

This document contains the rules that will govern the Distribution escrow (as defined by the Firefish platform's Terms of Service) in connection with the Loan and Security Agreement that you or your organization, if you are acting on behalf of a company or other organization (hereinafter as "you") will enter into via the Firefish platform (the Loan agreement).

If you are a borrower, these rules mainly relate to you as regards the eventual remaining Bitcoin collateral under the Loan agreement that ought to be returned to you in case of non-repayment of your loan.

If you are an investor, these rules mainly relate to you as regards the Bitcoin collateral under the Loan agreement or respective portion thereof that ought to be used for the eventual in-kind satisfaction of your claims (i) in case of non-repayment of your investment, whether you have chosen to keep it (self-liquidation) or to have it exchanged for money / stablecoins by the Firefish platform's liquidator, and (ii) in case of LTV default (as defined in the Loan agreement), should you have chosen to have the Bitcoin collateral exchanged for money / stablecoins by the Firefish platform's liquidator.

By marking the respective checkbox and clicking on "Confirm investment details" button (if you are an investor) or "Confirm loan details" button (if you are a borrower) found at the Firefish platform you will agree to be legally bound and abide by these rules.

PLEASE READ THIS DOCUMENT CAREFULLY. Should you disagree with anything contained herein, make sure you do not click on the "Confirm investment details" button (if you are an investor) or "Confirm loan details" button (if you are a borrower).

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DISTRIBUTION ESCROW RULES (**Rules**):I. DEFINITIONS

**Business day** means any day, other than a Saturday or Sunday, that is neither a legal holiday in Czech Republic nor a day on which businesses are required by law or regulation to close in Czech Republic.

**BTC used for repayment** means the portion of Escrowed BTC remaining after the deduction of Borrower's BTC (should the latter be greater than zero). For avoidance of doubt, should the Borrower's BTC be zero, then BTC used for repayment equals Escrowed BTC.

**Borrower** means the "Borrower" under the Loan agreement; for the purposes of Chapter IV. of these Rules the Escrow agent is entitled to fully rely on the identification of the "Borrower" as provided to Escrow agent by the Platform.

**Borrower's address** means the Bitcoin Blockchain address denoted as "Borrower's address" in the Data card.

**Borrower's BTC** means the portion of Escrowed BTC corresponding to the amount of Bitcoin denoted as "Borrower's BTC" in the Data card.

**Data card** means an electronic or digital document or other structured presentation of data provided or otherwise made available to Escrow agent by the Platform according to Clause 5.1 herein and containing, among other eventual data, the identification/denotation of:

- (a) all of the following: "Loan ID", "Source addresses", "Total sum of escrowed BTC", "Borrower's BTC", and "Liquidation regime";
- (b) and if Borrower's BTC > 0, of "Borrower's address";
- (c) and:
  - (i) in Self-liquidation case, of "Lender's Bitcoin address"; or
  - (ii) in Liquidator involved case, of "Liquidator", "Lender's Ethereum address" or "Lender's account" and "Sum to be paid".

**Day of receipt** means the day in which, and **Moment of receipt** means the moment in which, the amount of Escrowed BTC reaches the sum denoted as the "Total sum of escrowed BTC" in the Data card.

**Escrow addresses** mean, with the exception of the Lender's Bitcoin address, all of the Bitcoin Blockchain addresses meeting the definition of the "Liquidation address" or "Default address" under the "Collateral escrow rules" relevant to the Loan agreement.

**Escrow agent** means a Czech company tedsig solution s.r.o., ID No. 076 09 922 acting in its capacity of Escrow agent under these Rules as the agent of the Platform.

**Escrowed BTC** means all Bitcoin credited (i) to any of the Escrow addresses (ii) from any of the Source addresses, up to the amount of Total sum of escrowed BTC.

**Escrow period** means an uninterrupted period beginning when, for the first time, Escrowed BTC > 0 and ending when all Escrowed BTC has been distributed from escrow.

**Lender** means the “Lender” under the Loan agreement; for the purposes of Chapter IV. of these Rules and definition of Lender's address in this Chapter (I.), the Escrow agent is entitled to fully rely on the identification of “Lender” as provided to Escrow agent by the Platform.

**Lender's account** means the bank account denoted as “Lender's account” in the Data card.

**Lender's Bitcoin address** means the Bitcoin Blockchain address denoted as “Lender's Bitcoin address” in the Data card or, in Liquidator involved case, the Bitcoin Blockchain address of Lender identified to Escrow agent by Lender.

**Lender's Ethereum address** means the Ethereum Network address denoted as “Lender Ethereum address” in the Data card.

**Loan agreement** means the Loan and Security Agreement with a “Loan ID” corresponding to Loan ID, as concluded via the Platform.

**Loan ID** means “Loan ID” as specified in the Data card.

**Liquidator** means Platform or other person denoted as “Liquidator” in the Data card (Platform will provide to Escrow agent additional identification data of such other person and, therefore, the indication of “Liquidator” contained in the Data card itself shall be always read taking in consideration and in conjunction with such additional information).

**Liquidator involved case** means a case of escrow under these Rules where the Data card with regards to “Liquidation regime” states “Liquidator” or other similar expression indicating there is a Liquidator involved.

**Liquidator's address** means the Bitcoin Blockchain address of Liquidator to be used under these Rules, as notified from time to time, in a form acceptable for the Escrow agent, by Liquidator to the Escrow agent.

**Money paid to Lender** means (i) Fiat paid to Lender (see letter (a) in the definition of Release document in this Chapter (I.)), or, as the case may be, (ii) USDC paid to Lender (see letter (c) in the definition of Release document in this Chapter (I.)).

**Money to be paid to Lender** has the meaning ascribed in Clause 3.4(a).

**Parties** mean Borrower, Lender and Liquidator; **Party** means any of them.

**Payment identifier** means the sequence of numbers and/or other characters denoted as such in the Data card.

**Platform** means the web platform, including web application(s), at [www.firefish.io](http://www.firefish.io) or, where the context so requires, the operator of this platform with regards to fiat (legal tender) loans, whether disbursed in fiat (legal tender) or stablecoins.

**Proof of BTC sale** means a document or set of documents showing that Liquidator has sold or otherwise contracted a sale (including by way of a forward(s), future or other similar contracts) of a certain amount of Bitcoin for a certain price (the **Incoming price**), provided that such an arrangement has been made on a recognized crypto exchange, OTF or in a form of an OTC or

other similar contract or contracts to be settled by a recognized clearing agent or settlement infrastructure.

**Release document** means:

- (a) a bank statement or other similar document containing record about a certain sum of money debited for the benefit of the Lender's account and transaction accompanied (marked) by the Payment identifier (**Fiat paid to Lender**); or
- (b) statement of Liquidator about Fiat paid to Lender, provided that the Escrow agent has, by means of passive access to respective Liquidator's bank account, verified and fully confirmed such a statement to be true; or
- (c) statement of Liquidator that it had transferred a certain amount of USDC from its own Ethereum Network address to the Lender's Ethereum address (**USDC paid to Lender**), provided that the Escrow agent has, by its own exploration of the Ethereum Network using technical or software tools as it deems appropriate, verified and fully confirmed such a statement to be true; or
- (d) subject to conditions set forth in Clause 3.4(a) other document as stipulated therein; or
- (e) subject to conditions set forth in Clause 3.4(b) a Proof of BTC sale.

**Release formula** means the following formula:

amount for release = BTC used for repayment \* Money paid to Lender / Sum to be paid

**Self-liquidation case** means a case of escrow under these Rules where the Data card with regards to "Liquidation regime" states "Self-liquidation" or other similar expression indicating there is no Liquidator involved.

**Source addresses** mean all of the Bitcoin Blockchain addresses denoted as "Source addresses" in the Data card.

**Sum to be paid** means (i) the sum of fiat money in the amount and currency, or (ii) the amount of USDC, denoted as "Sum to be paid" in the Data card.

**Transaction fees** mean appropriate (as determined by the Escrow agent in its own discretion) Bitcoin Blockchain fees associated with the execution of respective transaction.

**USDC** means USD Coin (often referred to by its currency code USDC) - a generally known and traded digital token on Ethereum Network issued and managed by Circle group (including any legal predecessors or successors thereof), designed to be a so called stablecoin by pegging its value to and backing it by USD or other form of asset reserves; USDC token contract number is as follows: 0xA0b86991c6218b36c1d19D4a2e9Eb0cE3606eB48.

## II. GENERAL RULES FOR ESCROW

### 2.1 **Essentials**

- (a) Escrow agent shall hold the Escrowed BTC in escrow and distribute the Escrowed BTC according to these Rules.

- (b) For avoidance of doubt, Escrow agent is not entitled nor obligated to transfer or otherwise use the Escrowed BTC or any part thereof save for transfers made in accordance with these Rules.
- (c) During the Escrow period Parties waive their disposition powers with regards to Escrowed BTC stemming from their ownership of or other rights to the Escrowed BTC or respective portion thereof.

## 2.2 Keeping the Escrowed BTC

- (a) Save for the exception stipulated in Clause 2.2(b), the Escrow agent shall during the Escrow period only keep the Escrowed BTC on:
  - (i) the Escrow addresses;
  - (ii) any Bitcoin Blockchain address generated and used as the “change address” for any transaction with Escrowed BTC or a portion thereof contemplated under these Rules.
- (b) Should the Escrow agent find such a measure necessary or advisable, specifically including for security reasons, it is entitled to move the Escrowed BTC held to any other Bitcoin Blockchain address provided that the Escrow agent promptly notifies the Platform (which will in turn notify all Parties concerned) about the transfer, including the identification of address where the Escrowed BTC has been moved.
- (c) Escrow agent shall keep the Escrowed BTC separate from their own Bitcoin. Escrow agent shall not use the addresses mentioned in this Article (2.2) for any purposes other than escrow of Bitcoin in connection with the Platform's services governed by these Rules (or other similar rules).
- (d) In order to keep the Escrowed BTC at all times uniquely identifiable (by UTXOs), Escrow agent is not allowed to commingle, combine or otherwise mix the Escrowed BTC or any part thereof with any other Bitcoin. For avoidance of doubt, this Clause (2.2(d)) (i) prohibits any transaction that is to send a combination of UTXOs of Escrowed BTC or any part thereof with any other UTXOs, and (ii) does not prohibit that Escrowed BTC or any part thereof be deposited on the same Bitcoin Blockchain address with other Bitcoin.

## 2.3 No rights alteration

- (a) Escrow under these Rules shall not in any way whatsoever alter the ownership of or other similar rights to Escrowed BTC or any portion thereof.
- (b) Without prejudice to the generality of the foregoing Escrow agent:
  - (i) will not acquire ownership or other similar rights to the Escrowed BTC or any portion thereof;
  - (ii) is not entitled to and shall not sell, assign, exchange or otherwise legally dispose of, or grant any option with respect to, Escrowed BTC or any portion thereof, nor create or incur any pledge, lien, mortgage, hypothecation, security interest, charge, option or any other encumbrance with respect to Escrowed BTC or any part thereof.
- (c) Parties shall refrain from any action, including creating any rights of third parties, which would alter, or be alleged to have altered obligations of Escrow agent under these Rules, or give rise

to, or be alleged to have given rise to, any obligations or other duties of the Escrow agent with regards to the Escrowed BTC not contained in these Rules.

#### **2.4 Duty of care; risks**

- (a) Escrow agent shall during the Escrow period apply security measures, including private key storage and management, which are generally considered acceptable.
- (b) Escrow agent shall have no duties with regards the custody of Escrowed BTC other than those explicitly stated in the preceding Clause 2.4(a) and, with the exception of eventual breach of duties explicitly stated in the preceding Clause 2.4(a), shall bear no risks associated with the Escrowed BTC or possession thereof.
- (c) Any loss of Escrowed BTC or any portion thereof that is, even partially, due to the risks that are not borne by the Escrow agent, shall liberate the Escrow agent from any and all obligation or other duties, including under these Rules, pertaining to the Escrowed BTC or its portion lost.
- (d) Parties do not expect from the Escrow agent, and they acknowledge and agree that the Escrow agent shall not be obliged to, arrange for the Escrowed BTC itself to be, or have the activity of Escrow agent under or in connection with these Rules be, covered by any kind of insurance.

#### **2.5 Sending and Transaction fees**

- (a) The Escrow agent's duty under these Rules to release the Escrowed BTC or a portion thereof shall be fully discharged by effectively signing and broadcasting (on Bitcoin Blockchain) a transaction sending the Escrowed BTC or respective portion thereof to the Bitcoin Blockchain address as contemplated by these Rules.
- (b) Without prejudice to the generality of the foregoing Escrow agent shall have no duty to notify or otherwise inform the respective addressee or any other Party about the execution of any transaction under these Rules.
- (c) Transaction fees associated with any transaction contemplated herein will be deducted directly from the Escrowed BTC or respective part thereof. For the avoidance of doubt, all amounts of Bitcoin transferred under these Rules will be received by their respective beneficiary reduced by Transfer fees.

### **III. RELEASE**

#### **3.1 Borrower's BTC**

Escrow agent shall send the Borrower's BTC (minus Transaction fees) to the Borrower's address within 24 hours from the Moment of receipt.

#### **3.2 Self-liquidation case**

In Self-liquidation case, Escrow agent shall send the BTC used for repayment (minus Transaction fees) to the Lender's address within 24 hours from the Moment of receipt.

#### **3.3 Liquidator involved case**

- (a) This Article (3.3) and the following Article (3.4) apply to Liquidator involved case.

- (b) Within 24 hours from the reception of a Release document, Escrow agent shall send to the Liquidator's address the BTC used for repayment or respective portion thereof (in any case minus Transaction fees) calculated according to the Release formula.
- (c) For the avoidance of doubt, with regards to any Release document, the Release formula shall be working with the sum of Money paid to Lender stated in the respective individual Release document.
- (d) Any result of Release formula shall be rounded (downward rounding; four decimal places).
- (e) Should the Escrow agent receive a Release document stating the sum of Money paid to Lender which, with the addition of all sums of Money paid to Lender documented by all previously received Release documents (if any), reaches the total Sum to be paid, Escrow agent shall send to the Liquidator's address all BTC used for repayment remaining in escrow (minus Transaction fees).

### 3.4 Specific release documents

- (a) Upon and in line with the written instruction of the Platform given to the Escrow agent, the latter shall also be entitled to accept a Release document in a form of a document providing reasonable assurance that a certain sum of money stated therein will be paid to the Lender's account conditional upon, and no later than in seven (7) Business days following, the sending of BTC used for repayment or respective portion thereof (in any case minus Transaction fees) calculated according to the Release formula to the Liquidator's address (**Money to be paid to Lender**), e.g. a bank guarantee, guarantee or other similar undertaking of a credible person etc.
- (b) In exceptional circumstances, such as, most notably, when a significant portion or amount of loans negotiated through the Platform needs to be promptly liquidated, and in line with the written instruction of the Platform describing these circumstances given to the Escrow agent, the latter shall also accept a Release document in a form of a Proof of BTC sale.
- (c) Article 3.3 shall apply to any Release document under this Article (3.4) accordingly.
- (d) With respect to Release document under this Article (3.4), the Release formula shall be altered by replacing the variable of Money paid to Lender by:
  - (i) Money to be paid to Lender as stated in the respective individual Release document according to Clause 3.4(a); or
  - (ii) in case of any individual Release document according to Clause 3.4(b), the lower of the following:
    - (A) such portion of the Incoming price, which had not been previously taken into consideration ("used") by the Escrow agent for the same purpose in any of its other Platform's distribution escrows;
    - (B) Sum to be paid.

### 3.5 Long stop

- (a) Escrow agent shall send all BTC used for repayment remaining in escrow (if there is any) after the lapse of time period of three (3) months from the Day of receipt (minus Transaction fees) to the Lender's address.



- (b) Escrow agent will execute the transaction according to the preceding Clause 3.5(a) within three (3) Business days from (i) the lapse of period stated therein, or (ii) the moment of receiving identification of the Lender's address (whichever occurs later).

### 3.6 General limitation

Notwithstanding anything to the contrary contained herein, release obligations of the Escrow agent under these Rules shall be strictly limited to the Escrowed BTC. Most notably the Escrow agent (i) shall make transactions specified by these Rules only in the extent of Escrowed BTC and until the Escrowed BTC is fully used up, and (ii) shall have no obligation or other duty to execute any transaction to the extent exceeding the Escrowed BTC or after all the Escrowed BTC has been fully spent.

## IV. JOINT INSTRUCTIONS

- (a) Upon and in-line with the:
  - (i) joint instruction of Lender, Platform and Borrower, the Escrow agent may dispose of the Borrower's BTC or any part thereof in any way;
  - (ii) joint instruction of Lender and Platform made in Self-liquidation case, the Escrow agent may dispose of the BTC used for repayment or any part thereof in any way;
  - (iii) joint instruction of Lender and Platform made in Liquidator involved case, the Escrow agent may send the BTC used for repayment or any part thereof to Liquidator's address (A) despite conditions for such release stipulated by these Rules have not been met, or (B) after fulfillment of (different) condition or conditions specified by the instruction – for the avoidance of doubt, conditions stipulated by the instruction will be alternative to conditions laid down in these Rules (and thus the Escrow agent will remain obliged to make any release contemplated by these Rules should the respective conditions be met first);
  - (iv) joint instruction of Lender, Platform and Liquidator made in Liquidator involved case, the Escrow agent may dispose of the BTC used for repayment or any part thereof in any way.
- (b) Joint instruction of multiple persons means instruction of all such persons, all made in writing, and identically (in substance) asking the Escrow agent to act or refrain from acting in a defined way. For the sake of clarity, it is not required that instructions of individual persons be contained in the same document, nor that their wording be identical.
- (c) Escrow agent is entitled, but has no obligation or any other duty whatsoever, to comply with joint instruction. Without limiting the generality of the foregoing, Escrow agent will generally not act upon any instruction without verification, acceptable for Escrow agent, that instruction as received was indeed made by the authorized person.
- (d) In order to verify an instruction, Escrow agent may for instance demand that instruction satisfies specified formal or other conditions (e.g qualified electronic signature, notarized signature), be presented by specified communication channel(s), supplemented by additional information or accompanied by supportive documents.

V. RELATIONS WITH THE PLATFORM

**5.1 Data provision**

Platform shall provide or otherwise make available relevant data, including the Data card, to the Escrow agent in any form and by any means of communication acceptable for the Escrow agent. Without limiting the generality of the foregoing, it is explicitly stated, that the Escrow agent may choose to use appropriate electronic form and electronic communication or other means of transfer of data to the Escrow agent or making the data inserted into a database by the Platform available to Escrow agent.

**5.2 Reliance on data**

The Escrow agent may fully rely on data relevant under these Rules provided by the Platform to be true and accurate and shall not be obligated to make any investigation or determination as to the consistency of such data with the underlying legal relationships of Parties involved.

**5.3 Autonomy**

- (a) Without prejudice to Clauses 5.1 and 5.2 and save for the cases explicitly contemplated by these Rules (e.g. Chapter IV.), the Escrow agent shall act under these Rules independently of the Platform; most notably the Escrow agent shall not be bound nor otherwise obliged to comply with any instruction, order or direction from the Platform and any eventual instruction, order or direction given by the Platform shall have no legal effect on the Escrow agent whatsoever.
- (b) The Escrow Agent is an autonomous contractual partner of the Platform and not of any other party that is part of the Loan agreement or any other contractual relationship negotiated with or through the Platform and therefore shall have no liability to any person other than the Platform, and only to the extent provided under a separate agreement between the Platform and the Escrow agent.

VI. MISCELLANEOUS

**6.1 Languages**

- (a) Any documents relevant under these Rules, including, but not limited to, documents according to Articles 3.3 and 3.4 and joint instructions according to Clause IV. shall be in English, Czech or Slovak. Escrow agent is entitled, in its sole discretion, to disregard any document that is not in English, Czech or Slovak.
- (b) Escrow agent will communicate with Parties in English, Czech or Slovak.

**6.2 Liability**

- (a) Escrow agent shall have no duties or responsibilities except for those set forth herein which are purely ministerial in nature.
- (b) Escrow agent shall not liable whether in contract or in law for:
  - (i) any error of judgment, or for any act done or step taken or omitted by it in good faith or for any mistake in fact or law, or for anything which it may do or refrain from doing in connection with these Rules, except if and only to the extent such error, act or mistake is the result of gross negligence or willful misconduct;

- (ii) any act done or step taken or omitted by it or for anything which it may do or refrain from doing in connection with these Rules, if, and to the extent such act, step, inaction or omission is consistent with the rights and obligations of Parties under the Loan agreement or other respective underlying legal relationships in connection with the Loan agreement (notably agreement on collateral liquidation under the terms and conditions for Platform's services).
- (c) If the Escrow agent is incapable to execute a transaction or make any other action as contemplated under these Rules due to a restriction or a ban set out by law or a decision of the public authority, which are binding upon the Escrow agent, it shall not represent a breach of these Rules nor other form of unlawful conduct.
- (d) If the Escrow agent executes a transaction or makes any other action that is not contemplated under these Rules or that is contrary to or otherwise inconsistent with these Rules due to a restriction or a ban set out by law or a decision of the public authority, which are binding upon the Escrow agent, it shall not represent a breach of these Rules nor other form of unlawful conduct.

### **6.3 Reliance**

Escrow agent may rely upon and shall incur no liability in contract or in law to any party whomsoever in acting or refraining from acting or relying upon any instrument or document, including, but not limited to, documents referred to in Articles 3.3 and 3.4, believed by its representatives in good faith to be genuine and to be executed and delivered by the proper person or party, and may assume in good faith the authenticity, validity and effectiveness thereof and shall not be obligated to make any investigation or determination as to its authenticity and the truth and accuracy of any information contained therein.

### **6.4 Governing law and jurisdiction**

- (a) These Rules and all relationships arising therefrom or related in any way thereto (including, without limitation, liability relationships and relationships arising out of unjust enrichment), form of Rules, legal requisites of/for Rules, validity of Rules, conclusion and effectiveness of agreement as well as consequences of its possible invalidity or ineffectiveness shall be governed by the laws of the Czech Republic, irrespective of its conflict of law rules.
- (b) Any disputes, claims or controversies arising out of or in connection with these Rules, including, without limitation, any ancillary legal relationships, claims for unjust enrichment, claims for damages, disputes on the validity (and legal consequences of its possible invalidity or ineffectiveness), interpretation or termination of these Rules shall be submitted to, and decided by, the courts of the Slovak Republic.

### **6.5 Exclusion of non-mandatory provisions**

Without prejudice to any provision of these Rules, application of any provisions of law that is not of a strictly mandatory nature is expressly excluded to the extent that it could alter (fully or partially) the meaning, interpretation or purpose of any provision of these Rules.

### **6.6 Modifications**

Without prejudice to Chapter IV. herein, no variation, supplement or other modification to these Rules shall be binding unless made in writing and signed by all of the following: Lender, Borrower, Liquidator, Platform.

### **6.7 Severability**

If any provision of these Rules is or becomes invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the remaining provisions of these Rules, except where the provisions cannot be severed from the rest of these Rules due to the nature of these Rules, its subject or circumstances in which these Rules became applicable. The parties concerned shall do everything necessary to achieve the same results intended by any such invalid or unenforceable provisions.