



WILDFIRE CAPITAL

DISCRETIONARY MANDATE

Entered into Between

Wildfire Capital (Pty) Ltd

(2021/304527/07)

FSP: 53708

(hereinafter referred to as the "DISCRETIONARY FINANCIAL SERVICES PROVIDER")

AND

(Hereinafter referred to as the Client)



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FOR THE RENDERING OF ADVICE AND INTERMEDIARY SERVICES AND THE MANAGEMENT OF INVESTMENTS BY A DISCRETIONARY FINANCIAL SERVICES PROVIDER

1. AUTHORISATION

1.1 The Discretionary Financial Services Provider, holding a Category II FSP license, is authorised to render intermediary services of a discretionary nature specifically tailored to crypto arbitrage strategies. These services encompass a specialised focus on the nuances of cryptocurrency markets.

1.2 The Discretionary Financial Services Provider shall exercise its discretion in the management of crypto assets on behalf of the Client.

1.3 The Discretionary Financial Services Provider is authorised to invest in and switch between different crypto assets as investment opportunities arise, leveraging price differentials across various cryptocurrency exchanges. This includes the authority to manage investments in digital currencies, tokens, and related derivatives. The specific financial product for which the Discretionary Financial Services Provider is authorised is:

Category Description
CATEGORY II - Discretionary FSP
CRYPTO ASSETS

1.4 Investment strategies and portfolios will be defined and agreed upon using initial investment application forms specifically designed for crypto arbitrage. The Discretionary Financial Services Provider has full discretion in the execution of these strategies, adapting to market conditions without needing prior approval from the Client for each transaction, provided these actions align with the Client's risk profile and investment objectives.

1.5 The Discretionary Financial Services Provider retains comprehensive discretionary powers to manage the Client's crypto asset portfolio in both local and international markets, unless the Client specifies otherwise in writing. Clients may opt-out of certain markets or assets by providing explicit written instructions.

1.6 In executing these discretionary powers, the Discretionary Financial Services Provider may utilise the skills and services of its team to perform necessary administrative and intermediary functions, ensuring effective management and compliance in the dynamic environment of cryptocurrency trading.



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2. INVESTMENT OBJECTIVES

- 2.1 The investment objectives are specifically defined according to the client's risk profile and the unique market dynamics of cryptocurrency arbitrage. Objectives focus on leveraging opportunities in the volatility and price discrepancies across different cryptocurrency exchanges to maximise returns while adhering to the client's risk tolerance.
- 2.2 Regardless of the nature of interactions or communications between the Discretionary Financial Services Provider and the Client concerning the management of the Client's crypto investments, all crypto assets managed under this mandate remain the property of the Client.
- 2.3 The Client authorises the Discretionary Financial Services Provider to enter into agreements on its behalf that are consistent with the regulations of any licensed cryptocurrency exchange or financial trading platform. The provider may choose any such platform and instruct its members to execute transactions in cryptocurrencies and related products on behalf of the Client.
- 2.4 The mandate of the Discretionary Financial Services Provider includes comprehensive management tasks such as the buying, selling, and transferring of crypto assets, along with the reinvestment of any earnings, such as crypto dividends (from staking or similar activities), interest from crypto savings accounts, and other income generated through arbitrage activities.
- 2.5 Subject to the Client's specific instructions, the Discretionary Financial Services Provider is authorised to represent, sign, and act on the Client's behalf in executing transactions involving crypto assets. This includes activities related to collective crypto investment schemes or any similar structures that are consistent with the Client's investment strategy.
- 2.6 The Client also grants the Discretionary Financial Services Provider authority to vote on its behalf in any decision-making processes or governance actions required by crypto asset holdings, which may include decisions within various decentralised finance (DeFi) platforms or similar environments.
- 2.7 In the context of portfolios that involve crypto assets, where there are exposure limits as per the regulatory guidelines applicable to crypto investments, the Discretionary Financial Services Provider will monitor these limits closely. Should these limits be exceeded, the provider will promptly notify the Client in writing and recommend appropriate actions to align the portfolio within the regulatory and risk parameters.



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3. STATEMENTS

All legally required documents, including statements and performance reports related to crypto arbitrage investments, will be provided directly to the Client by the relevant product suppliers or platforms engaged in the cryptocurrency transactions. These documents will be transmitted on a quarterly basis, reflecting the performance and status of the investments.

4. RISK DISCLOSURE

4.1 The Discretionary Financial Services Provider exercises its discretion to invest in crypto assets on behalf of the Client with utmost care and diligence. However, investing in cryptocurrencies carries inherent risks. The value of these investments can fluctuate significantly, potentially leading to substantial financial gains or losses. Clients must understand that they do not have a claim against the Discretionary Financial Services Provider if losses occur unless it can be demonstrated that such losses were due to negligence, fraud, misconduct, or dishonesty by the Provider or its staff.

4.2 Specific Risks Associated with Crypto Investments:

4.2.1 **Market Volatility:** The prices of cryptocurrencies are extremely volatile and can fluctuate widely in very short periods of time.

4.2.2 **Regulatory Changes:** The regulatory environment for cryptocurrencies is still evolving, and changes can impact the value, liquidity, and legality of these investments.

4.2.3 **Technological Risks:** Issues such as blockchain forks, cybersecurity threats, and technical malfunctions can pose significant risks.

4.2.4 **Currency Risk:** While investing internationally, the conversion between the Rand and other currencies in which crypto investments are held can result in financial losses or gains, depending on currency exchange rate movements. If the Rand strengthens against these currencies, it could reduce the Rand value of the investment when repatriated.

4.3 CRYPTO-ARBITRAGE SPECIFIC INVESTMENT STRUCTURES:

4.3.1 The Discretionary Financial Services Provider may engage in crypto funds or composite crypto investment strategies on behalf of the Client as part of this mandate. These might include investing in crypto indices, baskets of various cryptocurrencies, or crypto-based derivatives that aim to leverage market movements effectively.

4.3.2 Such crypto investment strategies are crafted to target specific risk-return profiles and align with the Client's overall investment objectives. These crypto strategies offer direct exposure to the cryptocurrency markets and are subject to their own set of risks and returns. The administrative aspects of these investments are managed by the Provider, ensuring compliance with all regulatory requirements and operational standards.



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5. REGISTRATION OF INVESTMENT

The Discretionary Financial Services Provider is responsible for registering the crypto assets and investments that it manages on behalf of the Client. These investments shall be registered directly in the name of the Client.

6. VOTING ON BEHALF OF CLIENTS

The Discretionary Financial Services Provider is authorised to vote on behalf of the Client concerning decisions or actions required by decentralized platforms or blockchain-based investments in which the Client is involved. Voting will be executed in alignment with the strategic interests and investment objectives of the Client as these digital assets often include voting rights that affect the asset management and returns.

7. INFORMATION TO BE DISCLOSED BY PRODUCT PROVIDERS

The Client acknowledges that the Discretionary Financial Services Provider is required to disclose only the information that cryptocurrency exchanges, digital wallet providers, and other blockchain-based investment platforms are legally obligated to provide. This includes transaction histories, digital asset holdings, and any changes to the terms of service that may affect the Client's investments. The Provider ensures that all statutory and regulatory information disclosure requirements are met, maintaining transparency in the management of crypto assets.

8. ACCRUALS

All crypto accruals related to the investments, such as any forms of crypto-generated income, will be reinvested according to the Client's pre-specified instructions or as they fall due. These accruals form an integral part of the overall investment strategy, enhancing the growth and diversification of the Client's cryptocurrency portfolio. The reinvestment strategy will be clearly outlined in the Client's investment policy statement and executed according to their risk profile and investment objectives.

9. TREATMENT OF FUNDS

The Discretionary Financial Services Provider will promptly deposit all cryptocurrency and fiat currency received from the Client into a secure account managed by an approved custodial service or a direct blockchain address under the management of the Provider. These funds will be used solely for the purpose of managing the Client's investments in cryptocurrencies and related financial products. All cash and crypto accruals received, including from crypto dividends and interests, will be managed and reinvested according to the Client's instructions as outlined under the accruals section. This ensures the capital is effectively utilised for further investment opportunities while adhering to stringent security measures to protect the Client's assets.

10. REMUNERATION

All fees and charges associated with the management of the client's cryptocurrency investments will be clearly outlined and negotiated with the client before any services commence. To ensure full transparency, specific details regarding all applicable fees—including transaction fees, performance-based incentives, and any other costs directly related to crypto arbitrage activities—will be comprehensively detailed in a separate document. This document will formalize the agreement on remuneration between the client and our firm. It is designed to eliminate any ambiguities regarding financial commitments and to provide the client with a clear understanding of the cost structure associated with managing their crypto arbitrage portfolio. This approach ensures that the client is fully informed and can confidently make decisions regarding their investment strategy within the dynamic and often volatile cryptocurrency market.



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11. DECLARATION REGARDING FUNDS AND INVESTMENTS

11.1 The Client declares that all cryptocurrency and fiat currency funds, as well as digital assets placed under the management of the Discretionary Financial Services Provider, are from legitimate sources and are not the "proceeds of unlawful activities" as defined in the Prevention of Organised Crime Act, No. 121 of 1998. This includes ensuring that the origins of all digital assets comply with anti-money laundering (AML) regulations and know-your-customer (KYC) standards applicable within the cryptocurrency industry.

11.2 The Client further warrants that, where required, all funds and cryptocurrency assets managed by the Discretionary Financial Services Provider are fully compliant with the Income Tax Act of 1962. The Client assures that all necessary declarations have been made and approvals obtained from the South African Reserve Bank concerning any foreign cryptocurrency funds, assets, or investments owned by the Client. This includes compliance with any applicable cross-border financial regulations and cryptocurrency reporting requirements.

12. TERMINATION OF MANDATE

12.1 Any amendment to any provision of this mandate must be formalized in writing and enacted through a Supplementary or New Agreement between the Discretionary Financial Services Provider and the Client. This ensures that any changes, especially those related to the dynamic and rapidly evolving nature of cryptocurrency markets, are clearly documented and legally binding.

12.2 Either the Discretionary Financial Services Provider or the Client may terminate this mandate with a written notice of no more than sixty (60) calendar days. This provision acknowledges the need for flexibility given the volatility and the fast-changing regulatory environment surrounding crypto assets. Early termination allows both parties to respond adaptively to significant market shifts, regulatory changes, or changes in the Client's investment objectives or risk tolerance levels.

13. EFFECTIVE DATE

This mandate will become of force and effect on

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Signature

By the Client:



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RISK DISCLOSURE

Past Performance: The past performance of any investment, including crypto assets, is not necessarily indicative of future returns. Cryptocurrency markets are highly volatile and subject to rapid changes in value due to market dynamics.

Market Fluctuations: The value of cryptocurrency investments and the income derived from them can fluctuate significantly. Changes in market sentiment, cryptocurrency exchange rates, and blockchain network dynamics mean that the value of an investment may rise or fall dramatically, and such changes are not guaranteed.

Investment Costs: Charges and expenses related to managing cryptocurrency investments are not fixed and may vary due to factors such as transaction fees on different exchanges, blockchain network fees, and changes in regulatory policies affecting cryptocurrency transactions.

Risk Profile: Investments in cryptocurrencies typically hold a higher risk profile compared to traditional investments. Cryptocurrencies can experience sudden and large fluctuations in value, presenting a substantial risk of loss.

Investment Outcomes: There is no assurance or guarantee that the performance of a cryptocurrency investment will meet the investor's objectives. The speculative nature of these investments often leads to unpredictable performance.

Currency Risk: Investments in cryptocurrencies involve exposure to currency risks, especially if they are denominated in, or pegged to, currencies other than the investor's base currency. Movements in cryptocurrency values can affect investment returns both negatively and positively.

Regulatory and Compliance Risks: Cryptocurrency investments are subject to the laws and regulations of multiple jurisdictions, which can vary significantly from South African legislation. Investors may need to provide additional information to comply with foreign anti-money laundering regulations when engaging in offshore crypto investments.