

AUDF Terms | Part A: AUDF

Forte Tech Solutions Pty Ltd ACN 656 181 065 | Forte Securities Australia Pty Limited ACN 614 579 734

Important: This is an important document, and which sets out all the rights and obligations between users of AUDF and Forte Securities Australia Pty Limited ACN 614 579 734 AFSL 492490 (also named as Forte Securities) and Forte Tech Solutions Pty Ltd ACN 656 181 065 (also named as FTS). You must read in it full and obtain financial and/or legal advice if you are unsure of any aspects. You should also read the AUDF risk disclosures available in the AUDF Whitepaper and the Risk Disclosure Statement on our website (www.forteaud.com).

Date: 15 January 2025 (Version 4.0)

1. AUDF Terms

- a) If you hold an Account and/or hold, transact in or use AUDF, and do not advise us that you do not accept these terms promptly, then you agree you are bound by this Agreement. This Agreement applies each electronic form or contract executed with respect to AUDF, whether or not the transaction is with us or whether the persons or entities are Account holders.
- b) By obtaining, using or holding AUDF, you warrant that you have reviewed all clauses within, understand and expressly agree to this Agreement and Applicable Laws. You agree that the Privacy Policy and Website Terms are incorporated into this Agreement. If you are retail client you should also read Product Disclosure Statement (PDS) and Target Market Determination (TMD). This Agreement will prevail to the extent of any inconsistency between the documents.
- c) You acknowledge and agree that AUDF is a digital token which is issued by Forte Securities on AUDF Supported Blockchains and all the legal rights governing the use of that token are set out in this Agreement.
- d) You acknowledge that Forte Securities intends, but does not guarantee:
- i. to maintain a value of 1 AUD fiat, per AUDF on issuance; and
 - ii. for each 1 AUDF on issue, a corresponding 1 AUD (or an equivalent amount of AUD denominated assets) (**AUDF Reserves**) is intended to be held in reserve by Forte Securities (or a related party of Forte Securities).
- e) Forte Securities will advise AUDF holders, by way of a notification on www.forteaud.com, where the AUD Reserves are of an economic value less than 90% of all AUDF on issue, on this calculation. Forte Securities may modify its reserve management program from time to time.
- f) Subject to this Agreement, the Applicable Laws, and the AUDF Reserves being sufficient, Forte Securities agrees to redeem 1 AUDF for 1 AUD within a reasonable period.
- g) You:
- i. are not entitled to place any security interest on the AUDF Reserves, or revenues generated by Forte Securities from the AUDF Reserves;
 - ii. have a contingent contractual right under this Agreement to claim a redemption of 1 AUDF for 1 AUD from Forte Securities; and
 - iii. agree Forte Securities' obligation to redeem the AUDF is subject to:
 - A. a reasonable period of time;
 - B. an operational manner of FTS' choosing;
 - C. Forte Securities' and (or) FTS's obligation to comply with AML/CTF Laws, sanctions law, and other applicable regulatory requirements.
- h) You acknowledge and agree that:
- i. Forte Securities may hold AUDF Reserves in interest bearing accounts and other yield generating instruments at its sole discretion;
 - ii. Forte Securities is only entitled to any interest or returns earned on such funds;
 - iii. Forte Securities does not generate any interest or return for holders of AUDF; and
 - iv. users of AUDF have no right to, and expressly disclaim, any entitlement to the Forte Securities Reserve and proceeds therefrom.
- i) Unless expressly set out in this Agreement, AUDF does not confer AUDF Holders with any right, title or interest in Forte Securities, or its Related Entities.
- j) You understand and agree that sending AUDF to another address automatically transfers and assigns to the owner of that address (**AUDF Holder**), and any subsequent AUDF Holder, the legal and equitable right to redeem AUDF for AUD funds so long as the AUDF Holder is eligible to, and does, register an Account and it is active. You also agree, if the AUDF Holder is not eligible to register an Account, it is not entitled to redeem AUDF with Forte Securities.
- k) You acknowledge and agree that Forte Securities may delay, refuse or reject any request to redeem an AUDF, where, in It's sole discretion, it believes it is appropriate or necessary, including in the event of any of the circumstances described in this Agreement.

- l) AUDF is fully backed by an equivalent amount of AUDF Reserves which are held by Forte Securities with various financial institutions. Each AUDF on issue is backed by at least 1 AUD equivalent of AUDF Reserves.
- m) Unless expressly set out in this Agreement, AUDF does not confer AUDF Holders with any right, title or interest in the Forte Entities.

2. Account

- a) The Account is issued by FTS, a related party of Forte Securities. FTS is a registered Digital Currency Exchange (DCE 100788879-001).
- b) To be eligible to establish an Account, you must:
 - i. submit an application with FTS;
 - ii. hold an account with a financial institution approved by FTS (**Bank Account**);
 - iii. have your own crypto (digital) wallet;
 - iv. ordinarily reside in Australia or another jurisdiction permitted by FTS; and
 - iv. meet any other eligibility requirements FTS prescribes from time to time.
- c) You acknowledge and agree:
 - i. FTS may refuse to issue you with an Account in its absolute discretion, including where you have failed to provide FTS with information it has requested.
 - ii. You must hold a Bank Account before you can use the Account to redeem AUDF.
 - iii. The Bank Account must be in your name or in the name of another person that FTS has otherwise approved.
 - iv. Fiat currency may only be deposited to your Account for the purposes of purchasing AUDF.
 - v. AUDF purchased is initially deposited by FTS in your Account Wallet. It is your responsibility to transfer AUDF from your Account Wallet to an external wallet. We take no responsibility for any external transfers initiated from your Account Wallet.
 - vi. You have a contingent contractual claim to any fiat currency held in your

Account and AUDF held in your Account Wallet.

- vii. Fiat currency in your Account can only be withdrawn to your Bank Account, unless otherwise approved by FTS.
- viii. The Account can only be accessed by you. You must not provide access to the Account to any other person. FTS will deem any instruction that is provided from your Account as having been provided by you and FTS is not required to inquire as to the validity or accuracy of such instructions.
- ix. You cannot assign or transfer your Account to any person.

3. Issue & Redemptions

3.1 Issue

- a) Forte Securities has appointed FTS to facilitate the conversion of AUDF to AUD and vice versa for the purposes of giving effect to the transactions contemplated.
- b) Subject to this Agreement and Forte Securities holding at least an equivalent value in AUDF Reserves, FTS will redeem 1 AUDF for 1 AUD.
- c) You acknowledge and agree that:
 - i. You may only send AUDF to the Account Wallet. If you send other digital tokens to the Account Wallet, they may be lost or irrecoverable.
 - ii. You may only send AUDF to a wallet which accepts AUDF Supported Blockchains. If you attempt to send the AUDF to another wallet, it may be lost or irrecoverable.
 - iii. You may purchase AUDF from FTS only if you have an active Account, in accordance with this Agreement. You can otherwise purchase AUDF from secondary markets, as outlined below.
 - iv. You may purchase AUDF by transferring fiat currency from an account at a financial institution in your name and under your exclusive control, after having been approved by FTS. We also require a valid wallet address for delivery of the AUDF, which must always be under your exclusive control.
- d) Prior to the placement of a purchase request on your Account, you will be required to review and confirm certain information, including:
 - a) the quantity of AUDF requested to be purchased; and b) the wallet address to which the AUDF will be sent.

Once a purchase request has passed compliance checks, it will be processed by FTS.

- e) Once a purchase request has been approved, and we confirm the transfer of fiat currency into FTS' accounts, we will initiate the generation and transfer of AUDF to be credited into your wallet through FTS. If a fiat currency transfer does not originate from a financial institution account under your exclusive control, it may be rejected and returned to the origination account.
- f) Forte Securities only generates AUDF in nonfractional quantities and is not obligated to process fractionalised purchase of AUDF. You acknowledge and agree that FTS may require a minimum amount of AUDF to process a payment, which may change from time to time.
- g) Subject to the terms of this Agreement, you may purchase AUDF by transferring fiat to the whitelisted bank account.
- h) You acknowledge and agree that neither Forte Securities and / nor FTS:
 - i. hold any money you transfer to those entities on trust for you, pending the issuance of AUDF; and
 - ii. make any representation or warrant about the safekeeping or custody of the monies you transfer.

3.2 Redemptions

- a) You understand and agree that FTS will not, for the purpose of redeeming the AUDF, or otherwise, recognise any title or interest in the AUDF save for the users right to redeem AUDF for AUD. FTS is not entitled to process a redemption from a wallet not in your exclusive control.
- b) You acknowledge and agree that you may redeem AUDF with us only if you have an Account which is active, and in conformance with this Agreement. You may redeem AUDFs through the redemption process accessible through your Account. In order to convert from the AUDF to respective fiat currency, a valid transfer or wire instruction to a valid bank account must be made.
- c) Prior to the placement of a redemption order, you will be required to review and confirm certain information, including:
 - i. the amount of the redemption (which will include the mark-up, if any); and
 - ii. the bank account and transfer instructions to which the fiat currency will be sent.

Once a Redemption request has passed compliance checks, it will be processed by FTS.

- d) You will be provided a redemption address to which you can send your AUDF for the purposes of redemption. Once we confirm that your AUDF have been transferred to such redemption address and validated that the AUDF is from a wallet under your exclusive control, we will initiate a transfer of fiat currency to be credited to the bank account associated with your Account. If an AUDF transfer does not originate from a wallet under your exclusive control, or there are any other signs of a compliance breach, it may be rejected and returned to the origination wallet.
- e) You acknowledge and agree that Forte Securities only generates AUDF in nonfractional quantities and is not obligated to process fractionalised redemptions of AUDF. FTS may require a minimum amount of AUDF to process a redemption, which may change from time to time.
- f) AUDF and fiat currency will be received and sent, less any fees charged by a third party e.g. banks or other platforms. Once a redemption has been commenced and compliance checks have been deemed satisfactory, the transaction may not be reversible. If you transfer AUDF to our redemption address/ your external wallet provider, and the amount of AUDF received by us is, for any reason, less than or greater than the amount indicated in your redemption request, then subject to the amount of AUDF received being greater than our minimum requirement (which we reserve the right to set / amend at any time), we will deliver to you the redemption amount of fiat associated with the amount received, even if that amount is less than or greater than that indicated in your redemption request.
- g) You represent and warrant that all AUDF that you redeem do not represent the proceeds of any criminal, fraudulent, or otherwise unlawful activity. If we, in our sole discretion, have reason to believe that you are not the owner of the AUDF sought to be redeemed, or if the AUDF sought to be redeemed represent the proceeds of criminal, fraudulent, or otherwise unlawful activity, or if AUDF is transferred from a wallet that does not comply with the requirements in this Agreement, or applicable law, we reserve the right to refuse to redeem any AUDF or refrain from establishing or maintaining an Account for you.
- h) Subject to the terms of this Agreement, you may redeem AUDF by following the redemption process accessible through your Account.
- i) You acknowledge and agree that neither Forte Securities and / or FTS:
 - i. hold any money you transfer to those entities on trust for you, pending the issuance of AUDF; and
 - ii. make any representation or warrant about the safekeeping or custody of the monies you transfer.

3.3 Cancelled Order

- a) You acknowledge and agree that FTS reserves the rights to cancel or nullify orders in the event that the order contains a bug, mistake, or an actual or suspected breach of this Agreement.

4. AUDF

- a) You acknowledge and agree that:
 - i. AUDF is intended to reflect a tokenised equivalent of AUD. AUDF on issue does not constitute a loan or debt owing by Forte Securities to AUDF Holders, it creates a contingent contractual right to redeem that AUDF for AUD in accordance with this Agreement.
 - ii. Forte Securities may hold AUDF Reserves in interest bearing accounts and other yield generating instruments. You expressly consent and agree that Forte Securities is only entitled to any interest or returns earned on the principal of the AUDF Reserves. Forte Securities does not generate any interest or return for AUDF Holders.
 - iii. Sending AUDF to another address automatically transfers and assigns to the owner of that address (**AUDF Holder**), and any subsequent AUDF Holder, the right to redeem AUDF for AUD in accordance with this Agreement. If the AUDF Holder is not eligible to register an Account, it is not entitled to redeem AUDF with FTS.

4.1 Use of AUDF

- a) You acknowledge and agree that:
 - i. AUDF is a non-cash payment facility (financial product) intended to enable non-cash payments between persons subject to this Agreement and Applicable Laws;
 - ii. AUDF can be utilised by users for payments, as set out in the Whitepaper, like BTC or commodities or any other thing of value;
 - iii. Forte Securities or FTS are not a payments processor or operates as a CS facility. Nor is it issuing the AUDF to fund its working capital. You acknowledge that Forte Securities / FTS does not:
 - A. maintain online platforms, mobile apps, or other digital infrastructure;
 - B. maintain a payment gateway to authorise / settle transactions;

C. agree to make any merchant accounts, point of sale systems, or digital wallet integration to users;

D. agree to implement SSL encryption, PCI-DSS compliance, user authentication;

E. agree to adopt custodial or registry standards to delineate your AUDF vis-à-vis the equivalent AUD (or AUD denominated assets) in the AUD Reserve;

F. agree to adopt anti-fraud or recovery measures to protect your AUDF;

G. agree to provide APIs, support channels, transaction reports, or other information to AUDF holders, to facilitate payments processing or funds transfer; and

H. you will not utilise the AUDF in such a way that it comprises a non cash payment facility product.

- b) Forte Securities / FTS is not obligated to, and will not, advise you how to hold, use or store your AUDF or information which may impact the economic value of your AUDF (save for as set out in this Agreement), or how you may hold, use or store your AUDF. That is your responsibility.

c) You acknowledge and agree that:

- i. These terms and conditions entitle you to a contingent contractual claim to redeem AUDF for fiat from Forte Securities, and do not create a trust or fiduciary relationship between you, Forte Securities and / or FTS;
- ii. The payments you make for or in connection with AUDF are not debentures, including as they are not:

A. applied by Forte Securities and / or FTS to its working capital, being the difference between those companies' current assets and liabilities;

B. deposited or lent to Forte Securities and / or FTS, and we make no undertaking to repay the fiat monies. Your rights and obligations are contingent on the terms in this Agreement, and include conduct that is separate from the operations of Forte Securities and / or FTS as set out in this contract.

5. Applicable Laws

- a) You agree to comply with Applicable Laws.
- b) To the maximum extent permitted by Applicable Laws, you agree to provide us, upon reasonable notice, with any documents we may reasonably require to comply with our obligations under AML Laws, and other regulatory obligations under the Applicable Laws.

- c) By holding or using AUDF, or accessing or using the Account, you represent and warrant that:
 - i. if you are an individual, you are at least 18 years old;
 - ii. you are not a Restricted Person and/or not located in prohibited/sanctioned jurisdiction(s) or holding AUDF on behalf of or under an arrangement with a Restricted Person; and
 - iii. you will not hold or use the Account or AUDF for any Prohibited Activity and use of AUDF is legal in your jurisdiction.

6. Supported Blockchains / Technical Support

- a) AUDF only operates on AUDF Supported Blockchains as listed on our Website from time to time. We do not have any liability or obligation to prevent or mitigate attacks or resolve any other issues that might arise with any AUDF Supported Blockchains. Any such attacks or delays on any AUDF Supported Blockchains might delay or prevent you from sending or receiving AUDF and we will not be responsible for any Loss you incur from such issues.
- b) We reserve the right to migrate AUDF to another blockchain or protocol in the future at our absolute discretion. You agree to take any action reasonably required to give effect to the migration. We will not be liable for any Loss you incur as a result of not effecting the migration.
- c) You acknowledge and agree that:
 - i. FTS will not support, accept or redeem tokens emulating AUDF that have been derived from a form in any AUDF Supported Blockchain.
 - ii. FTS will not be liable for any Loss you incur as a result of a forking event, or other change in any AUDF Supported Blockchain, any activity of other users of AUDF or third party platforms. We do not own or control any blockchain upon which the AUDF is issued.
 - iii. FTS will not support, accept, or redeem tokens emulating AUDF that have been derived from a bridge or similar technical development, where the token presented is a 'bridged' equivalency of AUDF, not issued by Forte Securities.
- d) We do not accept the use of APIs, AI, algorithmic or other computer software applications for the purchase and redemption of AUDF, unless specifically approved by us.

- e) We do not accept any obligation to inform you of matters which may effect AUDF, including events impacting the AUDF Supported Blockchain, economic developments or any other matters.

7. Intellectual Property

- a) We grant you with a revocable, nonexclusive and non-transferable licence to use the AUDF Services in accordance with this Agreement.
- b) You acknowledge and agree that the rights granted to you to use the AUDF Services do not convey any additional rights in the AUDF Services or Account, or in any Intellectual Property Rights associated with them. Subject only to limited rights to access and use the AUDF Services in accordance with this Agreement, all rights, title and interest in and to the Account and all hardware, software and other components of or used to provide the Account, including all related Intellectual Property Rights, will remain with an AUDF Services belong exclusively to us.
- c) You acknowledge and agree that any Intellectual Property Rights developed by us or you in improving, altering, enhancing or otherwise developing the AUDF Services (whether suggested by you, your officers, agents, employees or customers) will vest in us, and will be licensed to you on the same terms as the AUDF Services is licenced pursuant to this Agreement.
- d) You grant us with a non-exclusive, nontransferable royalty free licence to use your Intellectual Property Rights for the purposes of performing our obligations under this Agreement.
- e) Each party represents and warrants to the other that it is entitled to grant the licences set out in clauses 7a), c), and d) that the other party's use of the Intellectual Property Rights as licensed pursuant to this Agreement will not infringe the Intellectual Property Rights of any third-party.

AUDF Terms | Part B: General Conditions

Forte Tech Solutions Pty Ltd ACN 656 181 065 |
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8. Acknowledgment

- a) You acknowledge that you are not relying on any representations, statement or warranty made by us other than those contained in this Agreement. All statutory conditions or warranties that would otherwise be implied into this Agreement or by Applicable Law, are excluded to the maximum extent permitted by Applicable Law.
- b) You acknowledge that we will rely on information you have provided to us and that we are not required to verify, unless set out in the Applicable Laws, (and we will not have any liability in respect of) matters referred to in any written direction or communication we receive from you.
- c) You acknowledge and agree that Forte Securities and / or FTS may make changes regarding the composition or treatment of the AUDF Reserve without notifying you, save as set out in this Agreement.

9. General Advice

- a) You acknowledge and agree that the Forte Entities do not provide any recommendations or advice with respect to AUDF.
- b) No representations of the Forte Entities should be intended to be, or taken to be, legal, financial, taxation or business advice. You should seek your own legal, financial, taxation or business advice as needed before establishing an Account or dealing in AUDF.

10. Risks Disclosure

- a) You acknowledge that you have read the AUDF Whitepaper, and the AUDF Risk Disclosure Statement on our website (www.forteaud.com) and that you accept them.

11. Fees & Expenses

- a) You acknowledge and agree that:

- i. Fees will be payable at the same time the transaction to which the Fees apply is made.
- ii. FTS may charge you fees for purchasing and redeeming AUDF. An overview of our fees on purchase and redemption is set forth on our website. We reserve the right to, and you agree that we may, offset our fees against any amount of fiat currency or AUDF to be delivered by us to you in relation to a transaction request. Because of such fees and/or offset, amounts of fiat or AUDF received into your account at your financial institution or into your external wallet may be less than what you were expecting to receive.
- iii. We reserve the right to change or modify our fee structure or increase any of our fees at any time and from time to time. Any such changes, modifications, or increases will be effective upon posting such changes, modifications, or increases on our website. Your first use of your Account following the posting on the website of any changes to the fees will constitute your acceptance of such changes. If you do not agree to the posted changes, you may close your Account as provided in this Agreement.

11.1 Third Parties

- a) We may incur fees from third-party service providers in the course of processing your purchase or redemption request. To the extent FTS incurs fees from third-party service providers, FTS reserves the right to, and will, charge you for such fees by reducing the fiat balance owed to you in a redemption or reducing the amount of AUDF in a purchase request, each by the amount of fees incurred by us to process your purchase or redemption.
- b) In addition, your financial institution and/or the provider of your wallet may directly charge you transactional and other fees, such as blockchain network mining or gas fees and wire transfer fees related to purchasing or redeeming the AUDF. We take no responsibility or liability for indemnifying or covering any fees that will be charged to you, or charged against amounts of fiat or AUDF you are trying to send to or receive from us, by your financial institution, wallet provider or other third-party service provider engaged by you. Because of such fees from third-party service providers, amounts of fiat or AUDF received into your account at your financial institution or into your wallet may be less than what was sent by us to your account or wallet, or amounts that we receive may be less than what you

intended to send or less than amounts indicated in your transaction request.

- c) If we receive fiat currency in an amount that is not a whole AUD dollar (for any reason, such as, but not limited to, your error or your financial institution deducting a non-whole dollar amount of fees prior to transferring the fiat currency to us), then we will round the amount down to the next whole AUDF amount and transfer that amount to the wallet you have identified to us.

11.2 Purchase / Redemption Amounts

- a) The set price of the AUD to be used for purchase / redemption for each AUDF will be the average of the WMR FX Benchmark for AUD across each day the purchase / redemption request is being processed by FTS, and if tranches of AUD are process this will operate on a pro-rata basis for redemption tranches.
- b) The user acknowledges and agrees that FTS may apply a markup on the exchange rate applicable to any purchase/redemption. The markup shall be determined at FTS's sole discretion and may vary depending on market conditions, transaction size, and other relevant factors. The user agrees that the exchange rate quoted by FTS for each purchase/redemption will include this markup, and FTS is not obligated to disclose the amount of the markup separately.
- c) FTS shall ensure that the exchange rate provided to the user for any purchase/redemption is competitive and reflects the prevailing market conditions at the time of the transaction. FTS may, upon request, provide the user with information regarding the sources of the exchange rate applied to the transaction.
- d) You also agree to indemnify Forte Securities and (or), its Related Entities and directors & officers in connection with any legal, regulatory or other costs it may incur, directly, in connection with your breach of this Agreement or Applicable Laws. You agree that Forte Securities can deduct AUD fiat, or an equivalent value of AUD fiat from the AUD Reserve to cover its costs, up to the value of your AUDF for this purpose. It is your sole responsibility to ensure that you, your wallet provider and/or your financial institution transfer the correct amounts of Stablecoin and/or fiat currency, as applicable, in relation to

your purchase, redemption or exchange requests.

12. GST / Tax

- a) Unless otherwise specifically stated, sums payable or consideration provided under this Agreement will be expressed as being exclusive of any applicable amount of GST.
- b) Where FTS (supplier) makes a taxable supply to a person (recipient) under on in connection with this Agreement and GST is imposed on that supply, FTS will be entitled to:
 - i. increase the consideration otherwise payable by the recipient for that supply under this Agreement by the amount of that GST; and
 - ii. otherwise recover from the recipient the amount of that GST.
- c) Where FTS is the recipient of a taxable supply, the user will be obligated to cover the GST imposed on that supply.
- d) The supplier must issue a tax invoice to the recipient no later than 5 Business Days after payment to the supplier of the GST inclusive consideration for that supply.
- e) Words or expressions defined in the GST Act has the same meaning in this clause 4 unless otherwise defined in this Agreement.
- f) The user acknowledges and agrees that Forte Securities and/or FTS shall comply with the Common Reporting Standard (CRS), and Foreign Account Tax Compliance Act (FATCA) regulations. This includes reporting relevant financial account information to the tax authorities of the user's jurisdiction of tax residence. The user further agrees to provide any necessary information and documentation as required by the Forte Securities and/or FTS to ensure compliance with CRS, or other tax regulations. Failure to provide accurate and timely information may result in reporting of the Forte Securities and/or FTS account details to the relevant tax authorities.

13. Disputes

- a) In the event of any dispute between the parties in relation to this Agreement (**Dispute**), a party may notify the other party of the existence and nature of the Dispute (**Dispute Notice**). Upon the other party receiving the Dispute Notice, the parties must exercise good faith in

attempting to resolve the Dispute by negotiation between themselves through their nominated representatives.

- b) If the Dispute cannot be resolved by negotiation under clause 13.a) within 10 Business Days of the Dispute Notice, a party may by notice to the other party, refer that Dispute for determination by a mediator to be appointed by agreement between the parties. If the parties cannot agree on the appointment of a mediator within 10 Business Days of the service of the notice of referral, a mediator will be appointed at the request of either party by the Resolution Institute. The mediation will be held in Sydney, New South Wales.
- c) If the mediation does not resolve the Dispute, it, shall be settled by arbitration in accordance with the rules of the Australian Centre for International Commercial Arbitration (**ACICA**). The number of arbitrators shall be one, appointed in accordance with the said rules. The seat of arbitration shall be Sydney, Australia. The language of the arbitration shall be English. The award rendered by the arbitrator shall be final and binding upon both parties.
- d) You acknowledge and agree that the above will not prejudice the right of a party to institute legal proceedings to seek injunctive or urgent declaratory relief.

14. Force Majeure

- a) You acknowledge and agree that we will not be liable for our inability to perform our obligations under this Agreement as a result of an act of God, national emergency, war, act of terrorism, a change in governmental regulations which would have a prohibitive impact on services under or related to this Agreement (even if that change is foreseen), labour dispute (other than a dispute that only affects that party), or any other cause beyond our reasonable control (**Force Majeure Event**). If such a Force Majeure Event occurs, we will notify the other party of the occurrence and expected duration of that event. We must use all reasonable endeavours to overcome that Force Majeure Event.

15. Termination

- a) Forte Securities or FTS may immediately suspend or terminate this Agreement, or freeze or otherwise restrict your use of

AUDF, by providing you with written notice if:

- i. you commit a material breach of this Agreement which is not capable of remedy, or if capable of remedy, is not remedied to Forte Entities' reasonable satisfaction upon service of a notice requiring such remedy and within the specified timeframe;
 - ii. you become Insolvent;
 - iii. Forte Securities and (or) FTS is required to do so pursuant to an order from a Government Agency or Applicable Laws;
 - iv. FTS reasonably believes that AUDF held by you is being used for any purpose contrary to Applicable Laws;
 - v. we believe it is necessary to protect Forte Securities and (or) FTS' legitimate business interests; or
 - vi. you cease to hold any Authorisations required to operate your business in accordance with Applicable Laws.
- b) Termination of this Agreement does not affect any obligations or liabilities which have accrued on or prior to termination.
 - c) Clauses:
 - i. 7 (Intellectual Property) of Part A; and
 - ii. 1 (Acknowledgment), 5 (GST/Tax), 6 (Disputes), 8(Termination), 9 (Privacy), and 11 (Liability & Indemnity) of Part B,
 - iii. are continuing obligations and will survive termination of this Agreement.

16. Privacy

- a) We will collect, handle and use your Personal Information in accordance with our Privacy Policy, which is available at www.forteaud.com. Our Privacy Policy contains important information about the purposes for which we collect Personal Information, the entities to which we may disclose the information we collect (including any overseas disclosures that we may make), how you can access and seek correction of the Personal Information we hold about you or how you can make a complaint about our handling of your Personal Information.
- b) You grant us with a non-exclusive, royalty free, irrevocable, worldwide licence to:

- i. use your Personal Information for the purposes of providing the AUDF Services to you;
 - ii. collect, access, use, store and collect your Personal Information in accordance with our Privacy Policy;
 - iii. collect anonymised and de-personalised statistics on your Personal Information for our internal business purposes, including to improve the AUDF services;
 - iv. provide anonymised and depersonalised AUDF Holder Data to third parties for FTS' legitimate business purposes.
- c) We must:
- i. comply with Applicable Laws in relation to Personal Information collected, handled, used and disclosed under this Agreement;
 - ii. provide each other with reasonable assistance that may be required to comply with the other's obligations under Applicable Laws in relation to the Personal Information.

17. Warranties

- a) You represent and warrant to us that:
- i. you have read this Agreement, the AUDF Whitepaper, the Risk Disclosure Statement and – if you are a retail client – you also read PDS and TMD on our Website;
 - ii. you have obtained, or had the opportunity to obtain, legal and financial services advice;
 - iii. you will not use AUDF for any unlawful purpose, or in any way that may harm Forte Securities or FTS' legitimate commercial interests;
 - iv. all information you provide to us in respect of your Account is true, accurate and complete;
 - v. if you are a corporation, you are registered and validly exist under the laws of the jurisdiction in which you were incorporated;
 - vi. you have full legal capacity and power to enter into this Agreement and carrying out the transactions contemplated by this Agreement;

- vii. all corporate action has been taken that is necessary or desirable to authorise your entry into this Agreement and carrying out the transactions contemplated by this Agreement;
 - viii. you hold all licenses, registrations, approvals and authorisations (**Authorisations**) that is necessary to:
 - A. be bound by this Agreement and carry out the transactions contemplated by it; and
 - B. ensure that this Agreement is legal, valid and binding,
 - C. and you are complying with any conditions to which any of these Authorisations is subject;
 - ix. this Agreement constitutes legal, valid and binding obligations, enforceable against it in accordance with its terms;
 - x. your obligations under this Agreement do not conflict with any of your constitutional documents or breach any other contractual obligations you may have;
 - xi. you are not Insolvent; and
 - xii. you are not entering into this Agreement as trustee of any trust or settlement.
- b) The warranties in clause 17(a) are repeated on each day during the period in which you hold an Account or AUDF. You must promptly notify us if any of the warranties cease to be correct.
- c) Neither Forte Securities and / or FTS make any warranties about the location, safekeeping or custody of the assets which comprise the AUDF Reserve.

18. Liability, Release & Indemnity

- a) We will not be liable to you for:
- i. any Loss of any kind that is directly caused by or results from any wrongful, willful or negligent act of you or your officers, agents or employees;
 - ii. any Consequential Loss irrespective of whether
 - A. it is caused by or relates to breach of contract, statute, tort (including negligence) or otherwise; or

B. you or any other person were previously notified of the possibility of such Loss or damage; and

C. you release and hold Forte Securities, its Related Entities and directors & officers harmless in this regard.

b) If you transfer a AUDF to blockchain addresses that are inactive, not intended to be used as wallet addresses, incorrectly provided or entered, no longer under the exclusive control of the intended transferee, or otherwise incompatible with the use of AUDF, that AUDF is generally unrecoverable. Such transfers could include, but are not limited to, instructing FTS to transfer AUDF to such a wallet address. You acknowledge and agree that FTS is not responsible for any losses you may incur as a result of such a transfer.

c) You acknowledge, and agree without reservation that Forte Securities has the authority to manage and maintain the reserves for the AUDF, including the authority to manage, oversee, and, where applicable, delegate administrative responsibilities, and delegate to thirdparty service providers, when necessary, any and all AUD Reserve Accounts, and that you have not rights or entitlements in this regard.

d) By obtaining or using one AUDF, you hereby acknowledge, understand, and accept, whether or not you are an Account Holder, any risks associated with our holding (through one or more Banks, Fiat Custody Service Providers, or other providers) and maintenance of the fiat currency reserves and AUD-denominated reserves which back the AUDF.

e) You acknowledge and agree that the Account and AUDF is provided on an 'as is' and 'as available' basis without any warranties of any kind to the maximum extent permitted by Applicable Laws. We disclaim any and all warranties, whether express or implied, other than stated in this Agreement or which cannot be excluded by Applicable Laws.

f) To the maximum extent permitted by Applicable Laws, our total aggregate liability to you for any and all Claims arising under or in connection with this Agreement, whether caused by or related to a breach of contract, statute, tort or otherwise, will not exceed an amount which is the greater of:

i. \$1,000;

ii. ii. or if this subclause is severed,

\$10,000;

iii. or if this subclause is severed, \$100,000; and

iv. the value of AUDF you hold at the date the Claim arose.

a) You will indemnify us in relation to any Loss we incur as a result of:

i. your gross negligence, fraud or wilful misconduct;

ii. your breach of this Agreement;

iii. any direct loss accrued to Forte Securities or its Related Entities and directors & officers as a result of your holding or use of AUDF;

iv. any Claim alleging your Intellectual Property Rights infringe the rights of a third party,

b) except to the extent caused or contributed by our gross negligence, fraud or wilful misconduct or breach by us of this Agreement.

c) Forte Securities or FTS is entitled to quantify the sum owing to it under this indemnity as a liquidated sum, and debt owing to it immediately; and

d) Forte Securities or FTS is entitled to issue a creditors statutory demand for the liquidated sum and/or set out the amount owing to it from the AUD or AUD equivalent value it holds on your behalf in the AUD Reserve.

19. Secondary markets

a) You acknowledge and agree that :

i. Stablecoins may be purchased, sold, traded, or distributed on certain secondary marketplaces, platforms, and exchanges operated by unaffiliated third parties where marketplace participants can sell, purchase, transfer, and otherwise transact in digital assets, including our Stablecoins (Secondary Market).

ii. Stablecoins may not be compatible with all Secondary Markets, and we make no guarantees about the availability or functionality of any Secondary Market or its compatibility or interoperability with any of our Stablecoins. You acknowledge

and agree that all Stablecoin purchases, sales, and transfers on or through Secondary Markets or otherwise outside of the Platform are entirely and exclusively at your own risk.

- b) You acknowledge and agree that we are not liable for any loss incurred by you in connection with any transaction that takes place on or through a Secondary Market or on or through any other third-party sites or services, and that FTS has no responsibility or control over how such external sites, services and/or platforms (including Secondary Markets) operate or over the price of Stablecoins on any such external sites, services and/or platforms.
- c) You further warrant and covenant that you will not sell AUDF unless such sales are authorised by applicable law.
- d) You acknowledge that FTS may receive or pay commission to Secondary Markets for the listing, sale or other usage of AUDF. This commission will not be payable by you.
- e) If you obtain or purchase AUDF, whether on the Secondary Market, or otherwise, you warrant that you have reviewed all clauses within this Agreement, and that you understand and expressly agree to be bound by this Agreement and Applicable Laws.

20. Amendments

- a) We may vary this Agreement at our sole discretion by giving you reasonable written notice:
 - i. where such variation is required or reasonably necessary to comply with Applicable Laws, with immediate effect upon publication.
 - ii. otherwise, by providing you with at least 30 days' written notice.

21. Sub-Contractors

- a) We may engage or employ any person, subcontractor or agent (**Sub-Contractor**) to undertake any of our obligations under this Agreement.

22. Miscellaneous

- a) We may provide you with notice in relation to this Agreement electronically, which includes posting a new version of this Agreement or notice on our Website (www.forteaud.com), emailing you or posting a written notice to the credentials

you have nominated in your Account. You will be deemed to have received the notice at the same time we post or send the communication. You may provide us with notice in relation to this Agreement by emailing us at audf@forte-sol.com.

- b) This Agreement is governed by the laws in force in New South Wales and the parties submit to the non-exclusive jurisdiction of the courts in that jurisdiction.
- c) This Agreement contains the entire agreement between the parties in respect of the subject matter of the Agreement. This Agreement supersedes any prior agreement or understanding (if any) between the parties and there is no collateral or other form of agreement between the parties in relation to the subject matter of this Agreement.
- d) Each party acknowledges that, except as expressly stated in the Agreement, it has not relied on any representation, warranty, undertaking or statement made by or on behalf of another party in relation to the Agreement or its subject matter.
- e) Our failure or delay to exercise or enforce any right or provision of this Agreement or any rights under Applicable Law will not constitute a waiver of any of those provisions or rights. Nor shall we be taken to have waived any of those provisions or rights unless the waiver is express and in writing.
- f) You must not assign or transfer any of your rights or obligations under this Agreement without our prior written consent. We may assign or otherwise deal with the benefit of this Agreement without your consent.
- g) Every provision of this Agreement will be deemed severable as far as possible from the other provisions. If any provision is found to be void, illegal or unenforceable for any reason, it will be deemed to be severed and omitted from this Agreement. The Agreement with the offending provision severed and omitted and with any consequential amendment if necessary will otherwise remain in full force.
- h) You and the Forte Entities are independent contractors for all purposes. Nothing in this Agreement will be construed as constituting a partnership, joint venture or agency between or among you and the Forte Entities.

AUD Terms | Part C: Definitions

Forte Tech Solutions Pty Ltd ACN 656 181 065 | Forte Securities Australia Pty Limited ACN 614 579 734

23. Interpretation

a) Unless qualified by or inconsistent with the context:

i. the singular includes the plural and vice versa;

ii. headings are used for convenience only and do not affect the interpretation of this Agreement;

iii. other grammatical forms of a defined word or expression have a corresponding meaning;

iv. a reference to a clause in a Part or Annexure of this Agreement is to a clause in that Part or Annexure, unless otherwise specified;

iv. a reference to a document is to that document as amended, novated, supplemented, extended or restated from time to time;

v. a reference to a party includes that party's executors, administrators, successors, permitted assigns and permitted substitutes;

vi. a reference to a party is to a party to this Agreement;

viii. "person" includes a natural person, partnership, body corporate, association, joint venture, governmental or local authority, and any other body or entity whether incorporated or not;

ix. a reference to all or any part of a statute, rule, regulation or ordinance (**statute**) is to that statute as amended, consolidated, re-enacted or replaced from time to time;

x. "include", "for example" and any similar expressions are not to be construed as words of limitation; and

xi. references to money or dollar amounts are to the currency of Australia, unless otherwise specified;

xii. any provision in this Agreement which is in favour of more than one person benefits all of them jointly and each of them severally; and

xiii. any provision in this Agreement which binds more than one person binds all of them jointly and each of them severally.

24. Definitions

a) In this Agreement:

i. "**Account**" means an account between the user and FTS, which complies with FTS onboarding procedure and the terms in this Agreement.

ii. **Account Wallet** means the cryptocurrency wallet linked to your Account which allows you to hold or be issued with AUDF from FTS.

iii. **AUDF Reserves** means cash and cash equivalents or other high-liquid AUD-denominated assets held by Forte Securities which are intended to represent an AUD equivalent amount of assets for the purposes of maintaining the 1:1 reserve backing of AUDF.

iv. **AUDF Services** means the Account and any corresponding services provided by FTS in relation to minting or redeeming AUDF

v. **AML/CTF Laws** means the AntiMoney Laundering and Counter-Terrorism Financing Act 2006 (Cth);

vi. **Applicable Laws** means the statutes, regulations and general law of Australia, as varied from time to time.

vii. **Business Day** means any day other than a Saturday, Sunday or day which is proclaimed as a public holiday in New South Wales.

viii. **Claim** means any claim, action, proceeding, demand, cost, damage, loss, expense (including reasonable legal costs on a full indemnity basis), liability incurred or suffered by, or brought or made or recovered against any person and however arising (whether or not presently ascertained, immediate, future or contingent).

ix. **Consequential Loss** means any indirect, special, consequential, punitive or exemplary damages, expenses, losses or costs, loss of anticipated or actual revenue or profits, loss of or inability to use equipment, a failure to realise anticipated savings, lost data, down time costs or loss of goodwill.

x. **Fees** means the fees and charges payable by you to us under this Agreement, as specified on our Website (www.forteaud.com) from time to time.

xi. **Forte Entities** means FTS and Forte Securities.

xii. **Forte Securities** means Forte Securities Australia Pty Limited ACN 614 579 734 AFSL No. 492490.

xiii. **FTS** means Forte Tech Solutions Pty Ltd ACN 656 181 065.

xiv. **Government Agency** means any government or any public, statutory, governmental (including a local government), semi-government or judicial body, entity, department or authority and includes any self regulatory organisation established under statute.

xv. **GST** means any tax imposed on the supply of goods or services which is imposed or assessed under GST Law.

xvi. **GST Law** means where the Jurisdiction is in Australia, A New Tax System (Goods and Services Tax) Act 1999 (Cth) and any corresponding rules and regulations.

xvii. **Intellectual Property Rights** means all present and future intellectual property rights and related rights in the Jurisdiction and throughout the world, including patents, copyright, designs, trademarks (whether or not registered), business and company names, domain names, the right to have confidential information kept confidential, and all other rights or forms of protection having an equivalent or similar nature or effect whether within or outside the jurisdiction, whether registered or not, and including all rights of action, powers and benefits of the foregoing.

xviii. **Insolvent** means being in liquidation or provisional liquidation or under administration, having a controller, administrator, receiver, receiver and manager, liquidator or analogous person appointed to any of its property, or being unable to pay debts as and when they fall due or entering into a compromise or arrangement with its members or creditors or any other analogous event.

xix. **Loss** means losses, liabilities, costs (including legal costs and Scheme penalties), expenses and damages.

xx. **Personal Information** means any information or opinion about an identified individual or an individual who is reasonably identifiable, and includes name, postal address, email address, telephone number, debit, credit and prepaid card numbers or any other unique identifier specific to an individual.

xxi. **Privacy Policy** means our privacy policy, available at www.forteaud.com and as updated from time to time.

xxii. **Prohibited Activity** means use of AUDF in connection with any:

a) illegal or unlawful activity, or potentially illegal or unlawful activity, including money laundering or terrorist financing; or

b) transaction conducted in a manner which does not comply with the requirements of Applicable Laws or the AML Laws.

xxiii. **Related Entities** means, in relation to one or both of the Forte Entities:

a) any related body corporate as defined in section 50 of the Corporations Act 2001 (Cth)

b) any entity, trust, partnership, or individual that directly or indirectly controls, or is controlled by, or under common control with, one or both of the Forte Entities; or

c) any director, officer, employee or agent of any of the above.

xxiii. **Resolution Institute** means the Resolution Institute ABN 69 008 651 232 and includes any successor entity or body.

xxiv. **Restricted Person** means any person who is listed on the Consolidated List maintained by the Australian Sanctions Office or on any equivalent or comparable sanctions list of another jurisdiction.

xxv. **Retail client** have the same meaning as defined in the Corporations Act 2001 (Cth)

xxvi. **Website Terms** means the website terms and conditions available from our website (www.forteaud.com).

xxvii. **you** means:

a) in respect of the Account, any person who holds an Account; and

b) in respect of AUDF, any AUDF Holder.

xxiv. we, us or our means the Forte Entities.