



## ZARP Stablecoin Terms of Service

Last updated: 01 July 2024

These Terms constitute an agreement between anyone utilising the ZARP Stablecoin token on any platform or via any application, website, or API, and ZARP Stablecoin (Pty) Ltd (Registration Number: 2020/762178/07) ("the Company") as a representative of Inves Capital (Pty) Ltd (Registration Number: 2016/437415/07) which are companies incorporated under the laws of the Republic of South Africa. For the purposes of these Terms, any reference to "we", "us", "our", "ZARP", "the Company" and/or any similar means ZARP Stablecoin (Pty) Ltd and Inves Capital (Pty) Ltd as issuer of the ZARP Stablecoin token.

ZARP is a cryptocurrency token that is pegged to the price of the South African Rand and issued on various blockchain networks. Any user of ZARP must unconditionally accept these terms and act in accordance with them. In so doing, you also accept and agree that you are solely responsible for understanding and complying with all laws, rules, regulations and requirements of the jurisdiction in which you reside that may be applicable to your use of ZARP, including but not limited to, those related to export or import activity, taxes, or foreign currency transactions.

If you do not agree with or accept all of the terms please immediately discontinue any and all use of ZARP.

### 1. SERVICE & PLATFORM

- 1.1. Inves Capital (Pty) Ltd exclusively operates the cryptographic keys necessary for the issuing (creation) and redemption (destruction) of the ZARP token.

- 1.2. ZARP is a smart contract that generates tokens on various blockchain networks. ZARP tokens may be acquired (issued) from the Company for South African Rands and returned to the Company (redeemed) for South African Rands by approved partners of the Company only.

## 2. DISCLAIMERS & RISK

- 2.1. ZARP is a cryptocurrency token and may be compatible with software or other technology provided by third-parties. The Company does not guarantee the security or functionality of any third-party software or technology and is not responsible for any losses of ZARP due to the failure of third-party software or technology.
- 2.2. Furthermore, the various blockchains where ZARP is issued may experience backlogs, higher than normal transaction fees, changes to the network, failure or a fork in the protocol. The company does not own or control these blockchains and is not responsible for their security, functionality, or availability.
- 2.3. The Company does not provide custodial or any other services for the storage and management of ZARP tokens, which are issued directly to the wallets owned by ZARP approved partner institutions.

## 3. ZARP STABLECOIN GENERAL

- 3.1. ZARP is not currency or legal tender, but is rather a token that represents the value of the South African Rand (ZAR) currency. ZARP tokens can be returned to the Company and South African Rands redeemed from the Company's treasury accounts, subject to the limitations below.
- 3.2. The South African Rands used to purchase ZARP tokens are deposited into the Company's account held with Old Mutual Wealth.
- 3.3. The Company may apply funds in the said account to earn interest on those funds, provided that it will ensure a ratio of at least one-to-one of each ZARP token in circulation on blockchain networks to the amount held in the Company's treasury accounts at all times. Any such interest

earned may be kept by the Company as fees.

#### 4. KNOW-YOUR-CUSTOMER (KYC) AND ANTI-MONEY LAUNDERING (AML)

- 4.1. Organisations applying for or operating accounts with The Company agree to provide true, current and complete information during the account registration process and when requested to update their information from time to time.
- 4.2. The Company will verify and record information identifying each partner who registers an account for the purposes of issuing or redeeming ZARP tokens.
- 4.3. New partners must provide certain identity documentation or information in order to apply for a partner account. This will be done according to the Company's internal and on-going KYC and AML procedure and checks.
- 4.4. The company reserves the right to refuse or reject a registration at its discretion or based on regulatory restrictions.
- 4.5. By using ZARP you agree not to conduct any activities related to international money laundering, fraud or abuse, or in the contravention of any other laws applicable to your jurisdiction. You hereby also acknowledge that your use of ZARP is not related to an act of money laundering.

#### 5. ISSUANCE

- 5.1. ZARP tokens may only be issued by partners who have registered an account and provided verified identification information as per Clause 4.
- 5.2. Partners issuing ZARP tokens must provide blockchain addresses that are exclusively owned and operated by the Partner. This address will be whitelisted (verified) by our smart contract and ZARP tokens will only be sent to these addresses.

## 6. REDEMPTIONS

- 6.1. South African Rands that are redeemed from the Company for ZARP tokens will be transferred exclusively to the bank account designated by, and owned by, the Partner. The account holder name on the receiving bank account must match the name on the Partner's KYC documentation.
- 6.2. Please note that any redemption may be delayed as necessary to comply with applicable law and/or the Company's Compliance Programme, including verification of customer identification and anti-money laundering procedures.
- 6.3. ZARP tokens sent to the Company to be redeemed for South African rands will be burned (destroyed) at the Company's discretion in order to ensure that total circulating token supply does not exceed South African Rands stored in the Company's treasury accounts.

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