

SAFEGUARDING AND RISK DISCLOSURE STATEMENT

This Safeguarding and Risk Disclosure Statement provides you with information about some of the risks associated with trading Digital Assets and the use of other Services provided by us. The risks described may result in loss of Digital Assets, decrease in or loss of all value for Digital Assets, inability to access or transfer Digital Assets, inability to trade Digital Assets, inability to receive financial benefits available to other Digital Asset holders, and other financial losses to you. The risks described are not exhaustive, there may be additional risks that we have not foreseen or identified. You hereby acknowledge that we will have no responsibility or liability for, any such risks whether identified in this Safeguarding and Risk Disclosure Statement or not. Unless otherwise defined herein or where the context requires otherwise, capitalised terms used in this Safeguarding and Risk Disclosure Statement shall have the same meaning given to them in the User Agreement.

1. RISK WARNING ON DIGITAL PAYMENT TOKEN SERVICES

1.1 **SBI COINHAKO TECHNOLOGY PTE. LTD.** ("**Coinhako**", "**we**", "**us**", "**our**") is licensed to provide digital payment token services under the Payment Services Act 2019 of Singapore.

1.2 The Monetary Authority of Singapore ("**MAS**") requires us to provide this risk warning to you as a customer of a digital payment token ("**DPT**") service provider.

1.3 Before you (a) pay your DPT service provider any money or DPT; or (b) pay a third party any money or DPT under an arrangement by your DPT service provider, you should be aware of the following:

- Your DPT service provider is licensed by MAS to provide DPT services. Please note that this does not mean you will be able to recover all the money or DPTs you paid to your DPT service provider or any other third party referred to above if your DPT service provider's or the third party's business fails.
- You should be aware that MAS does not supervise or regulate your DPT service provider for the provision of unregulated services. This includes any service of trading DPT derivatives such as futures. Please refer to Section 2.3.1 of the Guide to the Payment Services Act 2019 (which can be found on the MAS website) for the types of payment services which are regulated under the Payment Services Act. Services which do not fall within the list of services in Section 2.3.1 are unregulated services.
- You should not transact in the DPT if you are not familiar with this DPT. This includes how the DPT is created, and how the DPT you intend to transact is transferred or held by your DPT service provider.
- You should be aware that the value of DPTs may fluctuate greatly. You should buy DPTs only if you are prepared to accept the risk of losing all of the money you put into such tokens.
- You should be aware that your DPT service provider, as part of its licence to provide DPT services, may offer services related to DPTs which are promoted as having a stable value, commonly known as "stablecoin".

2. **RISK DISCLOSURES AND OTHER DISCLOSURES**

- 2.1 We reserve the right in our sole and absolute discretion to update this Safeguarding and Risk Disclosure Statement from time to time. The information presented in this Safeguarding and Risk Disclosure Statement is not comprehensive and does not reflect all of the risks (or other important factors) you should consider before using the Services. Trading in Digital Assets involves significant risks and potential for financial losses. You must make your own independent decision to access or use the Services and should seek any advice that you consider necessary or desirable (including financial and/or legal advice) from independent advisers. **It is your sole responsibility to ensure that you understand all the relevant risks of trading Digital Assets, as well as analyse, evaluate and understand the terms, features and arrangements underlying Digital Assets, and carefully consider whether such trading is appropriate for you in light of your experience, objectives, financial resources, particular needs, risk appetite, and other relevant circumstances. Under no circumstances shall any of the Indemnified Persons be responsible or liable to you or any other person or entity for any direct or indirect losses (including loss of profits, business or opportunities), damages or costs by reason of, or arising from, or as a consequence of, your use or reliance on any of the information set out in this Safeguarding and Risk Disclosure Statement.** We strongly advise you to carefully read and understand this Safeguarding and Risk Disclosure Statement before using our Services and/or sending any fiat currency or Digital Assets to your Fiat Wallet or Digital Asset Wallet.
- 2.2 The features, functions, characteristics, operation, use and other properties of any Digital Assets ("**Digital Asset Properties**") and the software, networks, protocols, systems, and other technology (including, if applicable, any blockchain) ("**Underlying Technology**") used to administer, create, issue, transfer, cancel, use or transact in any Digital Assets may be complex, technical or difficult to understand or evaluate. Such Digital Asset Properties and Underlying Technology create significant risks when trading Digital Assets.
- 2.3 Coinhako's decision to support the transfer, storage or trading of any particular Digital Asset through the Services does not indicate Coinhako's approval or disapproval of the Digital Asset or the integrity, security or operation of the Digital Asset or its Underlying Technology. The risks associated with Digital Assets and trading Digital Assets apply notwithstanding Coinhako's decision to support a particular Digital Asset.
- 2.4 Unless otherwise stated, all capitalised terms in this Safeguarding and Risk Disclosure Statement shall bear the same meanings ascribed in the User Agreement.

3. **TRADING RISKS**

- 3.1 Trading in Digital Assets entails significant risks of financial loss. You should not commit funds to trading in Digital Assets that you are not prepared to lose entirely. Digital Asset markets can be volatile and prices can fluctuate significantly, which could result in sudden and significant increases or decreases in the value of your assets at any given moment. You should assess whether your financial situation and risk tolerance is suitable for buying, selling or trading Digital Assets. You accept and agree that you are solely responsible for any decision to buy, sell, trade or otherwise hold or deal with Digital Assets. You should be aware that the risk of loss in trading or holding Digital Assets can be substantial.

- 3.2 Digital Asset markets may be susceptible to irrational (or rational) bubbles or loss of confidence, which could collapse due to many reasons. For example, confidence in Digital Assets might collapse as a result of unexpected changes imposed by software developers or others, a government crackdown, the creation of superior competing alternative Digital Assets, or a deflationary or inflationary spiral. Confidence might also collapse because of technical problems, for example, if the anonymity of the system is compromised, if money or Digital Assets are lost or stolen, or if hackers or governments are able to prevent transactions from settling. Negative consumer perception of specific Digital Assets may also negatively affect their value.
- 3.3 Digital Assets are underpinned by an autonomous and largely unregulated worldwide system of individuals and entities. Traders and market participants put their trust in a digital, decentralized and partially anonymous system that relies on peer-to-peer networking and cryptography to maintain its integrity. Thus, the value of Digital Assets may be derived from the continued willingness of market participants to exchange fiat currency for Digital Assets, which may result in the potential for the permanent and total loss of value of a particular Digital Asset should the market for that Digital Asset disappear.
- 3.4 Abnormal market conditions may occur in Digital Asset markets, such as volatile price movements, influx of new participants, and others that may affect the normal use of the Platform, the placing of Orders or Irrevocable Orders or their execution, processing or settlement.
- 3.5 **Coinhako makes no representations, warranties or undertakings on whether any Digital Asset will always be available to trade on the Platform, and/or be supported by Coinhako. Any Digital Asset is subject to delisting in the sole and absolute discretion of Coinhako in accordance with the terms and conditions of the Agreement.**

4. LIQUIDITY RISKS

- 4.1 Markets for Digital Assets have varying degrees of liquidity. Some Digital Assets are quite liquid while others may be thinly traded or illiquid, which means there is a scarcity of persons who are willing to trade at any one time. Thinly traded or illiquid markets have the potential to increase the risk of loss because they can experience high volatility of prices, and market participants may find it impossible to liquidate market positions except at very unfavourable prices. Coinhako does not guarantee that the markets for any Digital Asset will be active and liquid, or that you would be able to establish or liquidate positions in any Digital Assets when desired or at favourable prices. Coinhako does not guarantee any profit from trading or any other activity associated with Coinhako's Services. Coinhako will not be obligated to purchase from you any Digital Assets, whether bought from Coinhako or otherwise.
- 4.2 Digital Assets are not considered legal tender and are not backed by any central bank or government. Accounts and value balances are not subject to any government-backed deposit insurance or any other government protections. There is no central bank or government regulator that can take corrective measures to protect the value of the Digital Asset in a crisis, manage the demand or supply of Digital Assets, or smoothen any fluctuations in the price or value of Digital Assets.

5. LEGAL AND REGULATORY RISKS

- 5.1 Government regulation of Digital Assets is unsettled and rapidly evolving. The application and interpretation of existing laws and regulations are often largely untested and there is a lack of certainty as to how they will be applied. New laws and regulations may be promulgated in the future that apply to blockchain technology and Digital Assets, and related service providers, and no assurance can be given that any such changes will not adversely affect Digital Assets generally (including the use, transfer, exchange and value of Digital Assets) or the Services. It is not possible to predict how such changes would affect the price, liquidity and/or tradability of Digital Assets, or the use of any Services. Any Digital Asset may decrease in value or lose all of its value due to changes in laws or regulations, or any action taken by governmental or regulatory authorities.
- 5.2 Regulatory actions could negatively impact Digital Assets in various ways, including, for purposes of illustration only, through a determination (with retrospective or prospective effect) that Digital Assets are regulated financial instruments requiring registration or licensing in certain jurisdictions. Coinhako may have to suspend or limit the trading of certain Digital Assets or the use of certain Services, or disallow users to trade Digital Assets or use any of the Services based on their citizenship, residence or location if doing so is commercially unsustainable or is prohibited by any such regulatory actions. Any such regulatory actions could materially affect the price, liquidity and/or tradability of Digital Assets, or the use of any Services.
- 5.3 **Coinhako has sole and absolute discretion to suspend or reject the execution of any of your Instructions, Orders and/or Irrevocable Orders, suspend or cease support for any Digital Assets, or suspend or terminate your access to any Accounts or Services, where any such action or inaction is, in the sole opinion of Coinhako, required or desirable to facilitate Coinhako's compliance with Applicable Laws, or any order, directive or request from law enforcement or other governmental or regulatory authorities.**

6. RISKS ARISING FROM CHANGES TO DIGITAL ASSETS OR UNDERLYING TECHNOLOGY

- 6.1 Coinhako does not own or control the Underlying Technology which governs the operation of Digital Assets supported on the Platform. Generally, such Underlying Technology are 'open source' and can be used, copied, modified or distributed by anyone.
- 6.2 Any Digital Asset or Underlying Technology may change or otherwise cease to operate as expected due to a change made to the Underlying Technology, a change made using features or functions built into the Underlying Technology or a change resulting from an Attack (as defined below) ("**Material Operating Changes**"). These Material Operating Changes may include, without limitation, a "fork", a "rollback", or a "bootstrap" of a Digital Asset or blockchain.
- 6.3 Such Material Operating Changes may materially affect the availability, value, functionality, and/or the name of the Digital Assets you store in your Digital Asset Wallet. This includes but is not limited to Digital Assets potentially being cancelled, lost or double spent, or otherwise losing all or most of their value. You acknowledge and accept the risks of Material Operating Changes to Underlying Technology and agree that Coinhako is not responsible for such changes and not liable for any loss of value you may experience as a result of such changes.

- 6.4 Coinhako does not control the timing and features of these Material Operating Changes. It is your responsibility to make yourself aware of any potential or implemented changes to any Digital Asset or the Underlying Technology and you must carefully consider publicly available information and information that may be provided by Coinhako in determining whether or not to continue to transact in the affected Digital Asset.
- 6.5 Coinhako will endeavour to provide you notice of its response to any Material Operating Change; however, such changes are outside of Coinhako's control and may occur without notice to Coinhako. **Coinhako reserves the right to suspend or cease to support the transfer, storage or trading of any Digital Assets at any time at Coinhako's discretion in response to any Material Operating Change.** Other exchanges and service providers may or may not do the same. Coinhako may, but is not obligated to, make changes to your Account in response to a Material Operating Change.
- 6.6 **Coinhako has sole and absolute discretion not to support any such Material Operating Changes, including but not limited to so-called metacoins, colored coins or other Digital Assets, or their related side chains or other Underlying Technology that are based on a fork, enhancement, or derivative of a different Digital Asset or Underlying Technology ("Derivative Protocols") even if the Derivative Protocol is based on a Digital Asset that is supported by Coinhako.** Other exchanges or service providers may or may not do the same. **Coinhako will not be liable for any loss of value you may experience as a result of any such Material Operating Changes.**
- 6.7 You may be unable to withdraw Digital Assets prior to Coinhako ceasing to support transfer of any such Digital Assets as a result of Material Operating Changes, resulting in the total loss of any such Digital Assets remaining in your Account.

7. DIGITAL ASSET SECURITY RISKS

- 7.1 Any Digital Asset and its Underlying Technology may be vulnerable to attacks on its security, integrity or operations ("Attacks"), including Attacks using computing power sufficient to overwhelm the normal operation of a blockchain or other Underlying Technology. **Coinhako makes no representation, warranty or undertaking of any kind, express or implied, statutory or otherwise, regarding any Underlying Technology or blockchain functionality nor for any breach of security in the Underlying Technology or blockchain functionality.**
- 7.2 Any Digital Assets may decrease in value or lose all of its value due to various factors including discovery of wrongful conduct, market manipulation, changes to Digital Asset Properties or perceived value of Digital Asset Properties, Attacks, suspension or cessation of support for a Digital Asset by Coinhako or other exchanges or service providers, and other factors outside the control of Coinhako.
- 7.3 **Coinhako assumes no responsibility for the operation of the Digital Assets or their Underlying Technology and does not guarantee the functionality or security of any Digital Assets or their Underlying Technology. You acknowledge and accept the risk of any changes or breach of security to the Underlying Technology of any Digital Assets stored in your Digital Asset Wallet.**

8. PLATFORM'S CYBERSECURITY RISKS

- 8.1 There are various risks associated with utilising an Internet-based trading system (such as the Platform) including, but not limited to, the failure of hardware, software, and Internet connections, the risk of malicious software introduction, the risk that third parties may obtain unauthorized access to information and/or assets (including your Digital Assets) stored on your behalf, cyber-attack, failure of Underlying Technology, blockchain or other networks, computer viruses, communication failures, disruptions, errors, distortions or delays you may experience when trading via the Services, howsoever caused, spyware, scareware, Trojan horses, worms or other malware that may affect your computer or other equipment, or any phishing, spoofing or other attack. Any such cybersecurity failures or breaches, whether involving the Platform or third-party service providers (including, but not limited to, hardware or software providers, or cloud services providers) could have a negative impact on the price, liquidity and/or tradability of Digital Assets, or the use of any Services.
- 8.2 **You acknowledge and accept that Coinhako does not control Internet signal power, its reception or routing, configuration of your equipment or its reliability, and that Coinhako shall not be responsible for any communication failures, disruptions, errors, distortions or delays you may experience when trading via the Platform, however caused.**

9. PLATFORM'S OPERATIONAL RISKS

- 9.1 Due to the nature of Digital Assets, any technological difficulties experienced by Coinhako could prevent your access to your Account or use of the Digital Assets stored in your Digital Asset Wallet.
- 9.2 You may be prevented from sending an Instruction, transaction request or email, or your Instruction, transaction request or email may not be received or processed by Coinhako and/or the Platform, due to hardware, software or services issues (including, without limitation, Internet and other network connectivity issues), especially during periods of high market volatility or sudden surges in user activity on the Platform.
- 9.3 Your Instruction, transaction request or email to Coinhako and/or the Platform may be lost, intercepted or altered during transmission.
- 9.4 Deposits, withdrawals and transfers may not be instantaneous, and Coinhako is not responsible for any price movements during that time and any losses incurred.
- 9.5 Coinhako does not guarantee support of all networks for a Digital Asset.
- 9.6 The entire balance displayed in your Account may not be tradeable, withdrawable or transferable due to precision limitations.
- 9.7 Coinhako may not support dividend payouts or other distributions in relation to any or all of the Digital Assets.
- 9.8 Your ability to purchase any Digital Assets through the Platform is contingent on whether or not Coinhako is holding sufficient amount of the relevant Digital Assets in its proprietary wallets

and/or Coinhako's ability to acquire such Digital Assets before on-selling them to you. Therefore, Coinhako makes no promises regarding the timing or your ability to purchase any Digital Assets using the Platform.

- 9.9 Coinhako securely stores Digital Asset private keys, in a combination of online and offline storage. As a result of our security protocols, it may be necessary for us to retrieve private keys or related information from offline storage in order to facilitate a Digital Asset Transaction in accordance with your Instructions, and you acknowledge that this may delay the initiation, execution and/or settlement of such Digital Asset Transaction.
- 9.10 Coinhako may, from time to time, perform maintenance on the Platform or in relation to any of the Services, routine or otherwise. This may lead to Platform or Services downtime and your inability to access the Platform or any of the Services, potentially resulting in a delay or cancellation of any Orders or Irrevocable Orders. Coinhako may also suspend or permanently cease support for one or more Digital Assets during network upgrades and/or network changes (e.g. mainnet switches).

10. UNAUTHORISED ACCESS AND ERRONEOUS TRANSMISSION OF DIGITAL ASSETS

- 10.1 Unauthorised third parties may access or use your Account and effect transactions without your knowledge or authorisation, whether by obtaining the password to your Account, obtaining control over another device or account used by you in connection with any enhanced security measures enabled for your Account, or by other methods. Coinhako will not be liable to you for any losses resulting from any of these kinds of unauthorised access.
- 10.2 Any Digital Asset may be lost forever if sent to the wrong address (including, without limitation, if the address is improperly formatted, contains errors, or is intended to be used for a different type of Digital Asset). You further acknowledge and agree that (a) Coinhako does not guarantee the recovery of Digital Assets sent to incorrect addresses; (b) Coinhako is not obligated to assist with any form of Digital Asset recovery; and (c) any assistance rendered by Coinhako to assist with the recovery of Digital Assets shall be considered by Coinhako on a case-by-case basis and at its sole and absolute discretion. For more information, please see our Recovery Policy accessible on our Website. Additional fees and recovery charges may also apply for attempts by Coinhako to try and recover Digital Assets for you.

11. THIRD-PARTY RISKS

- 11.1 There is no assurance that any person or business who currently accepts Digital Assets as payment will continue to do so in the future.
- 11.2 Coinhako has no control over, and assumes no liability for, the delivery, quality, safety, legality or any other aspect of any Digital Asset that you may receive from or transfer to, any third party (including other Users). If you experience any problem with any Digital Assets received from any third party, or if you have a dispute with such third party, you should resolve the dispute directly with that third party.

12. NO DEPOSIT PROTECTION

- 12.1 There are no deposit protection schemes that are applicable to the Services and your Account balances are uninsured unless you specifically obtain third party private insurance with respect to them. Your wallet balance is at risk of total loss, from, among others things, security breaches (whether in respect of your Account specifically or the Services generally), electronic, technological or systems failures (including recordkeeping errors), and insolvency or bankruptcy, or equivalent formal proceedings, in respect of Coinhako.
- 12.2 Digital Assets are generally not backed by any entity. This means that you have no right of recourse against any issuing entity in relation to any matter relating to your Digital Assets. It also means that neither Coinhako nor anyone else has an obligation to redeem or buy back your Digital Assets.
- 12.3 The Digital Assets that you transfer to the addresses associated with your Account may not be segregated from, and may be commingled with, other Digital Assets of other users; there is no trust or fiduciary relationship in respect of any Digital Assets or fiat money transferred to Coinhako or any other Account balances.

13. RISKS RELATED TO COMMUNICATIONS WITH COINHAKO OR YOUR RELATIONSHIP MANAGER AND THE DESIGNATED CHANNEL

- 13.1 During your communications with Coinhako or your Relationship Manager, Coinhako or your Relationship Manager may provide you with information or explanations in relation to transactions. In using the Services, you agree and understand that you are acting for your own account and you make your own judgment in relation to transactions and their suitability and not in reliance of any statements or representations by Coinhako or your Relationship Manager. If Coinhako or your Relationship Manager makes any suggestions or provides any information, explanations or expresses any views in relation to any transactions, these are purely for information purposes only and neither the Relationship Manager nor Coinhako assumes any responsibility for any transactions made and you should not rely on or consider any such suggestions, information, explanations or views expressed as investment advice or a recommendation to enter into any transaction. If you have any doubts about the risks involved in any transaction, you should seek independent legal, financial, investing, accounting, tax and other professional advice.
- 13.2 Coinhako is entitled (but not obliged) to verify and be satisfied with respect to the identity of the person purporting to give Instructions through a Designated Channel. However, there is a risk that you may suffer losses arising from or in connection with (a) Coinhako accepting and acting on any instructions over a Designated Channel and/or any other channel, platform or communication service which appears to us to be from you and which appears to Coinhako to be from you and which turns out to have been forged, fraudulent or unauthorised and/or (b) any miscommunication, breakdown in communication, delay, forgery, mutilation or duplication in connection with the transmission of any instructions to Coinhako.

14. RISKS AND DISCLOSURES RELATED TO SAFEGUARDING ARRANGEMENTS

14.1 Safeguarding Arrangements.

- (a) Relevant Money. Relevant Money will be held by us on your behalf in one or more Trust Accounts maintained with one or more Safeguarding Institutions.
- (b) Customers' Assets. Customers' Assets will be held by us on your behalf in one or more Trust Accounts maintained with one or more Safeguarding Persons.

Notwithstanding the above, due to operational needs, including for Coinhako to facilitate your Transactions from time to time, there may be circumstances whereby not all Relevant Money and/or Customers' Assets will be held in Trust Accounts at all times, although we will endeavour to do so as soon as practicable. Relevant Money and/or Customers' Assets that are not held in Trust Accounts may not be afforded the same protections as those held in Trust Accounts and may be subject to additional risk of losses.

14.2 Commingling of Assets and Risks.

- (a) Relevant Money. Relevant Money that is received from you and deposited in a Trust Account will be held together and commingled with the Relevant Money received by us from other Users.
- (b) Customers' Assets. Customers' Assets that are received from you and deposited in a Trust Account will be held together and commingled with Customers' Assets received by us from other Users. Your interest in the Customers' Assets may not be identifiable by separate physical documents or electronic records, although we will maintain records of your interests in the Customers' Assets that have been commingled.
- (c) Risks of Commingling. As Relevant Money and/or Customers' Assets held on your behalf will be commingled with assets of other Users, if we become insolvent and/or if the Relevant Money and/or Customers' Assets held in the Trust Accounts are insufficient to cover the claims of all Users, you may not be able to recover all of the Relevant Money and/or Customers' Assets that are held on your behalf in the Trust Accounts.

14.3 Disclaimers Relating to Safeguarding Arrangements.

- (a) No Contractual Relationship. Despite the safeguarding arrangements in place for Relevant Money and/or Customers' Assets, unless expressly stated otherwise, these arrangements do not create any contractual relationship between you and the Safeguarding Institution and/or Safeguarding Person, and you have no rights to enforce or enjoy the benefit of any contractual term against the Safeguarding Institution and/or Safeguarding Person.
- (b) No Guarantee of Recovery. Further, the safeguarding arrangements do not guarantee that Coinhako will be able to satisfy all of your claims in relation to Relevant Money and/or Customers' Assets. The Safeguarding Institution and/or Safeguarding Person

will not be liable to compensate you where the Relevant Money and/or Customers' Assets held in the Trust Accounts are insufficient to satisfy all of your claims.

- (c) Risks of Insolvency. If the Safeguarding Institution or Safeguarding Person becomes insolvent, there is a risk that you may not be able to recover all of the Relevant Money or Customers' Assets that are held on your behalf in the Trust Accounts.
- (d) Risks of Default. If the Safeguarding Institution or Safeguarding Person is in default of any obligation in relation to the safeguarding of Relevant Money or Customers' Assets, there is a risk that you may not be able to recover all of the Relevant Money or Customers' Assets that are held on your behalf in the Trust Accounts.

15. POLICY ON STORAGE ARRANGEMENTS FOR CUSTOMERS' ASSETS

- 15.1 **Storage of Customers' Assets.** Customers' Assets will generally be stored in cold wallets, which are not connected to the internet or any other form of online or wireless communications. As cold wallets are not connected to the internet, they are generally thought to provide a higher level of security as they may be less susceptible to cyber-attacks. In contrast, non-cold wallets may allow for faster and more efficient processing of transfers of Customers' Assets as they allow for certain processes to have a higher degree of automation since they are connected to the internet.
- 15.2 **Use of Non-Cold Wallets.** On an ongoing basis, we will store a certain amount of Customers' Assets in non-cold wallets for operational or other purposes. This is important to allow for timely processing of any transfers of Customers' Assets, including for trading, withdrawals, and/or other activity. In determining the appropriate amount of Customers' Assets to store in non-cold wallets, we will consider several factors in our sole discretion, including: (a) the existing amount of Customers' Assets in the non-cold wallets; (b) the expected volume of transfers (e.g., whether it is a period with higher transfer volume); (c) the costs of network fees; and (d) the typical blockchain confirmation period.
- 15.3 **Security Measures.** We endeavour to implement security measures that we believe are appropriate to mitigate the risks of loss of Customers' Assets due to cyber-attacks, including:
 - (a) implementing policies and processes for alignment with Applicable Laws and international security standards (more information on such standards that we have obtained are available on our Website);
 - (b) implementing good information security principles in connection with the safeguarding of Customers' Assets, including the principles of never alone, segregation of duties, and least privilege (as further described in paragraph 9.1.1 of the MAS Technology Risk Management Guidelines), and the use of multi-factor authentication in connection with non-cold wallets;
 - (c) implementing manual authorisation requirements and/or transfer limits for certain transfers from certain non-cold wallets to mitigate against the risks of unauthorised transfers of Customers' Assets; and

- (d) conducting regular security audits on our wallet infrastructure and Customers' Assets storage policies.

15.4 **Acknowledgement of Storage in Non-Cold Wallets.** We may, at our sole and absolute discretion and without notice to you, store Customers' Assets in non-cold wallets where we consider it necessary or expedient. Any system of storage of Customers' Assets, especially Customers' Assets held in non-cold wallets, is subject to inherent risks associated with cyber-attacks, hacking, phishing, and any other security or data breaches, which may lead to a total loss of Customers' Assets. Whilst we endeavour to implement security measures to safeguard Customers' Assets, we are not able to guarantee that there will be no loss of Customers' Assets.

16. **RISKS RELATED TO ACTUAL OR POTENTIAL CONFLICTS OF INTEREST**

16.1 **Conflicts of Interests.** Potential and/or actual conflicts of interest which may arise while providing our Services to you. This section lists some of the possible sources of such conflicts and the steps we take to mitigate such conflicts.

16.2 **Safeguarding Personnel for Customer's Assets.** Conflicts of interests may arise between our personnel responsible and accountable for safeguarding Customers' Assets, and those who make investment, trading or other discretionary decisions resulting in the trading or disposal of customers' assets. If such risks are not mitigated, there is a greater risk of misuse of Customer Assets. To mitigate such risks, we have implemented policies and procedures for the safeguarding of Customers' Assets, which include the following measures:

- (a) Coinhako to adopt our internal risk management framework to identify any conflicts of interest between departments and roles that would likely expose Coinhako to loss of Customers' Assets;
- (b) Coinhako to ensure the segregation of duties to guard against the risk of unauthorised transactions, fraudulent activities and manipulation of data about Coinhako's customers for personal gain or for concealment of irregularities or financial losses;
- (c) Coinhako to clearly define the roles and responsibilities of our custodial team which is responsible and accountable for safeguarding Customers' Assets;
- (d) Coinhako to consider controls and implement clear reporting lines for such personnel responsible for safeguarding Customers' Assets, with a senior manager who is resident in Singapore and is independent from trading and commercial decisions; and
- (e) digital key holders should be held by different parties and no one employee should be able to solely authorise and effect the disposition, transfer or withdrawal of Customers' Assets.

16.3 **Supporting Digital Assets.** In determining prospective Digital Assets which we intend to support on our Platform, certain conflicts of interest may arise. This may include the following circumstances: (a) supporting Digital Assets are issued by us or our related corporations, as there is a risk that we may be able to influence the value of these Digital Assets; and/or (b) receiving incentives to support Digital Assets, as there is a risk that we may be unduly

influenced by these incentives in supporting the Digital Assets. For more information, please refer to our Statement on Listing of Digital Assets for a more detailed explanation on the potential conflicts of interests and steps we take to mitigate such risks.

- 16.4 **Residual Risks.** Notwithstanding the measures that we have taken to prevent or mitigate potential or actual conflicts of interest that may arise, you should be aware that none of these measures can fully eliminate all of the risks identified and you fully assume such risks by using any of our Services.