 Athol Street, Douglas IM1 1BL. Blackfridge SC Limited is licensed and regulated by the Isle of Man Financial Services Authority to carry on Class 8 (2)(a) and (4) – Money Transmission Services as a part of the Authority's Regulatory Sandbox. Blackfridge SC Limited is registered with the Isle of Man Information Commissioner. Funds received by Blackfridge SC Limited do not constitute deposits as defined in the Regulated

Activities Order 2011 and are not covered by the Isle of Man Depositors' Compensation Scheme. All funds received from customers for the issuance of e-money tokens (known as **poundtoken**) are safeguarded in segregated client accounts denominated in GBP (British pound sterling). Funds received in any other currency will be converted at an exchange rate decided by our bank. Funds withdrawn by you to an account in a different currency will be converted at an exchange rate decided by your bank. For the avoidance of doubt, "**poundtoken**" is a trading name and has no official connection or affiliation with British Pound Sterling (GBP) currency issued in the United Kingdom, and has no legal or regulatory protections in the United Kingdom.

Questions? Suggestions?

Please contact Support at hello@poundtoken.io to report any violations of this User Agreement or to ask any questions regarding this User Agreement or the **poundtoken** Services.