

# Mellow

## Terms of Service

**Last Updated:** September 05, 2024

**Version:** 2.1

### **PREAMBLE**

**Definitions.** Definitions of capitalised terms used herein are provided in Section 21 below.

**Application and Acceptance.** These Terms govern your access to and use of the Services. By accessing or using the Services, connecting your Wallet thereto, or by clicking the button “I accept” or respective check box referencing to these Terms, you acknowledge that you have read, accept without modifications and agree to be bound by these Terms and all terms incorporated herein by reference, which form a legally binding agreement between you and us. If you do not accept and agree to these Terms, you shall not access or use the Services, and you shall immediately discontinue any use thereof. If you are acting for or on behalf of an entity, you hereby represent and warrant that you are authorised to accept these Terms as a legally binding agreement on such entity’s behalf, and you accept these Terms both on behalf of such entity and on your own behalf.

**Important Notice.** Please read these Terms carefully as they affect your obligations and legal rights. Note that Sections 17 and 18 contain provisions governing the choice of law, arbitration terms, and class action waiver. Please read and review Sections 9, 11, 12, and 13 carefully before accepting these Terms as they provide for the limitation of liability, your obligations to indemnify the Mellow Parties, and contain a disclaimer of warranties as well as other important disclaimers with regard to the Services and Mellow Protocol.

### **1. MODIFICATION**

These Terms may be modified, supplemented, or updated from time to time at our sole discretion without your consent and notice to you. If these Terms are changed, the “Last Updated” date and the document version at the top of these Terms will be updated accordingly. We may, but shall not be obligated to, provide additional notification of the amendment via one of the Communication Channels. The updated Terms will automatically substitute and supersede the previous version with immediate effect, and your continued use of the Services will confirm the acceptance of such updated Terms. It is your responsibility to review these Terms every time you use or visit the Services to stay aware of the applicable terms and their modification. If you do not agree to any amended Terms, you must immediately discontinue any access to or use of the Services.

### **2. ELIGIBILITY**

**Eligibility Requirements.** To be eligible to access and use the functionality of the Services, you shall: (i) be able to accept these Terms as a legally binding agreement on the terms herein set forth; (ii) if individual, be at least 18 (eighteen) years of age, or of such higher age required to accept these Terms as a legally binding agreement on the terms herein set forth according to the laws of the jurisdiction where you reside; (iii) if an individual who is acting for or on behalf of an entity, be duly authorised by such entity to act on its behalf for the purpose of entering into these Terms; (iv) neither be a Prohibited Person nor use the Services for the benefit of a Prohibited Person; and (v) comply with these Terms at all times. To

be eligible to access and use the functionality of the Apps, in addition to the above eligibility requirements, you shall use the Apps in a professional capacity and not as a Consumer; accordingly, if you are an individual, you are only allowed to use the Apps for business, professional, or commercial purposes.

**Failure to Comply with the Eligibility Requirements.** If you determine that you do not meet or conform to any of the aforementioned eligibility requirements, you shall not use the relevant Services and shall immediately suspend any use thereof until the respective restricting circumstances cease to exist.

### 3. LICENCE AND PROPRIETARY RIGHTS

**Ownership.** You do not receive any rights, title, or interest in or to the Intellectual Property and the respective rights holders reserve the right to prohibit any use of the applicable Intellectual Property at any time. You may not obscure, remove or alter any marks or notices displayed within the Services. Any rights not expressly granted to you under the Licence and/or applicable FOSS Licences are reserved by the respective rights holders.

**Licence.** Subject to your compliance with these Terms, we hereby grant you the Licence. The Licence will remain effective until these Terms terminate or expire, or the Licence is revoked.

**FOSS Licence.** To the extent that certain items or components of the Services are distributed under a FOSS Licence, such items and components are not covered by the Licence and are provided to you under the applicable FOSS Licence.

**Compliance.** Your access to and use of the Services shall not violate the terms of the Licence and/or FOSS Licences, if and as applicable.

**Feedback.** By providing Feedbacks in relation to the Services, you grant us a non-exclusive, irrevocable, royalty-free, perpetual, fully paid up, worldwide licence (right) to use, copy, edit, reproduce, translate, publicly display and perform, distribute, commercialise, create derivative works from your Feedback and the right to assign these rights to third parties in whole or in part. We may use, reproduce, disclose, make publicly available and otherwise exploit any of your Feedbacks at our sole discretion, without restrictions or any obligations to you.

**User Generated Content.** We do not undertake any obligations with respect to the User Generated Content, including an obligation to review or remove it. If you post, create, or furnish any User Generated Content, you shall ensure and hereby warrant that: (i) you own all intellectual property rights in and to such User Generated Content, or otherwise have the right to use it in such a manner; and (ii) the User Generated Content does not violate these Terms, any third-party rights and applicable laws. By creating, posting or furnishing User Generated Content, you grant us a non-exclusive, irrevocable, royalty-free, perpetual, fully paid-up, worldwide licence (right) to use, publicly display, reproduce, translate, and distribute such User Generated Content, as well as the right to assign these rights to third parties in whole or in part. If your User Generated Content fails to comply with these Terms, we may require you to remove it, or make such User Generated Content no longer visible within the Services, if and to the extent technically possible.

### 4. APPS VS MELLOW PROTOCOL

**General.** The Mellow Protocol is an open-source blockchain protocol that consists of smart-contracts operating in an automated and autonomous manner. As open-source software, the Mellow Protocol and its source code can be viewed and verified by anyone. While Apps may interact with the Mellow Protocol, they are distinct and do not form a part of the Mellow Protocol, serving exclusively as one of the

web-hosted user interfaces thereto. There might be other interfaces enabling interaction with the Mellow Protocol with which we have no connection or affiliation. You should carefully and thoroughly review and assess the Mellow Protocol and related software before using them. Always do your own research, and any use of the Mellow Protocol shall always be at your own risk and discretion.

**Blockchain Networks.** We do not process any blockchain transactions you make through the Apps, all of which are processed by the underlying blockchain network and applicable software implemented thereon. We do not control or operate the underlying blockchain networks and any software through which such networks are formed. Any malfunction, breakdown or abandonment of the underlying blockchain network(s) may have a material adverse effect on the Services. You hereby assume and accept all risks, including the risk of possible losses and damages, that you may incur in connection with the use of or reliance on any blockchain networks and associated software.

## 5. VAULTS AND ACTORS

**Vaults.** The Mellow Protocol is essentially an infrastructure layer, or simply put, a construction kit enabling the configuration, creation, and replication of Vaults by Actors. Each Vault is a separate autonomous software deployed by a third party, distinct from the Mellow Protocol itself. As a Third-Party Service, every Vault is also distinct from the Services and, therefore, does not form a part thereof. Mellow shall not review, verify, test, examine, or validate any Vaults or relevant Actors. Accordingly, the fact that specific Vaults are displayed in any of our Services shall not imply or be construed as our endorsement or recommendation of such Vault or the relevant Actors, nor as confirmation that the Vault has been reviewed, verified, tested, or validated. As an interface provider, we may determine the Protocol- and Vaults-related data and information to be displayed via the Services at our sole and absolute discretion. We do not represent or warrant that any information so displayed, including any description of and information concerning the Vaults or the relevant Actors is accurate, complete, true, timely, reliable, or not misleading, nor that any specific information will or will not be provided via the Services.

**Vault Smart-Contracts and Disclaimer.** Each specific Vault and its use shall be governed by the relevant smart-contracts comprising such Vault, and, by interacting with a Vault, you consent to the automatic processing of your transactions by the applicable smart-contracts in accordance with the terms and parameters set forth in such contracts. Certain transactions involving Vaults may, however, be initiated in a semi-automated or manual manner by the relevant Actor, as the case may be. If the Actor further provides a Vault Disclaimer, it shall govern its activities pertaining to such Vault, as well as your use thereof and interaction therewith. In the event of any discrepancy or conflict between these Terms, Vault smart-contracts, and/or Vault Disclaimer, these Terms shall take precedence regarding all legal and judicial matters, and the Vault smart-contracts – regarding all matters pertaining to transactions involving Virtual Assets.

**Software Logic.** Each user shall adhere to the intended logic of the Services, Mellow Protocol, relevant Vaults and associated software, including blockchain smart-contracts. Any attempt to circumvent or exploit any flaws or defects therein for personal gain or to the detriment of others shall be prohibited, and any such transaction shall be considered null and void *ab initio*. Any bugs, errors and vulnerabilities in the Vault smart-contracts shall not be considered legitimate or intended, nor shall they be construed as part of the Vault smart-contracts for the purposes hereof. Notwithstanding anything to the contrary contained in these Terms, Vault Disclaimer, Vault smart-contracts or related software, any use, exploitation, or taking advantage of a bug, error, loophole, defect, flaw, backdoor, or other vulnerability in the Services, Mellow Protocol, Vault smart-contracts or associated software, as well as any attempt to do any of the foregoing, that enables any misuse, seizure or unauthorised withdrawal of Virtual Assets, unpermitted distribution, blocking, utilisation, or transfer thereof, abuse, theft, manipulation, or any other action, transaction or

function that adversely affects other users, Virtual Assets attributable to the Vault or the Vault itself, as well as obtaining of any benefit, whether monetary or otherwise, in violation of the intended software logic, shall be considered unlawful and void, and may be further viewed as a criminal or other offence under the law, as the case may be. Any Virtual Assets or funds misappropriated or obtained as a result of or in connection with any use, exploitation, or taking advantage of bug, error, loophole, or other vulnerability in the Services, Vault smart-contracts and their intended logic, including any interference in the operation thereof or any attack thereon, shall be deemed unlawfully acquired and may be forfeited according to the applicable law.

**Actors.** As an Actor, irrespective of your specific role or capacity, you shall at all times act fair, reasonably, in good faith, and in accordance with these Terms, Vault Disclaimer (if any), and applicable laws and regulations. If and to the extent applicable, Actors shall be solely responsible for obtaining and maintaining any and all licences and government registration, authorisations and permits required to engage in relevant activities associated with their Vaults.

**Mellow Does Not Manage Vaults.** Mellow does not manage or operate the Vaults, and does not control, direct or supervise Actors. We make no warranties, whether express or implied, with respect to the Vaults, their performance, operation, functionality or security, including implied warranties of merchantability and fitness for a particular purpose, and any warranties implied by the course of deal, or conduct, or otherwise, all of which are expressly disclaimed and denied.

## 6. WALLETS

**Wallets.** When using certain Services, you may connect your Wallet through one of the compatible third-party software wallets, such as, for illustration purposes only, MetaMask, Trust Wallet, WalletConnect and alike. The Wallets and software wallets constitute the Third-Party Services, and we are not responsible for, do not endorse, shall not be held liable or responsible in connection therewith. We do not make any warranties, whether express or implied, as to the Wallets used by you within the Services. When using Wallets or software wallets, you should review applicable terms and policies that govern your use thereof.

**Security.** Neither we nor the Services receive access to or control over your Wallets or Virtual Assets held in such Wallets. You should not allow any third person to access your Wallets nor disclose credentials associated therewith. You are solely responsible for (i) securing your Virtual Assets, Wallets and credentials thereto; (ii) any use of your Wallets and credentials thereto, as well as their confidentiality; and (iii) all transactions carried out via your Wallets and/or using credentials thereto.

## 7. MATERIALS

**General.** All and any Mellow Materials are provided for informational and educational purposes only, to provide you with additional knowledge about the Services and Mellow Protocol, including its functionality as we see it. Nothing contained in the Mellow Materials has contractual value or constitutes a promise, obligation, warranty, or representation of any kind. Mellow Materials shall be subject to the terms set forth in these Terms. You should not take, or refrain from taking, any action based solely on the Mellow Materials, and any use thereof or reliance thereon, either wholly or partially, is at your own discretion and risk, and you are solely responsible for any possible damages or losses arising from such use. Always make sure to verify that the information that you believe is provided by us is posted or communicated by our authorised representatives.

**Third-Party Data and Industry Publications.** Mellow Materials may include references to third-party data and industry publications. Although we believe that such data is accurate and reasonable, there are

no assurances as to the accuracy or completeness thereof. We have not independently verified any of the data from third-party sources referred to in the Mellow Materials, or ascertained the underlying assumptions relied upon by such sources. Any reference to such third-party data and industry publications does not imply our endorsement thereof. Always do your own independent research and thorough investigation.

**Forward-Looking Statements.** The Mellow Materials may contain Forward-Looking Statements, which are based on current expectations and involve multiple risks and uncertainties. There is no assurance that any Forward-Looking Statement will prove to have been correct. Actual events, results, or outcomes could differ materially from what is stated in a Forward-Looking Statement, and you should not place any undue reliance thereon.

**Updates.** The Mellow Materials may be updated, altered or removed from time to time at our sole and absolute discretion, with or without notice, and without any liability whatsoever, whether depending on various circumstances, including change in the market conditions, Mellow Protocol, Services, governments' actions and applicable regulation or due to other reasons.

## 8. YOUR WARRANTIES AND REPRESENTATIONS

By entering into these Terms, you expressly represent and warrant that:

- (a) you have read and understand these Terms, including all documents and items incorporated herein by reference;
- (b) you have the necessary authority to accept these Terms, enter into a binding agreement with us, and perform the obligations set out herein;
- (c) the acceptance of these Terms shall not result in any breach of, be in conflict with, or constitute a breach or default under: (i) any provision of any judgement, decree or order imposed on you by any court, governmental or regulatory authority; and/or (ii) any material agreement, obligation, duty or commitment to which you are a party or by which you are bound;
- (d) if you are acting for or on behalf of an entity, (i) you accept these Terms both on behalf of such entity and on your own behalf, (ii) such entity is duly incorporated, registered, validly existing and in good standing under the applicable laws of the jurisdiction of its incorporation, and in each jurisdiction where it conducts business, and (iii) such entity shall be responsible for a breach of these Terms by you or any other employee or agent of such entity, unless you or any other employee or agent of such entity are responsible under the applicable law, and (iv) the acceptance of these Terms shall not result in any breach of, be in conflict with, or constitute a breach or default under any provision of your statutory or organisational documents;
- (e) you are entering into these Terms and transactions contemplated hereunder for business (commercial) purposes only, and not as a Consumer, and that all transactions contemplated hereunder are structured as commercial transactions (excluding, for this purpose, the Website and its use);
- (f) you have sufficient understanding of the functionality, usage, storage, transmission mechanisms and intricacies associated with Virtual Assets, Virtual Assets' storage facilities, including Wallets, distributed ledger technology and blockchain-based software in general;

- (g) any Wallet used by you within the Services is either owned by you, or that you are validly authorised to carry out transactions using such Wallet;
- (h) any funds or Virtual Assets used by you in connection with the Services (i) are either owned by you or you are validly authorised to carry out actions using such funds and Virtual Assets, (ii) are from legitimate sources, and (iii) have been lawfully acquired;
- (i) you shall be solely responsible for all and any operations and transactions with Virtual Assets carried out through your Wallets or otherwise through or in relation to the Services, and for their consequences and outcomes;
- (j) accessing and/or using the Services is not unlawful or prohibited under the laws of your jurisdiction or under the laws of any other jurisdiction to which you may be subject, and your access to and use of the Services shall be in full compliance with applicable laws;
- (k) you are not a Prohibited Person nor use the Services for the benefit of a Prohibited Person;
- (l) you will comply with any tax obligations arising from your acquisition, storage, sale, rent, or transfer of the Virtual Assets through the Services or any other use thereof;
- (m) you understand that purchasing, selling, and holding the Virtual Assets carries substantial risk as the prices may change rapidly, and that you should obtain appropriate professional advice before making any decision;
- (n) you will carefully evaluate, check, and verify any Third-Party Content before you use it or rely upon it in any manner;
- (o) you shall not make any decisions based solely on the information available in the Mellow Materials, or otherwise made available to you by us, and shall conduct your own substantial research and analysis before making any decision;
- (p) your use of the Mellow Materials is always at your own risk, and nothing contained herein shall be deemed a guarantee or promise that any such Mellow Materials are true or correct, or that you will receive any profit or benefit, or that any transaction carried out through or in relation to the Services will be beneficial or suitable for you; and
- (q) all of the above representations and warranties are true, complete, accurate, and non-misleading from the time when you accept these Terms, and for the whole period of your use of the Services.

## **9. DISCLAIMER OF CERTAIN WARRANTIES OR REPRESENTATIONS**

The Services are provided on an “as is” and “as available” basis. There is no warranty of any kind, express or implied, including, but not limited to, implied warranties of title, non-infringement, integration, merchantability, and fitness for a particular purpose, warranties implied by any course of performance or usage of trade, with respect to the Services, all of which are expressly disclaimed and denied. In particular, we do not warrant, whether expressly or impliedly, and hereby expressly disclaim any warranty and/or representation that:

- (a) the Services, related technical infrastructure and/or software will work as expected or work at all, have any specific functionality, or contain any particular components;

- (b) the Services, related technical infrastructure and/or software will be secure, error-free, or available at any particular time or place, or will continue working, operating or functioning for any period of time;
- (c) the Services, their use, or any transactions carried out through or in relation thereto will (i) be processed or performed, (ii) meet your expectations, (iii) fit for a particular purpose, or (iv) be beneficial or suitable to you;
- (d) any Mellow Materials are or will be timely, accurate, reliable, complete, true, or correct;
- (e) relates to the legal or juridical status or nature of any Virtual Assets, or with regard to their legal or other qualification;
- (f) the Services, related technical infrastructure and/or software will be free of viruses, errors, bugs, trojan horses, defects, flaws, malfunctions, or other harmful components, or properly protected from hacker, malware, spyware or other attacks, or third-party hostile interferences; and
- (g) any defects or errors in the Services, related technical infrastructure and/or software will be fixed or corrected.

#### **10. PROHIBITED USE**

You agree that you shall not conduct or participate in any of the following activities when accessing or using the Services, or in connection with such access or use:

- (a) disrupting, interfering with, or inhibiting other users from using the Services, underlying technical infrastructure or software, Third-Party Services, and carrying out activities that could disable, impair, or harm the functioning of the Services, their underlying technical infrastructure or software, and/or Third-Party Services;
- (b) using the Services, related technical infrastructure or software for any illegal purposes, including, but not limited to, fraud, terrorism financing, or money laundering;
- (c) taking advantage of bugs or errors in program logic and/or code of the Services, their underlying technical infrastructure or software, and/or Third-Party Services;
- (d) posting, uploading, or submitting any User Generated Content that is illegal and/or infringing;
- (e) without prejudice to the terms of the applicable FOSS Licences, circumventing or attempting to circumvent any access or functionality restrictions or limitations that the Services have or may have, including with the use of malware, spyware, harmful code or software, or by undertaking hacker attacks or similar activities;
- (f) using the Services, related technical infrastructure or software for any purpose that is harmful or detrimental to the Services, Third-Party Services, or any users of the Services;
- (g) violating any rights of any third person, including intellectual property rights;
- (h) violating these Terms;
- (i) conducting fraudulent activities, providing any false, inaccurate, or misleading information in order to unlawfully obtain Virtual Assets, funds, or property of any person;

- (j) subject to the terms of the applicable FOSS Licences, copying, reproducing, or cloning the Services as a whole, or duplicating their essential elements, or creating derivative works from the Services;
- (k) using any tools, software or technologies with the purpose of circumventing or bypassing geographical restrictions, our geofencing, or any software we employ to identify users from the Prohibited Jurisdictions; and
- (l) carrying out any other unlawful activities, or activities that violate any applicable regulations, rules, orders, etc.

## 11. IMPORTANT DISCLAIMERS AND RISK DISCLOSURES

**Risk Disclosure Statement.** By accepting these Terms, you acknowledge the information and risks described in our [Risk Disclosure Statement](#), which constitute a part hereof and is incorporated herein by reference, and further agree that you shall accept and assume all such risks.

**Personal Data.** We collect and process your personal data in accordance with our [Privacy Notice](#).

**No Advice.** No part of these Terms and Mellow Materials is intended to be, or should be considered or construed as, business, legal, financial, investment, trading, or any other sort of advice, or advice of a broker regarding any matters to which all or any part of such information relates. Before making the decision to use the Services or carry out any transactions thereon, you should consult your own legal, financial, tax, or other professional advisors regarding any such information, including whether purchasing, selling, holding, or carrying out any other transactions with respect to any Virtual Assets or other funds is suitable for you. In each case, you shall solely make your own informed decision with respect to any matters associated with the use of the Services, reliance upon the Mellow Materials, or performance of any transactions involving Virtual Assets.

**Non-Party Status.** Mellow is not a party to any transactions with Virtual Assets that you conduct, whether using the Services or otherwise. Regarding such transactions, the relevant legal relationships and obligations shall be deemed to exist solely between you and the corresponding counterparty, and we shall not assume any role or liability as a party to these transactions. Consequently, the Mellow Parties shall not be held responsible or liable in connection with any Disputes arising from these relationships and associated transactions, which shall be resolved exclusively between you and the respective counterparty.

**No Custody.** We do not provide nor intend to provide any custodial or similar services, custodial solutions or software, do not act as your agent or representative, and do not access, control, manage, or custody any of your Virtual Assets or Wallets.

**No Solicitation or Offer.** These Terms, Services or any Mellow Materials do not constitute, and are not intended to be, an offer of securities, financial instruments, Virtual Assets, or a solicitation for acquisition, purchase or holding of securities, financial instruments, or Virtual Assets in any jurisdiction, nor are they intended to constitute a prospectus or offer document of any type.

**No Fiduciary Relationship.** The Services and these Terms are not intended to create or impose any fiduciary duty on us with respect to you. Notwithstanding anything to the contrary contained in these Terms, to the maximum extent permitted by the applicable law, we shall owe no fiduciary duties to you, provided, however, that we shall have the duty to act in accordance with these Terms and the implied contractual covenant of good faith and fair dealing to the extent required by the law.



**No Broker or Fund Manager Relationship.** We are not your broker, fund manager, or any intermediary to any broker or fund manager. Nothing contained in these Terms shall be considered as a broker, financial advisory and/or fund management services, or any intermediation services thereto.

**No Financial, Regulatory and Tax Services.** We are neither a financial institution nor provide or intend to provide any financial, legal, regulatory, investment, or tax services, whether directly, indirectly, implicitly, or in any other manner. You are solely responsible for ensuring that your use of the Services and any transactions with the Virtual Assets comply with the applicable laws, regulatory and other requirements. In no event shall the Mellow Parties be held liable in connection with or responsible for the foregoing.

**No Partnership or Agency.** Nothing in these Terms is intended to, or shall be deemed to, establish any partnership, joint venture, or employment relations. Nothing in these Terms and no action taken by you or us pursuant to these Terms shall constitute, or be deemed to constitute, any Mellow Party as your agent for any purpose, and *vice versa*.

**No Consumer Relations.** All transactions carried out through or in relation to the Apps are intended and structured as commercial business transactions. Nothing in these Terms is intended to, or shall be deemed to, establish any relationship with you as a Consumer in connection with your access to and use of the Apps, nor you are eligible to use the Apps and make any transactions therethrough for your personal or household purposes.

**Waiver of the Right of Withdrawal.** If and to the extent you, notwithstanding the terms herein set forth, are considered a Consumer under the applicable law, you hereby acknowledge and agree that when you make a transaction involving Virtual Assets, such transaction is processed by the underlying blockchain network, and, as such, is performed immediately. Therefore, if considered a Consumer, you hereby expressly waive your right to withdraw from any blockchain transaction and claim any refunds that may be available to you under the applicable law. In each case, you shall solely make an informed decision whether to carry out any transactions through or in relation to the Services, as such will result in their immediate performance and waiver of your right to withdraw from them and claim any refunds.

**No Personalised Approach.** All decisions and actions regarding the Mellow Protocol and/or Vaults, including, but not limited to, a choice of strategies, oracles, deposit thresholds, APY rates, total value locked (TVL), as well as other risk parameters, shall not be based on the specific goals or risk tolerance of individual users of the Services, nor influenced by individual user requests or constitute personalised recommendations tailored to any particular user's financial condition or objectives.

**Third-Party Content and Services.** When accessing and using the Services, you may view or interact with the Third-Party Content and Third-Party Services. We make no warranties, whether express or implied, as to the Third-Party Content and Third-Party Services, nor endorse, recommend or solicit to use them or any information, materials, content, services or tools made available on or through such Third-Party Content or Third-Party Services. You hereby affirm and acknowledge that your use of Third-Party Content or Third-Party Services, and your interactions with third parties that are linked to or from the Services, shall always be at your own risk.

**Transactions.** All transactions carried out on the blockchain, whether through the Services or otherwise, take place on the underlying blockchain network and are, therefore, irreversible. Oftentimes, blockchain transactions are immediate. We do not influence or engage in any such transactions, and shall not be responsible for their outcomes or consequences. We do not represent or warrant that any blockchain transaction initiated by you will be completed or processed in a timely manner, or processed at all.

**Slashing.** If, when interacting with the Mellow Protocol, you opt in to participate in the validation of the so-called actively validated services (AVS) or shared security network (SSN), the Virtual Assets you assign to such validation will become exposed to slashing. This implies that in certain events, such as when your validated AVS or SSN is found to behave maliciously or dishonestly, the Virtual Assets assigned to their validation will be irreversibly forfeited, lost or destroyed, resulting in your partial or complete loss thereof. The slashing rules or conditions may not be precise, objective, fair, or consistently applied, and there is no assurance that any governance framework to resolve slashing incidents will be fair, impartial, or even available. The application of certain slashing rules may be complex and ambiguous, potentially leading to disagreements among users assigning Virtual Assets to AVS or SSN validation and other actors involved therein. Nonetheless, it is acknowledged that slashing enables economic safety of blockchain-based services and is one of the primary purposes for which AVS and SSN validation exists, and that this purpose underpins not only the Third-Party Services underlying the Mellow Protocol, but the entire infrastructure on which all of the foregoing is based. Any malicious intent from the AVS, SSN or another validation service provider cannot be entirely ruled out, and in no event shall the Mellow Parties be responsible or held liable in connection with the foregoing.

**Virtual Assets.** We make no representations or warranties of any kind with respect to the Virtual Assets, whether express or implied, including implied warranties of merchantability, fitness for a particular purpose or non-infringement, all of which are hereby expressly disclaimed and denied. You hereby acknowledge and agree that the Virtual Assets may not: (i) meet your expectations or work as intended, (ii) have the intended functionality, (iii) have a market, or (iv) have any specific price or hold any particular value, or have any value at all. Any receipt, storage, use, and disposition of the Virtual Assets shall always be at your own risk.

## 12. LIMITATION OF LIABILITY

**Limitation of Liability.** To the maximum extent permitted under the applicable law, in no event shall:

- (a) the Mellow Parties be liable or responsible for any indirect, punitive, exemplary, incidental, or consequential damages of any kind, loss of goodwill, loss of profits (including expected), loss of data, diminution of value, and business interruption arising out of or in connection with (i) these Terms, (ii) the functionality, use, or inability to use the Services, and/or (iii) the failure of the Services to perform as represented or expected, whether based upon breach of warranty or contract, negligence, strict liability, tort, or any other legal theory, regardless or whether any Mellow Party has been advised of the possibility of such damages;
- (b) the Mellow's or Affiliates' officers, directors, employees, consultants, and shareholders be held personally liable in connection with (i) these Terms, (ii) the use or inability to use the Services, and/or (iii) the failure of the Services to perform as represented or expected, provided that this item "(b)" shall not limit our liability as an entity;
- (c) the Mellow Parties be responsible for or held liable in connection with any inaccuracy, error, delay in, or omission of any Mellow Materials, your reliance thereon, or any decisions based on the Mellow Materials; and
- (d) the aggregate liability of the Mellow Parties for all damages and losses whatsoever arising out of or in connection with these Terms, their undue performance or violation, the use or inability to use the Services, exceed US \$1,000 (one thousand U.S. dollars) or equivalent.

**Exclusion of Liability.** To the maximum extent permitted under the applicable law, in no event shall the Mellow Parties be liable for any losses or damages, including direct, consequential, incidental, or indirect,

in each case, whether based upon breach of warranty or contract, negligence, strict liability, tort, or any other legal theory, and regardless of whether any Mellow Party has been advised of the possibility of such damages or losses, arising from:

- (a) the Mellow Protocol, its operation, use or inability to use, or failure of the Mellow Protocol to work or operate as expected or described;
- (b) the use, operation or functioning of Vaults;
- (c) the acts, activities or omissions of Actors or other users of the Services;
- (d) any Third-Party Content, Third-Party Services, products or services provided by third parties, or any interaction therewith, use thereof and/or reliance thereon;
- (e) the underlying blockchain network(s) of the Mellow Protocol, Vaults and Virtual Assets, as well as any failure thereof to perform as represented or expected;
- (f) unauthorised use of your Wallets or any credentials thereto, or your failure to ensure security thereof;
- (g) a hacker attack, phishing attack, malware attack, viruses, or trojan horses, whether affecting or transmitted via the Services or otherwise, or any other unauthorised third-party intervention in the operation thereof; and
- (h) any loss or damage caused by or arising from the Force Majeure Circumstances.

**Waiver.** To the maximum extent permitted under the law, you hereby waive and agree not to exercise or use any right to, seek to recover damages listed above in this Section 12 from the Mellow Parties and/or persons specified above.

**Exceptions.** Inasmuch as some jurisdictions do not allow the exclusions or limitations as set forth herein, the above exclusions and limitations shall apply to the maximum extent permitted by the applicable law. Notwithstanding anything to the contrary contained therein, these Terms do not limit our liability for fraud, intentional misconduct, gross negligence, death or personal injury arising from negligence.

### **13. INDEMNIFICATION**

To the fullest extent permitted under the applicable law, you shall indemnify, defend, and hold harmless the Mellow Parties from and against any and all claims, demands, actions, damages, losses, costs, and expenses (including reasonable professional and legal fees) that arise from or relate to (i) your violation of these Terms, including making untrue or false representations and/or warranties, (ii) your access to and use the Services, (iii) exercising, enforcing, or preserving our rights, powers or remedies (or considering doing so) with respect to you in connection with these Terms, (iv) User Generated Content created, posted or furnished by you through or in relation to the Services, and (v) your obligation to pay Taxes applicable to you. We reserve the right to exercise sole control over the defence, at your sole cost and expense, of any claim subject to an indemnity set out in this Section 13. The indemnity set out in this Section 13 is in addition to, and not in lieu of, any other remedies that may be available to us under the applicable law or equity.

#### 14. UPDATES, AVAILABILITY, AND ACCESS

**Updates and Modifications.** We may from time to time and without prior notice make certain updates, improvements, or modifications to the Services, including, but not limited to, updates to the underlying software, infrastructure, security protocols, technical configurations, functionality, financial structure, or Service features, and we shall not be in any case held liable with respect to any such update.

**Availability.** The availability of the Services depends on various factors and there is no warranty or guarantee that the Services will operate and/or be available at all times without disruption or interruption, or that they will be immune from unauthorised access, bug-, virus-, or error-free. The Services or their components may become inaccessible or inoperable from time to time due to various reasons, such as maintenance procedures, updates, disruptions, third-party interferences, hacker or malware attacks, Force Majeure Circumstances, failures in the operation or malfunction of the underlying technical infrastructure or software, unavailability of the Third-Party Services, not limited to the above. As a result, your ability to use the Services and their functionality may be prevented or limited without prior notice, and no Mellow Party shall be responsible for or held liable in connection therewith. In the event of Services unavailability, you may always continue using the Mellow Protocol by interacting with it directly bypassing any user interfaces, or by using other user interfaces to the Mellow Protocol provided by third parties.

**Access.** If technically possible, we may limit, suspend or restrict access to the Services with immediate effect and without notification and liability, regardless of reason, including if we, acting at our sole discretion, determine that (i) you have violated or may likely violate these Terms, applicable laws or regulations; or (ii) you or your actions create or may create legal exposure for us, Affiliates, or the Services; or (iii) you are or likely to be a Prohibited Person or act on behalf of a Prohibited Person. You hereby agree to comply with such limitations and not to circumvent or bypass them in any way. You hereby agree that we may install and utilise certain software, solutions and/or tools (for example, geo-blocking solutions) allowing us to identify users from the Prohibited Jurisdictions or certain restricted jurisdictions, or those who have violated these Terms or the laws, and restrict their access to and use of the Services.

#### 15. FEES, COSTS, AND TAXES

**Fees.** We reserve the right to introduce and charge certain fees for the access to and use of the Services. You hereby agree and acknowledge that it is your sole obligation to review the applicable fees each time you use the Services. If you do not agree to any fees, you reserve the right to discontinue any access to or use of the Services at any time.

**Third-Party Costs.** When you conduct certain transactions through or in relation to the Services, certain Third-Party Costs may arise. You shall solely bear all such Third-Party Costs, and we are not responsible for nor be in any way liable in connection with any such Third-Party Costs.

**Taxes.** The tax status of Virtual Assets is uncertain and highly depends on the laws and regulations of the respective jurisdiction where you reside. You are solely responsible for determining what, if any, Taxes apply to your activities and any transactions carried out through or in relation to the Services. It is also your responsibility to withhold, collect, report, and remit all applicable Taxes to the appropriate tax authorities, and we are not responsible for withholding, collecting, reporting, or remitting such Taxes, as well as any tax consequences to you associated with or arising from any transactions carried out through or in relation to the Services.

## 16. TERM AND TERMINATION

**General.** These Terms will be in full force until terminated by either (i) you by disconnecting your Wallets from the Services and ceasing access and use of the Services; or (ii) us at any time at our sole and absolute discretion, with or without a notice to you, and without any liability whatsoever.

**Survival.** Provisions hereof construed to survive the termination of these Terms shall survive any expiry or termination of these Terms. Sections 3 (except for the License sub-Section), 6, 7, 9, 11-13, 15-21 shall survive any expiration or termination of these Terms, regardless of reason.

## 17. APPLICABLE LAW

Without prejudice the mandatory provisions of the applicable law, these Terms, as well as any and all relationship between you and us relating to the Services or any transaction contemplated in these Terms shall be governed by, construed and enforced in accordance with the laws of England and Wales, without regard to conflict of law rules or principles that would cause the application of the laws of any other jurisdiction. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to these Terms.

## 18. DISPUTES RESOLUTION

**Informal Dispute Resolution.** For any Dispute that you have against us or relating in any way to these Terms, the Services and/or transactions contemplated hereunder, you shall first contact us and attempt to resolve the Dispute informally by sending a Notice to us by email at [legal@mellow.finance](mailto:legal@mellow.finance). The Notice must include your name, residence address, and email address, describe the nature and basis of the Dispute and set forth the specific relief sought. If we and you cannot reach an agreement to resolve the Dispute within thirty (30) days after such Notice is received, then either, you or we, without prejudice to the mandatory provisions of the applicable law, may submit the Dispute to the binding arbitration administered by the LCIA, in accordance with the terms set forth in this Section 18. Binding arbitration is the referral of a Dispute to a qualified person(s) who will review the Dispute and make a final and binding determination, by making an order, to resolve the Dispute.

**Waiver of Court Proceedings and Jury Trial.** Except for any Disputes in which either you or we seek injunctive or other equitable relief for the alleged unlawful use of any Intellectual Property, you and we hereby waive your and our respective rights (i) to have any Dispute arising from or related to these Terms, the Services or any matters contemplated herein resolved in a court, and (ii) to a jury trial.

**Binding Arbitration.** Any Dispute arising out of or in connection with these Terms, the Services or any matters contemplated herein, including any question regarding the existence, validity, or termination of these Terms, shall be referred to and finally resolved by the binding arbitration under the London Court of International Arbitration Rules, which are deemed to be incorporated by reference herein. Any arbitration will occur in London, UK. The number of arbitrators shall be one (1). The language to be used in the arbitral proceedings shall be English. Any and all notices, requests, demands, and other communications which are required or may be given in connection with the arbitration shall be sent in electronic form, either via email or other electronic means including via any electronic filing system operated by the LCIA. Any and all notices, requests, demands, and other communications sent by electronic means shall be treated as having been received by a recipient on the day it is transmitted (such time to be determined by reference to the recipient's time zone).

**Confidentiality.** Unless otherwise required by the applicable law, and to the maximum extent permitted and possible, you, Mellow, and the arbitrator(s) shall maintain the confidentiality of any arbitration or litigation proceedings, judgments and awards, including, but not limited to, all information gathered, prepared and presented for the purposes of arbitration, litigation or related to the Disputes. Unless prohibited under the law, the arbitrator will have the authority to make appropriate rulings to safeguard confidentiality.

**No Class Actions.** Any Dispute arising out of or related to these Terms and the Services is personal to you and us and will be resolved solely through individual arbitration or litigation, as the case may be, and will not be brought as a class arbitration, class action, or any other type of representative proceeding in any circumstances, whether within or outside of arbitration or litigation, where an individual attempts to resolve a Dispute as a representative of another individual or group of individuals.

**Statutes of Limitation.** To the maximum extent permitted under the law, any claim arising out of or related to these Terms and the Services shall be filed within one (1) year after the ground for such claim arose. If the claim is not filed within this time period, such claim shall be permanently barred, meaning that there shall be no right to assert such claim.

## 19. COMMUNICATION

**Communication Channels.** You agree and consent to receive electronically all Communications that we provide in connection with these Terms and the Services. You agree that we may provide Communications to you through any of the Communication Channels, provided that only those postings shall be deemed to constitute Communication that are expressly marked as relating to these Terms. If you provide us with your email address, we may (but will not be obliged to) send Communications to you by email. All Communications specified in this paragraph shall be deemed in writing, valid and of full legal force, and delivered to you on the day following the day when they are published or transmitted, as the case may be.

**Contact Details.** You may electronically communicate with us by sending Communications to the following email address: [legal@mellow.finance](mailto:legal@mellow.finance). We may require you to provide additional data or documents, or perform certain actions that will allow us to identify you.

## 20. MISCELLANEOUS

**Third-Party Beneficiaries.** These Terms shall inure to the benefit of the Mellow Parties and any persons involved or engaged in the development, operation or maintenance, as applicable, of the Services and related software, irrespective of their specific roles or capacities, and such persons shall be entitled to rely upon and enforce the provisions of these Terms as if they were a party hereto. However, the aforementioned persons' consent, approval or notice shall not be required to alter, assign, novate, or otherwise change these Terms.

**No Waiver.** No failure or delay by us to exercise any right or remedy provided under these Terms or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

**Entire Agreement.** These Terms, together with any documents incorporated herein by reference, contain the entire agreement with respect to the subject matter hereof and supersedes all prior and contemporaneous understandings, writings, letters, statements or promises relating to the same subject matter. You hereby agree and acknowledge that by entering into these Terms, you have not relied on, and

shall have no right or remedy in respect of, any statement, representation, assurance, or warranty (whether made negligently or innocently) other than as expressly set forth in these Terms.

**Language.** Currently, only the English version of these Terms, Mellow Materials and any Communications is considered official. The English version shall prevail in case of differences in translation of any Mellow Materials, Communications, or other content.

**Assignability.** You shall not assign or transfer any rights or obligations under these Terms without our prior written consent. We may transfer or assign these Terms, including any rights and obligations hereunder, at any time and no such transfer or assignment shall require your additional consent or approval.

**Validity and Enforceability.** The invalidity or unenforceability of any provision or part-provision of these Terms shall not affect the validity or enforceability of any other provisions of these Terms, all of which shall remain in full force and effect.

## 21. DEFINITIONS AND INTERPRETATION

**Definitions.** In these Terms, unless the context requires otherwise, the terms shall have the following meaning:

**“Actor”** means, with respect to a Vault, a person who creates, coordinates, and/or configures such Vault. An Actor may be referred to by different names, for example a curator, strategist, or other.

**“Affiliate”** means a person controlling, controlled by, or under the same control as Mellow.

**“Apps”** means the web-applications provided by Mellow, including their underlying software and application programming interfaces, which serve as, or are intended to be, user interfaces to the Mellow Protocol, certain associated software or services, including that accessible at: <https://app.mellow.finance>. The Apps specifically exclude the Mellow Protocol and its underlying software.

**“Communications”** means any communications, agreements, documents, receipts, notices, and disclosures related to these Terms.

**“Communication Channels”** means the Website, our X (Twitter) account, Discord server and other social media accounts and communication channels belonging to us, as may be linked to on the Websites from time to time.

**“Consumer”** means a natural person using the Services, making deals or transactions for personal or household purposes as defined under the applicable legislation, i.e. for certain purposes that are wholly or mainly outside their trade, business, craft, or profession.

**“Dispute”** means any dispute, claim, suit, action, causes of action, demand, or proceeding.

**“entity”** means any company, corporation, body corporate, trust, or partnership, or any other form of legal entity, whether or not it has corporate status.

**“Feedback”** means any comments, suggestions, recommendations, or other feedback, provided by you in connection with or relating to the Services.

**“Forward-Looking Statements”** means certain opinions, forecasts, projections, future plans, or other statements, other than that of historical fact, including, but not limited to, any development plans and

projections, the future functionality and projected performance of Mellow, Services or any other products or services, as well as prospects and future events related to any industry.

**“FOSS Licence”** means a free and open-source software licence that allows for editing, modifying, or reusing software’s source code, such as, for example, GPL, Apache and MIT licences.

**“Force Majeure Circumstances”** means any circumstances that are out of our control interfering the performance hereof, which include, without limitation, (i) fire, flood, hostility, pandemic, the act of God, explosion, strike, (ii) war, undeclared war, civil war, revolution, riot, act of terrorism, military actions and operations, (iii) sanctions, government actions, cease and desist orders issued by governmental or other authorities, embargoes, actions initiated by governmental or other authorities, (iv) weaknesses, vulnerabilities and bugs in the software, blockchain networks, Mellow Protocol, Wallets, and other technologies used in connection with these Terms and transactions contemplated hereunder, 51% attacks or similar attacks on Virtual Assets’ underlying blockchain networks; (v) loss or theft of Virtual Assets as a result of an attack, including hacker, malware, or other attack, (vi) actions, failures to act or inactions of Third-Party Service providers or other third parties, including fraud, loss or theft of funds by such third parties, (vii) system interference and/or destruction by any malicious programs, and (viii) power failure, equipment or software malfunction or error.

**“Intellectual Property”** means any copyrighted content, names of services and products, logotypes, trademarks and other marks, trade secrets, inventions, designs, drawings, pictures, animations, works of authorship, etc., which may be demonstrated within the Services, contained in the Mellow Materials, or otherwise made available to you.

**“LCIA”** means the London Court of International Arbitration.

**“Licence”** means a limited, temporary, non-transferable, non-exclusive, revocable, non-sublicensable licence (right) to access and use the Services for their intended purposes on the terms herein set forth and for the duration of these Terms.

**“Mellow”, “we”, “us”, “our”** means G3M Labs S.A., a BVI business company.

**“Mellow Protocol”** means the Mellow blockchain protocol, which is essentially a system of smart-contracts implemented on the blockchain that can be used to create, deploy, and/or replicate Vaults, as well as configure certain parameters within them.

**“Mellow Materials”** means any information, statements, announcements, documentation, data, content, and other materials relating to the Services and/or Mellow Protocol, provided by us or on our behalf, whether through the Communication Channels or otherwise.

**“Mellow Parties”** means Mellow, Affiliates, and their respective shareholders, directors, officers, employees, agents, advisors, contractors, successors, and assignees.

**“Notice”** means a written notice of your claim to any of the Mellow Parties.

**“Prohibited Jurisdiction”** means any of the following jurisdictions: Democratic People’s Republic of North Korea, Islamic Republic of Iran, Republic of Cuba, Syrian Arab Republic, Myanmar, Sevastopol and the Crimea Regions of Ukraine, Donetsk People’s Republic and Luhansk People’s Republic regions of Ukraine, United States of America (including its territories: American Samoa, Guam, Puerto Rico, the Northern Mariana Islands, and the U.S. Virgin Islands), Bolivarian Republic of Venezuela, the Russian Federation, Republic of Belarus, People’s Republic of China (Mainland), Afghanistan, and any other



jurisdiction or territory, where the use of the Services is prohibited by applicable laws or regulations, or which is subject to a country-wide or territory-wide sanction imposed by any country, government, or international authority.

**“Prohibited Person”** means any citizen or resident of, or a person subject to any Prohibited Jurisdiction, or any sanctions administered or enforced by any country, government or international authority.

**“Services”** means the Websites, Apps, and any other products and services, as well as any associated software and functionality, as may be provided by Mellow from time to time, excluding, for this purpose, the Mellow Protocol and any underlying on-chain software.

**“Taxes”** means any income, earnings, capital gains, sales, use, value-added, and similar taxes or payments.

**“Terms”** means these Mellow Terms of Service together with any documents incorporated herein by reference.

**“Third-Party Content”** means any content, information, materials and items provided by any third person other than Mellow, including (i) User Generated Content, (ii) the description of, links to or elements of the Third-Party Services, and (iii) any information produced or derived from the Third-Party Services or other third-party sources.

**“Third-Party Costs”** means any costs, fees, or expenses that are charged by third parties or third-party technologies, including, for example, blockchain gas costs, commissions and fees related to or charged by the Third-Party Services.

**“Third-Party Services”** means any services, software, items, and solutions that are not provided by us, such as, for example, the Wallets, software or hardware wallets, decentralised blockchain protocols, Virtual Assets, blockchain networks and their underlying software, etc.

**“Vault”** means a smart-contract or a set of interconnected smart-contracts deployed through the Mellow Protocol, which enables initiation and execution of specific blockchain transactions involving Virtual Assets.

**“Vault Disclaimer”** means a legal notice, disclaimer, or similar legal instrument, which may be provided by an Actor through such means that enable any prudent and reasonable Vault user to access and review such instrument before interacting with the Vault, that governs the Vault, its use, and such Actor’s relevant activities pertaining to the Vault, as the case may be.

**“Virtual Assets”** means cryptocurrencies and other digital tokens implemented on a public blockchain network, such as, for example, Ether (ETH), Wrapped Ether (wETH), USD Tether (USDT), USD Coin (USDC), and so forth.

**“Wallet”** means, essentially, a pair of public and private cryptographic keys which can be used to track ownership of, receive, manage, and spend Virtual Assets on a blockchain network.

**“Websites”** means the websites provided by us, including that available at <https://mellow.finance>, and any of their subdomains, but explicitly excluding the Apps.

**“User Generated Content”** means information, statements, announcements, data, visual or audiovisual materials, copyrighted content, trademarks, logotypes, and any other materials posted, created, or furnished through or in relation to the Services by their users.

**“you”, “your”** means the person who accepts these Terms; if you are acting on behalf of an entity, **“your”** and **“you”** shall refer to both you as an individual using the Services, and the entity on whose behalf you are acting.

**Interpretation.** Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders; words in the singular shall include the plural and in the plural shall include the singular; any words following the terms including, include, in particular, for example, or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms; Section headings do not affect the interpretation of these Terms. The terms “investment”, “investor”, “invest”, “returns”, “interest” and other similar terms, as may be used in the Mellow Materials, are not meant to be interpreted literally. Rather, such terms are being used to draw rough, fuzzy-logic analogies between the heavily automated and mostly deterministic operations of decentralised smart-contracts and the discretionary performance of traditional off-chain transactions. When you access and use the Mellow Protocol or other smart-contracts, there are no legal agreements, promises of payment, or courts of law, and therefore there are no investments, or other traditional transactions involved.