



USER AGREEMENT

CUSTODY AND ADMINISTRATION OF CRYPTO-ASSETS

TRANSFER OF CRYPTO-ASSETS

DATED

01/10/2025

THIS USER AGREEMENT (the “**Agreement**”) is dated March 6th, 2025 (the “**Effective Date**”).

PARTIES

- (1) Socios Europe Services Limited, a company incorporated and registered in Malta with number C-108717 and having its registered office at Level 6, Wembley Business Centre, 179 Triq D'Argens, Msida, MSD 1360, Malta (“**SES**” or the “**Company**”); and
- (2) You, the individual or entity accessing or using our Services (referred to as “**User**”, “**Client**”, or “**You**”).

Both parties being herein at times referred to jointly as the “**Parties**” or individually as the “**Party**”

WHEREAS

- (A) SES is a Crypto-Asset Service Provider (“**CASP**”) authorised by the Malta Financial Services Authority (the “**MFSA**”) in accordance with Article 59 of the Markets in Crypto-Asset Regulation (Regulation (EU) 1114/2023) (“**MiCA**”) to provide the regulated services of custody and administration of crypto-assets on behalf of clients, exchange of crypto-assets for funds, transfer services for crypto-assets on behalf of clients, and placing of crypto-assets;
- (B) The Client is a natural person and requires the provision of crypto-assets services from SES, namely the provision of custody and administration of crypto-assets and transfer of crypto-assets, on its behalf.

NOW IT IS HEREBY AGREED

SES agrees to provide the following crypto-asset services to the Client:

- **Custody services:** SES will hold and safeguard the Client's crypto-assets in a secure manner, in accordance with MiCA provisions on the custody and administration of crypto-assets.
- **Transfer services:** SES will transfer crypto-assets from one distributed ledger address or account to another, in accordance with MiCA provisions on transfer services.
- **Exchange services:** SES will conclude purchase or sale contracts concerning crypto-assets for funds by using its own proprietary capital. Exchange services provided by SES are exclusively limited to Chiliz Token (“**CHZ**”). Exchange services are excluded from the scope of this Agreement.

DEFINITIONS

Affiliate: means any other entity that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, SES.

Crypto-Assets: means a digital representation of a value or of a right that is able to be transferred and stored electronically using distributed ledger technology or similar technology.

Chiliz Tokens or CHZ: The native CAP-20 token of the Chiliz Chain, which was issued by an Affiliate of the Company.

Dormant Account: means the Socios Account of any User who has not engaged in at least one regulated crypto-asset service, as defined under this Agreement, for a rolling period of twelve (12) consecutive months or more.

Fan Token(s): means a utility token based on the standard CAP-20. Fan Tokens are issued by an Affiliate of the Company and can be used on the Platform.

Platform: means the Socios.com branded digital platform managed by SES, operating on the basis of blockchain technology, and where the Client can access the provision of regulated crypto-asset services.

Socios Account: means the account created and managed by the User within the Socios Platform, which is strictly personal to the User and associated with the User's Socios.com Wallet.

1. Scope of Services

SES agrees to provide the Client with the following crypto-asset services described under this Agreement in the following manner:

- **Inactive Users:** SES provides custody services to natural persons who registered on the Platform before November 18th, 2024, stored crypto-assets on the Platform custodial wallet, and did not switch to the non-custodial wallet solution implemented by SES (the “**Socios.com Wallet**”) (referred to as “**Inactive Users**”). SES also provides transfer services to Inactive Users in the following scenario:
 - The Client consents to transition to the Socios.com Wallet and request SES to transfer the crypto-assets it holds in custody to the Socios.com Wallet;
 - The Client requests the deletion of the Platform account and provides SES with an external wallet address where to transfer the crypto-assets held in custody by SES.
- **Active Users:** SES provides exchange services in relation to CHZ to natural persons who registered on the Platform .
- **Affiliates:** SES provides custody, transfer, and placing services to Affiliates. SES provides such crypto-asset services to Affiliates in the following scenario:
 - SES provides custody and transfer services to Affiliates during initial offers to the public of Fan Tokens commonly referred to as ‘Fan Token Offerings’ (“**FTOs**”) conducted by Affiliates, in accordance with MiCA provisions on initial offer to the public;
 - SES provides placing services in respect of Fan Tokens issued by Affiliates following the conclusion of the FTO

For clarity purposes, the terms under which SES provides crypto-asset services to Affiliates are defined within ad-hoc intra-group agreements and are not reflected under this Agreement. The terms of this Agreement only apply to the provision of crypto-asset services by SES to natural persons, whether they are Inactive Users or Active Users.

2. Custody Policy

SES shall adhere to the Custody Policy attached as Annex A to this Agreement, which includes detailed descriptions of how assets will be held, managed, and safeguarded by SES on behalf of the Client.

SES has published on its website a summary of the Custody Policy (the “**Summary**”) which provides the Client with an overview of the arrangements and procedures established by SES in relation to the custody services provided to the Client.

3. Means of Communication

The primary means of communication between SES and the Client shall be:

- **Email:** support@socios.com
- **Instant Messaging:** the Client may contact SES through a live chat software accessible on the Platform.

4. Client's Authentication System

The Platform is accessible through the website interface '<https://www.socios.com>' operated by SES or via the mobile app 'Socios.com' made available by SES on marketplace such as AppStore and GooglePlay. The Client can access their account on the Platform by identifying themselves through the phone number associated with their account on the Platform. No other personal details of the Client, such as username, email address, or name, can be used to log in on the Platform.

In addition, to access the Platform and the provision of crypto-asset services described hereunder this Agreement, the Client shall authenticate their identity using biometric verification, such as a fingerprint, facial scan, or sometimes voice or iris recognition. Biometric verification systems implemented on the Platform replaces the need for a PIN or password.

5. Description of Security Systems Used by CASP

SES employs the following security systems to protect the Client's crypto-assets in its custody:

- **Multi-Party Computation (MPC):** SES has implemented MPC technology through Fireblocks infrastructure. The private keys of the digital wallets where the Client's crypto-assets are stored in custody are sharded and shards are held securely by SES and Fireblocks.
- **Transaction Authorisation Policy (TAP):** SES has implemented a TAP presenting an internal set of rules for the movement of crypto-assets that SES holds in custody on behalf of the Client. This includes transaction limits, signers authority, and approval processes.
- **Testing Procedures:** SES has implemented Testing Procedures to review governance process and internal backup procedures, TAP updates, and review of equipment and network access.

6. Segregation of Clients' Assets

SES shall keep the Client's assets separate from its own assets and liabilities and shall not make use of any of the Client's assets for any unauthorised purpose. Further details on the arrangements and procedures established by SES to ensure asset segregation and prevent unauthorised access are provided within the Custody Policy attached as Annex A to this Agreement.

7. Regulatory Compliance

SES shall comply with all applicable laws, regulations, rules and guidelines, including MiCA, the Markets in Crypto Assets Act, the Prevention of Money Laundering Act, the Data Protection Act and

any other applicable laws. SES shall provide reports to the MFSA demonstrating compliance to regulatory requirements, and notify the Client of any significant compliance matters.

8. Fees, Costs, and Charges

The Client agrees to pay the following fees, costs, and charges for the crypto-assets services provided by SES:

- **Custody Fee:** SES does not charge the Inactive Users a service fee for the provision of custody and transfer services.
- **Administration Fee:** SES charges a monthly administration fee equal to five euros (€5) worth of Chiliz Tokens and/or Fan Tokens to Clients who qualify as Inactive User as described under Clause 1 of this Agreement and whose accounts on the Platform falls under the definition of Dormant Accounts as defined under the Platform's Terms and Conditions (the "**Platform Terms**").
- **Transaction Fee:** SES does not charge the Client a service fee for the provision of transfer services. Network Fees ("**Gas Fees**") payable for the transfer of crypto-assets from one distributed ledger address or account to another are assumed by SES.

In addition, and without prejudice to the above, SES may charge further reasonable and documented expenses incurred where such expenses are necessary for the proper performance of its obligations under this Agreement. Any additional expenses shall be communicated to the Client in advance, where practicable.

Each Party shall bear its own costs and expenses incurred in connection with the negotiation, execution, and performance of this Agreement, unless otherwise agreed by either Party in a written manner. Party shall be liable for any failure or delay in performing its obligations under this Agreement if such failure or delay is caused by circumstances beyond its reasonable control, including but not limited to acts of God, cyberattacks, natural disasters, or government actions.

9. Indemnification and Liability

SES agrees to indemnify, defend, and hold harmless the Client from and against all claims, liabilities, losses, damages, costs, and expenses (collectively, "Losses") arising out of or in connection with:

- SES's breach of this Agreement or applicable laws and regulations resulting from wilful misconduct and/or gross negligence;
- Any act or omission by SES arising from the gross negligence or wilful misconduct resulting in the unauthorized access, loss, or theft of crypto-assets under its custody; or
- Third-party claims arising from SES's gross negligence, wilful misconduct, or fraud.

The Client agrees to indemnify, defend, and hold harmless SES, its subsidiaries, employees, and members from and against all claims, liabilities, losses, damages, costs, and expenses arising out of or in connection with:

- The Client's breach of this Agreement or applicable laws and regulations;
- Any fraudulent or unauthorized instructions provided to SES;
- Any unlawful or incomplete information supplied by the Client; or

- Third-party claims resulting from the Client's misuse of the services provided by SES.

The liability of SES for loss of any crypto-assets or the means of access to crypto-assets under its custody shall be capped at the market value of the crypto-assets at the time the loss occurred. SES shall not be liable for incidents not attributable to its operations or services, including but not limited to problems inherent in the distributed ledger or blockchain on which the crypto-assets are recorded, and which are beyond SES's control.

The Party seeking indemnification shall notify the other Party in writing of any claim for which indemnification is sought. The notified Party shall have the right to assume the defence of such claims and shall not settle any claim without the prior written consent of the indemnified Party, which shall not be unreasonably withheld.

Except as otherwise provided herein, neither Party shall be liable to the other for any indirect, incidental, consequential, special, or punitive damages, including but not limited to loss of profits, revenue, or data, arising out of or related to this Agreement, even if advised of the possibility of such damages.

Neither Party shall be liable for any failure or delay in performing its obligations under this Agreement if such failure or delay is caused by circumstances beyond its reasonable control, including but not limited to acts of God, cyberattacks, natural disasters, or government actions.

10. Assignment of Rights

Except as expressly permitted herein, neither Party may assign, transfer or delegate any of its rights, obligations, or interests under this Agreement without the prior written consent of the other Party. Any assignment in breach of this clause shall be null and void.

11. Entire Agreement

This Agreement constitutes the entire understanding between the Parties with respect to the custody, administration, and transfer of crypto-assets and supersedes all prior agreements, understandings or representations, whether written or oral, relating to its subject matter.

12. Confidentiality

Each Party agrees to keep confidential all non-public information disclosed by the other party in connection with this Agreement, including client data, crypto-assets details, and operational processes. Such information shall only be used for the purposes of this Agreement and shall not be disclosed to any third party without the prior written consent of either Party, except as required by law or regulatory authorities.

13. Termination

This Agreement shall remain in effect from the Effective Date until terminated in accordance with the provisions hereunder.

Either Party may terminate this Agreement by providing to the other Party at least 30 days prior written notice. Upon termination SES shall transfer the crypto-assets to the Client, subject to regulatory approval where required.

This Agreement shall be terminated with immediate effect where the Client is in breach of any of the provisions in this Agreement or Annex attached to this Agreement or any other applicable law relevant to SES for the purpose of compliance with any regulatory framework.

This Agreement may be terminated immediately if SES's licence to provide custody, administration, and transfer crypto-assets on behalf of the Client is revoked, suspended, or rendered invalid by the MFSA.

14. Governing Law and Dispute Resolution

This Agreement shall be governed by and construed in accordance with the laws of Malta. Any disputes arising out of or in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts of Malta.