



BlockSettle

BLOCKSETTLE

Dealing Agreement

V1.0 2019

BLOCKSETTLE DEALING AGREEMENT

IT IS AGREED as follows:

1. DEFINITIONS

1.1. In this Agreement, save as defined in other parts of the Agreement, the following definitions are used:

BSAB System	means BlockSettle's matching engine and clearing system, which matches orders, monitors settlement, and maintains accounts on behalf of participants;
Company	means BlockSettle AB, a private limited company in Sweden, incorporated with registration number 559057-0197;
Completed Settlement	means that both the Pay-in and Pay-Out relating to a Matched XBT Order have been broadcast to the bitcoin network; where the transaction has been mined to a sufficient depth so that the delivery of XBT and the Payment of a Deliverable Currency are considered final and irrevocable;
Dealing Participant	means a Trading Participant permitted to formulate Responsive Quotes in the Spot XBT market;
Deliverable Currency	meaning as defined in the Participant Agreement;
Fill-to-Quote Ratio	means the ratio calculated by dividing the amount of Responder Executions with the amount of Completed Settlements;
Matched XBT Order	means a XBT Requester and XBT Responder have agreed to non-binding terms concerning a Settlement Amount and a Settlement Address; where a Deliverable Currency is available for Payment in the BSAB System;
Mutual Settlement	means the Dealing Participant broadcasting to the bitcoin network the XBT Requester's Pay-Out as well as its own Pay-In;
Participant Agreement	means the agreement a user of the BSAB System must enter with the Company to become a Trading Participant;
Payment	means the transfer of a Deliverable Currency in the BSAB System from the buyer to the seller of XBT;
Pay-In	means a signed bitcoin network transaction which delivers the agreed Settlement Amount to the Settlement Address;

Pay-Out	means a signed network transaction which sweeps the agreed Settlement Amount from the Settlement Address;
Reservation Period	means the period during which a Deliverable Currency is reserved for Payment in the BSAB System;
Responder Execution	means an XBT Responder who successfully executes and broadcasts the Pay-Out or Mutual Settlement in relation to a Matched XBT Order;
Responsive Quote	means the submission of a Responsive Quote to the BSAB system in response to an RFQ;
Settlement Address	meaning is defined in the Participant Agreement;
Settlement Amount	means the XBT amount to reside on the Settlement Address after subtracting the bitcoin network fee;
Settlement Period	means the period defined in the Participant Agreement during which Pay-In and Pay-Out shall be executed;
Spot XBT	means the product group where XBT is offered for a Deliverable Currency;
Trading Participant	means a user of the BSAB System who has agreed to and is a party to the Participant Agreement;
UTXOs	means Unspent Transaction Outputs that can be spent as inputs in a new bitcoin transaction. The amount sent to the recipient becomes a new amount in the recipients address while the change output, if applicable, becomes a UTXO which is returned to an address the sender controls;
XBT	means bitcoin;
XBT Requester	means a Trading Participant who submits an RFQ to the BSAB System for dissemination in the Spot XBT market;
XBT Responder	means a Dealing Participant who submits a Responsive Quote in response to an RFQ in the Spot XBT market;
XBT RFQ	means a request-for-quote, a method of matching two parties by means of a XBT Requester submitting an RFQ for a specific amount, in a specific Spot XBT product, and, where relevant, containing the details for Settlement Address construction and validation, including, UTXO selections, and a return address. The XBT RFQ acts as a non-binding solicitation for quote and is disseminated through the BSAB System;

1.2. In this Agreement, save where otherwise stipulated, reference to the singular includes the plural and *vice versa*.

2. INTRODUCTION

- 2.1. The Dealing Participant Agreement is an addendum to the Participant Agreement.
- 2.2. All approved Trading Participants may apply to become Dealing Participants, which is approved or rejected by the Company at its sole discretion.
- 2.3. Dealing Participants benefit from the ability to formulate Responsive Quotes in the Spot XBT market.
- 2.4. Dealing Participants that have been approved by the Company irrevocably agree to be irrevocably bound by terms and conditions laid out in this Agreement in entirety, as updated and amended from time to time.

3. OBLIGATIONS

In order to ensure a fair and orderly market in which the market structure shall promote the highest degree of integrity, the Dealing Participant agrees to the following obligations:

- (i) Maintain an aggregated cash balance exceeding EUR 5'000, or equivalent, on a monthly basis;
- (ii) Maintain a Fill-to-Quote Ratio of 85%, or higher, on a monthly basis;

4. BREACH

- 4.1. In the event that a Dealing Participant executes Mutual Settlement outside of the Reservation Period, it is acknowledged that BSAB cannot guarantee, or be compelled to perform, Payment.
- 4.2. In the event that a Dealing Participant systemically executes Pay-Out outside of the Settlement Period, it is acknowledged that the Company has the right to introduce fees and penalties in accordance with the Participant Agreement.

5. TERMINATION

We may discontinue, terminate, suspend, or change any aspect of this Agreement and the Service or its availability to you, at any time, without cause. In addition, we reserve the right to suspend, modify, deactivate or terminate your Account as well as your access to all or any portion of BlockSettle immediately and without notice if (i) you violate any provision of this Agreement; (ii) we in good faith suspect that your account is in breach of our Compliance Program; (iii) we are required to do so by a regulatory authority, court order, facially valid subpoena or binding order of a government authority; (iv) you or your accounts are subject to any pending litigation, investigation or governmental proceeding; (v) you have used the

Services in a predatory manner which violates and orderly marketplace (for example wash trading or spoofing) or (vi) for any other reason that we may reasonably conclude. Your right to use BlockSettle is subject to any limits established by us in our sole discretion. If your Account is closed, a notice of closure shall be sent to the email address on record associated with your Account, as applicable.