

HODL OTC

General Terms of Service

Version 3 – December 2024

1 INTRODUCTION

- 1.1 These Terms of Service represent our agreement in respect of your use and/or access of the Services.
- 1.2 By using and/or accessing the Services, you confirm this Agreement and agree to be bound by it completely.
- 1.3 You confirm and acknowledge that through your use and/or access of the Services that you are aware of or have been made aware of these Terms of Service, and that you have read and understood them.
- 1.4 While these Terms of Service contain rules dealing with the interpretation of specific words, phrases, and terms, where we refer to “you” in these Terms of Service we mean you, the user of the Services.
- 1.5 This Agreement will be between yourself and HODL OTC (Pty) Ltd, with South African company number 2020/773138/07, where you use or access the Services from a CMA Country (being resident in a CMA Country) or trade in cryptocurrency – rand pairs.
- 1.6 Accordingly, where we refer to “we” in these Terms of Service we mean ourselves, HODL OTC (Pty) Ltd. A reference to “us” means you and/or we, as indicated by the context.

2 INTERPRETATION

The following definitions and rules of interpretation in this 2 will apply in this Agreement –

- 2.1 **“this Agreement” or “Terms of Service”** – means these terms of service as a whole.
- 2.2 **“Business Day”** – a day other than a Saturday, Sunday, or public holiday in South Africa; 2.3 **“CMA Country”** – South Africa, Namibia, Lesotho and Eswatini.

Directors : Jacques Serfontein , Alex Winterburn , Cindy Serfontein
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- 2.3 **“Data Protection Legislation”** – South African Data Protection Legislation, including the Protection of Personal Information Act and its regulations relating to Personal Information, and all other applicable legislation and regulatory requirements in force from time to time which apply to a party, all relating to the use of Personal Information.
- 2.4 **“Documentation”** – the documents, guides and other media made available to you by us online at www.hodlotc.com or at any other web address notified by us to you or through mobile application, which set out a description of the Services and any user instructions for the Services;
- 2.5 **“Effective Date”** – the date on which you first use and/or access the Services.
- 2.6 **“Normal Business Hours”** – 8 am to 4.30 pm local South African time, each Business Day.
- 2.7 **“Personal Information”** – has the meaning defined in Data Protection Legislation.
- 2.8 **“Qualified User”** – a user of the Services who is not a natural person and whose asset value or annual turnover equals or exceeds 1 million rand in value.
- 2.9 **“Services”** – the cryptocurrency exchange, cryptocurrency trading platform, custodial and other services (including any associated API) provided or made accessible by us to you online at www.hodlotc.com or any other website notified by us to you or through mobile application;
- 2.10 **“User Data”** – the data inputted or provided by you, or by us on your behalf to use the Services or facilitate your use of the Services and includes your Personal Information and bank account information and credentials.
- 2.11 The contract law rule that if a clause in a contract appears to be ambiguous, it should be interpreted against the interests of the person who insisted that the clause be included does not apply to this Agreement.



3 RISK NOTICE

You should be aware that dealing or trading in cryptocurrency carries risk. You solely assume any inherent or associated risk arising from the volatility of cryptocurrency and its limited use in the mainstream marketplace. Trading in cryptocurrency may not be suitable for all persons. Past returns or performance of any cryptocurrency are not a reliable indicator for future returns.

4 SUBSCRIPTION AND USER ACCOUNT OPERATION

- 4.1 Subject to your compliance with this Agreement we permit you to use the Services and the Documentation.

Opening a user account

- 4.2 To be able to enter cryptocurrency trading transactions, you will first need to open an HODL OTC user account (“**user account**”).
- 4.3 You can only open a user account as an individual if you are 18 years or older.
- 4.4 The Services are not made available to residents or nationals of sanctioned countries, or otherwise prohibited countries whom we determine in our sole discretion.

Know-your-customer (KYC) and Anti-money laundering (AML) procedure and checks

- 4.5 You agree to provide true, current, and complete information about yourself during the user account registration process.
- 4.6 We verify and record information identifying each person who opens a user account with us. When you open a user account, we ask that you provide certain documentation or information to identify yourself and to verify the identifying documentation and information you will have submitted to us on registration. This will be done according to our internal and ongoing KYC and AML procedure and checks.
- 4.7 We reserve the right to refuse or reject registration at our discretion or based on regulatory restrictions imposed on us.



User account security

- 4.8 When you open a user account with us, you will be required to set a username and password that you will use each time you use and/or access the Services.
- 4.9 You must use all reasonable endeavours to prevent any unauthorised use and/or access to your user account and in the event of any unauthorised use and/or access, you must immediately notify us.

Withdrawals, deposits, and payments

- 4.10 To fund your trading activities when using the Services, you must deposit with us enough fiat currency which will be used to acquire cryptocurrency to trade with.
- 4.11 Deposited fiat currency will be converted to cryptocurrency exclusively, which will be allocated to your user account. You may choose the cryptocurrency for conversion, if it is supported by us. Applicable rates of conversion will be indicated online at www.hodlotc.com
- 4.12 We only accept cleared funds for deposits and the method of payment we support is Bank electronic funds transfer. Cash payments are not permitted.
- 4.13 We may, in our sole discretion, impose restrictions on the amounts of fiat currency that you may deposit with us at a time, or in aggregate over any period.
- 4.14 Upon verification and validation of your instructions, we execute withdrawal orders within 5 Business Days.
- 4.15 Where you use or access the Services from South Africa or trade in cryptocurrency / Rand pairs, withdrawals of cryptocurrency will be paid out in rand as the base currency for conversion, and we will only pay out funds to your verified personal South African bank account which is associated with your user account. The applicable rates of conversion will be those current at the time of your withdrawal order and as found at www.hodlotc.com



Order execution

- 4.16 We execute and/or transmit trading orders for execution immediately on the receipt of your instructions through your user account or our over the counter (OTC) facility.

Post trade settlement

- 4.17 Notwithstanding the previous clauses, we make available a post trade settlement facility whereby Qualified Users can, at their instance, be advanced a short-term credit line by us (in fiat or cryptocurrency) equivalent to or greater than 1 million rand in value, to fund the trade in or purchase of any cryptocurrency.
- 4.18 By making use of the post trade settlement facility, you confirm and warrant us that you are a Qualified User as defined in this Agreement.
- 4.19 You further agree to repay any post trade settlement facilities advanced to you immediately on demand, which we can make at any time via email, your user account or make use of our over the counter (OTC) facility.

Funds received in error

- 4.20 Should you receive any funds in error (whether fiat or cryptocurrency) in your user account, you acknowledge that you have no right to these funds or to benefit from them. On becoming aware of any such funds received in error you undertake to notify us immediately.
- 4.21 We reserve the right to debit your user account at any time to recover any funds (whether fiat or cryptocurrency) that you may have received in error or without legal cause. You accept that such debit may be made against any free funds held by us to your credit.



- 5.1 We will provide the Services and make available the Documentation to you subject to the terms of this Agreement.
- 5.2 We will use commercially reasonable endeavours to make the Services available 24 hours a day, 7 days a week, except for:
 - 5.2.1 planned maintenance carried out during the maintenance window of 11 pm to 1 am South African time; and
 - 5.2.2 unscheduled maintenance performed outside Normal Business Hours if we have used reasonable endeavours to give you at least 2 Normal Business Hours' notice in advance.
- 5.3 We will, as part of the Services, provide you with our standard user support services during Normal Business Hours. Our standard user support services will be available to you through our helpdesk online at www.hodlotc.com or any other web address notified by us to you, or through us over the counter (OTC) facility.
- 5.4 We do not give any trading, market, investment, or financial advice in connection with the Services, through any channel or means, including the helpdesk and the over the counter (OTC) facility. You make use of the Services strictly on an executionary basis, each time instructing us to execute your transactions.

6 CHARGES AND PAYMENT

- 6.1 Your use of the Services will be subject to your payment of transactional fees, which are outlined below:
 - 6.1.1 At present HODL OTC charges ZERO trading fees to convert fiat currency like ZAR into Cryptocurrencies like Bitcoin.
 - 6.1.2 Withdraw fees for ZAR are currently charged at a flat rate of R60.00 per withdrawal, irrespective of the amount.
 - 6.1.3 Crypto withdrawal fees are calculated at the time of withdrawal and are determined by the Blockchain fees of the Cryptocurrency being withdrawn.

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6.1.4 A natural spread exists in the market between the acquiring side and the purchase side, which varies based on market conditions, an example of this is seen in the comparison below where the Google Price of 1 BTC is R1,118,771.17c, the Acquirer price of 1 BTC is R1,155,995.61c and the HODL Price of 1 BTC is R1,161,675.38c in total.

6.1.5 HODL OTC receives a Broker Spread from the Acquirer that varies between 0.2% and 2.4% depending on the Cryptocurrency purchased. The quoted price always includes the broker spread before accepting a trade and the summary of the trade always provides you with a summary of the exact spread amount that was included in the trade.

EXAMPLE:

Google's Price:



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Acquirer's Price:



Current Quote

Buy 1.0 BTC

Price per Coin 1,155,995.61 ZAR

Total cost 1,155,995.61 ZAR

Quote expires in 0

HODL OTC's Price:



Request For Quote (RfQ)

Current Quote

Buy Bitcoin with South African Rands

Price per coin 1161675.37706916 zar

Total Cost 1161675.38

Quote Expires In 0

DECLINE

ACCEPT

When timer runs out Accept and decline will disappear and refresh will appear

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- 6.2 Where applicable, we will debit the transaction fees in real-time from any funds associated with your user account. Trade summaries are provided of each trade. See the Example below.

An RFQ Trade has been created with the following information:

From currency: ZAR
To currency: BTC
From amount: 25000.0
To amount: 0.02131862
Rate: 1144539.2541 BTC/ZAR
Spread: 0.0
Broker Spread: 2.4
Broker Spread Amount: 0.00052423

- 6.3 We reserve the right to debit your user account at any time to recover any funds (whether fiat or cryptocurrency) that are due to us, arising howsoever, under this Agreement. You accept that such debit may be made against any free funds held by us to your credit.

7 OUR OBLIGATIONS

- 7.1 We undertake that the Services will be provided substantially in accordance with the Documentation and with reasonable skill and care as intended. This undertaking does not apply to the extent of any non-conformance which is caused by your use of the Services contrary to our instructions, or modification or alteration of the Services by any person other than ourselves.
- 7.2 We:
- 7.2.1 do not warrant that your use of the Services will be uninterrupted or error-free; or that the Services, the Documentation and/or the information obtained by you through the Services will meet your requirements; and

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- 7.2.2 are not responsible for any trading order delays, trading order failures, or any other loss or damage resulting from the transfer of data over communications networks and facilities, including the internet, and you acknowledge that the Services and the Documentation may be subject to limitations, delays, and other problems inherent in the use of communications facilities.

8 YOUR OBLIGATIONS

You will:

- 8.1 provide us with:
- 8.1.1 all necessary cooperation concerning this Agreement; and
 - 8.1.2 all necessary access to information as may be required by us to provide the Services.
- 8.2 without affecting your other obligations in this Agreement, comply with all applicable laws and regulations concerning your activities in terms of this Agreement.
- 8.3 ensure that you use the Services and the Documentation in accordance with the terms and conditions of this Agreement.
- 8.4 ensure that your network and systems comply with any specifications provided by us to you from time to time; and
- 8.5 to the extent permitted by law, and except as otherwise provided in this Agreement, solely be responsible for acquiring, maintaining, and securing your network connections and telecommunications links from your systems to ours, and all problems, conditions, delays, failures and all other loss or damage arising from or relating to your network connections or telecommunications links or caused by the internet.



You warrant and acknowledge that:

- 8.6 you are fully acquainted with and are aware of the tax consequences arising from your use of the Services, including any tax remittances that you are liable to pay to any receiver of revenue.**
- 8.7 you are solely responsible for your tax obligations arising from your use of the Services.**
- 8.8 you are fully acquainted with and are aware of any capital or exchange control restrictions arising from your use of the Services, including limitations on exporting capital or rights to capital without the necessary regulatory approval.**
- 8.9 you will not use or take advantage of the Services to circumvent the meeting of any tax obligation that you might have.**
- 8.10 you will not use or take advantage of the Services to circumvent any capital or exchange control restrictions that you may be subject to.**

9 TERMINATION

- 9.1 You can close your user account with us at any time on the giving of 30 days' notice. Your notice or request for closure must and can only be made through your user account at www.hodlotc.com Any open or pending transactions will then be closed at the then-current rate at the time of closure by reference to the daily values published on our website, and we will execute a withdrawal order in your favour in respect of the funds remaining on your user account.**
- 9.2 We can suspend or close your user account at any time on any of the following grounds, and if we do so, any open or pending transactions will be closed at the then-current rate at the time of suspension or closure by reference to the daily values published on our website:**
 - 9.2.1 if there are acts of bad faith performed with or through your user account.**
 - 9.2.2 if you do not comply with these Terms of Service in any way.**
 - 9.2.3 if there is an abuse of the Services by yourself.**

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- 9.2.4 if the security or integrity of the Services or of other users of the Services is compromised.
 - 9.2.5 if you make any fraudulent misrepresentation or incorrect representation to us.
 - 9.2.6 if you fail to make any payment that is due to us.
 - 9.2.7 if we detect any unauthorised or suspicious activity on your user account including money laundering activity, multiple account operation, or activity connected to prohibited or sanctioned countries and persons or wallet addresses.
 - 9.2.8 if our continued association with you becomes detrimental to our reputation.
 - 9.2.9 if your user account is dormant for 6 consecutive months.
 - 9.2.10 if it becomes illegal for us to continue with our business in any country where we operate.
 - 9.2.11 if legal requirements or laws necessitate the suspension or closure of your user account; and
 - 9.2.12 if it becomes necessary to suspend or close your account because of our economic, technological, structural, or similar needs.
- 9.3 We can suspend any payments or refund due to you, pending investigation:
- 9.3.1 where the transaction activity on your account has been determined to be connected to prohibited or sanctioned countries and persons or wallet addresses, or the following known high-risk counterparties or services:
 - Fraud shops.
 - Illicit actor organisations.



- Darknet Markets.
- Mixing.
- Gambling.
- Peer-to-peer exchange markets.
- Child abuse syndicates.
- Terrorism financing syndicates.
- High-risk exchanges.
- Protocol privacy services.
- Ransomware syndicates.
- Counterparties are known to be in possession of stolen funds.
- Scam syndicates or pyramid schemes.
- Counterparties known to be involved in bank fraud and any other criminal enterprise.

9.3.2 where there is suspected criminal or illegal activity that may be attributed to you or your user account in connection with the Services; or

9.3.3 where it is probable that you are likely to face civil sanctions or penalties in connection with your use of the Services.

10 USER DATA, DATA PRIVACY AND PROTECTION, DATA SECURITY

- 10.1 You own all rights, title, and interest in and to all the User Data and you are responsible for the legality, reliability, integrity, accuracy, and quality of the User Data in as much as it is inputted or provided by you.
- 10.2 We will follow regular archiving procedures for User Data. In the event of any loss or damage to User Data, we will not be responsible for loss, destruction, alteration, or disclosure of User Data caused by any third party, except those third parties subcontracted by us to perform services related to User Data maintenance and backup.
- 10.3 We will both comply with all applicable requirements of Data Protection Legislation.
- 10.4 You acknowledge and agree that User Data may be transferred or stored outside of South Africa or outside of the country where you are located for us to provide the Services.



- 10.5 We will, concerning any User Data processed in connection with the performance of our obligations in this Agreement:
- 10.5.1 only process the User Data with your prior consent. Through your use and/or access of the Services you consent to us processing the User Data.
 - 10.5.2 only transfer or store User Data outside of South Africa or outside of the country in which you are located to or in a country which has the same, similar, or greater legal standards of protection in respect of the privacy and security of Personal Information, as compared with South Africa.
 - 10.5.3 notify you without undue delay on becoming aware of any User Data breach; and
 - 10.5.4 at your written request delete or return User Data and copies of it to you on termination of this Agreement or closure of your user account, unless required by law to retain the User Data or any parts of it.
- 10.6 We will ensure that we have in place appropriate technical or organisational measures, to protect against unauthorised or unlawful processing of User Data and accidental loss or destruction of, or damage to, User Data, appropriate to the harm that might result from the unauthorised or unlawful processing or accidental loss, destruction or damage and the nature of the data to be protected, having regard to the current state of technological development and the cost of implementing any measures.
- 10.7 You consent to us appointing third party processors of User Data under this Agreement. Any third-party processors of User Data that we appoint will be bound to terms that are substantially like those set out in this 10. As between us, we, however, will remain fully liable for all acts or omissions of any appointed third-party processor of User Data.

11 PROPRIETARY RIGHTS

- 11.1 You acknowledge and agree that we and/or our licensors own all intellectual property rights in the Services and the Documentation. Except as expressly stated in this Agreement, this Agreement does not grant you any rights to, under or in, any patents, copyrights, database rights, trade secrets, trade names, trademarks (whether registered or not), or any other rights or licenses in respect of the Services or the Documentation.



- 11.2 All trademarks appearing on our website at www.hodlotc.com are the property of their respective owners.

12 DUTY TO REPORT

- 12.1 We have a duty to report on your use of the Services to regulators including but not limited to financial intelligence, financial surveillance, central banks, and tax authorities. You acknowledge and accept this.
- 12.2 We have a duty to provide mutual assistance to our banking and payment partners in respect of your use of the Services. You acknowledge and accept this.
- 12.3 In respect of 12.1 and 12.2 above, you agree and consent to us disclosing to regulators and to our banking and payment partners information concerning your use of the Services, including transactional information and any User Data.

13 LIMITATIONS OF LIABILITY

- 13.1 Except as expressly and specifically provided in this Agreement:
- 13.1.1 you assume sole responsibility for the results obtained from your use of the Services and the Documentation, and for the conclusions drawn from that use. We will have no liability for any damage or loss caused by errors or omissions in any information or instructions provided to us by you in connection with the Services, or any actions taken by us at your direction.
- 13.1.2 all warranties, representations, conditions, and all other terms of any kind whatsoever implied by statute or common law are, to the fullest extent permitted by applicable law, excluded from this Agreement; and



- 13.1.3 the Services and the Documentation are provided to you on an “as is” basis and we do not warrant that they will meet your requirements. The entire risk as to the satisfactoriness for use of the Services lies with you. You acknowledge that you have carried out your own research and investigation into the appropriateness of the Services, and you have relied on that to make an informed decision to choose the Services. You agree that you have not relied on any written or oral advice from us in this regard, including any marketing or promotional material.
- 13.2 We are not liable to you or to anyone else for any direct or indirect damage or loss that you suffer because of a failure by us to meet any of our obligations in these Terms of Service and where the failure is due to events beyond our reasonable control.
- 13.3 We are not liable to you or anyone else for transactions carried out in error howsoever, and for transactions carried out on a wrong price or misquote howsoever. In the event of transactions carried out in error, or on a wrong price or misquote, we will take all the necessary measures to remedy and correct the situation as it is fair and suited to each case, subject always that any remediation will be as per our sole discretion. Remedies will include reversing or cancelling transactions, or correcting prices according to the correct rates at the time of a transaction.
- 13.4 We specifically reserve the right to cancel or reverse any transaction which is executed wrongly for any reason.

14 THIRD PARTY PROVIDERS

We may outsource the operation of the Services to any third party but will remain fully liable for all acts or omissions of any appointed third party in the provision of these Services.

Notwithstanding the provision above, you acknowledge that the Services may enable or assist you to access the website content of, correspond with, and access products and services from third parties and that you do so solely at your own risk. We make no representation, guarantee, warranty, or commitment and will have no liability or obligation whatsoever concerning the content or use of, or correspondence with, any such third party, or any transactions completed, and any agreement entered by you, with any third party



independently from our platform. Any agreement entered into, and any transaction completed with any third party is between you and that third party, and not with us. We recommend that you refer to the third party's terms of service and privacy and data protection terms before using the concerned third party. We do not endorse or approve any third party, or the content of any third-party media made available through the Services.

15 FIDUCIARY AND BROKERAGE SERVICES

- 15.1 We do not offer or provide any fiduciary or brokerage services, which may include investment advice and portfolio management, in conjunction with the Services or your use of the Services.
- 15.2 By using or allowing any person, fiduciary service provider or broker to operate or use your user account, you do so solely at your own risk, and we will have no liability or obligation to you whatsoever concerning such operation or use of your user account.

16 INDEMNIFICATION

You indemnify and hold us and our officers and employees harmless for any damages, liabilities, claims, losses, costs, demands, suits, actions, regulatory sanctions and penalties, and expenses arising out of your violation of any applicable laws, gross negligence, or willful misconduct, or breach of this Agreement.

17 GENERAL

- 17.1 Any notice required to be given in this Agreement will be in writing and will be sent by email. Our chosen email address appears in clause 18. Your chosen email address will be the one that is associated with your user account on registration.
- 17.2 We specifically reserve the right to terminate, amend or vary these Terms of Service. When we change these Terms of Service significantly, we will notify you by email or through your user account of the updated terms of service. At that point, you will have the option to withdraw from your use and/or access of the Services.



- 17.3 By continuing to use and/or access the Services, you acknowledge and agree to the most recent version of these Terms of Service.
- 17.4 If we do not enforce these Terms of Service or any part of them, it will not be understood as consent or waiver of the right to enforce them later. Non-enforcement will also not give rise to estoppel or other similar legal principles.
- 17.5 You cannot transfer your rights and obligations from these Terms of Service to another person.
- 17.6 The invalidity or unenforceability of any provision or part of these Terms of Service will not affect the validity or enforceability of any other provision of them.
- 17.7 Any invalid or unenforceable provision will be replaced or be replaced by a provision that is valid and enforceable, and which's interpretation will be as close as possible to the purpose of the invalid provision.
- 17.8 These Terms of Service are subject to South African law. You agree to submit all disputes or claims in connection with the Terms of Service to the non-exclusive jurisdiction of South African courts.

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18 INFORMATION NOTICE

We disclose the following information in respect of ourselves:

Full name:	HODL OTC (Pty) Ltd
Registration number:	2020/773138/07
Registered address:	29 Marloth Street 29@Marloth Building Unit G6 Ground Floor Nelspruit Mpumalanga, 1200
Website address:	www.hodlotc.com
E-mail address:	cindy@hodlotc.com
Phone numbers:	071 683 5922
Officer bearer:	Cindy Serfontein

HODL OTC (Pty) Ltd only provides intermediary services and does not give financial advice.

HODL OTC (Pty) Ltd is registered with the South African Financial Intelligence Centre (FIC) with ID number **57991**.

HODL OTC (Pty) Ltd has applied to the Financial Sector Conduct Authority (FSCA) for a Financial Services Provider (FSP) license under application number **53723**.

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