

Agora Risk Disclosure Statement

This risk disclosure statement cannot and does not disclose all risks associated with AUSD and any and all services provided by Agora. Risks include, but are not limited to, the following:

Price Stability: Subject to the limitations set forth in Agora's [Terms of Use](#), (i) when Agora mints AUSD, it will always do so at a rate of one U.S. Dollar (\$1) per one (1) AUSD, less fees where applicable, and (ii) when Agora redeems AUSD, it will always redeem such AUSD at a rate of one U.S. Dollar (\$1) per one (1) AUSD, less fees where applicable.

Agora does not guarantee that the value of one (1) AUSD will always equal one U.S. Dollar (\$1) across all platforms or venues. Due to a variety of factors outside of Agora's control, the value of AUSD, particularly on third-party platforms such as cryptocurrency exchange platforms, can fluctuate above or below one U.S. Dollar (\$1). Agora cannot control how third parties value AUSD, and Agora is not responsible for any losses or other issues that may result from fluctuations in the value of AUSD.

Market Risk: The market for digital tokens in general, including AUSD, is still new and uncertain. Holders of any digital tokens should be prepared to lose their funds entirely.

Markets for Digital Tokens have varying degrees of liquidity. Low liquidity markets can amplify volatility. There is never a guarantee that there will be an active market for one to sell, buy, or trade digital tokens or products derived from or ancillary to them. Furthermore, any market for tokens may abruptly appear and vanish. Agora makes no representations or warranties about whether AUSD that may be used on the Agora site may be used on the Agora site at any point in the future, if at all. Any digital token, including AUSD, is subject to delisting without notice or consent.

In addition to liquidity risks, values in any digital token marketplace are volatile and can shift quickly. Participants in any digital tokens market are warned that they should pay close attention to their position and holdings, and how they may be impacted by sudden and adverse shifts in trading and other market activities.

Valuation Risk: AUSDs are backed 100% by Agora's Reserves. Those Reserves are not insured and could be subject to unexpected diminution in value or to governmental and regulatory freezes and seizure. This may result in delays and other barriers to redemption and sale. AUSDs are not a fiat currency and are not issued, backed, or guaranteed by any government. There is a risk of loss in owning AUSDs. AUSD holders should be aware of these risks at all times.

Banking Risk: All digital dollar projects, including Agora, rely on financial institutions and counterparties to hold funds, cash equivalents, and other assets to back the tokens that are outstanding and freely circulating. These parties have their own policies and may change their view and acceptance of any digital token at any time. This may result in delays and other barriers to redemption and sale. AUSD holders should be aware of these risks at all times. Additionally,

Reserves held at or through financial institutions or intermediaries may be subject to the risk of loss, theft, insolvency, and governmental and regulatory freezes and seizures.

Third-party platforms: AUSD is based on open-source code and exists on the Ethereum and other public and private blockchains. This means that third parties can elect to support AUSD on their platforms without any authorization or approval by Agora or anyone else. As a result, AUSD existence on any third-party platform does not imply any endorsement by Agora that such third-party services are valid, legal, stable or otherwise appropriate. Agora is not responsible for any losses or other issues you might encounter using AUSD on non-Agora platforms.

Users accept all consequences of transferring and custody of AUSD. AUSD transactions are not reversible. Once you send AUSD to an address, you accept the risk that you may lose access to, and any claim on, that AUSD indefinitely or permanently. For example, (i) an address may have been entered incorrectly and the true owner of the address may never be discovered, (ii) you may not have (or subsequently lose) the private key associated with such address, (iii) an address may belong to an entity that will not return the AUSD, (iv) an address belongs to an entity that may return the AUSD but first requires action on your part, such as verification of your identity. For the avoidance of doubt, nothing in any of your agreements with Agora is intended to obligate Agora to track, verify or determine the provenance of AUSD balances for you or any user, including any form of security interests claimed thereon.

Exchange Risk (Counterparty Risk): Having Digital Tokens on depositor with any third party in a custodial relationship has attendant risks. These risks include security breaches, risk of contractual breach, and risk of loss. Participants should be wary of allowing third parties to hold their property, including AUSD, for any reason.

Upgrades and Asset Freezing: Agora has the ability to block individual addresses from sending, receiving, or interacting with AUSD on every blockchain to which AUSD is minted. Agora has the ability and the right to freeze addresses/accounts and to upgrade all AUSD smart contracts to incorporate new functionality. Agora will take such actions consistent with its [Terms of Use](#).

Software protocols and operational challenges: You are aware of and accept the risk of operational challenges. Agora may experience sophisticated cyber-attacks, unexpected surges in activity or other operational or technical difficulties that may cause interruptions to the AUSD Services. You understand that the Agora Services may experience operational issues that lead to delays, including delays in redeeming AUSD. You agree to accept the risk of transaction failure resulting from unanticipated or heightened technical difficulties, including those resulting from sophisticated attacks. You agree not to hold Agora accountable for any related losses.

Claim on funds: Your ability to redeem a U.S. Dollar for each AUSD is conditional on (i) an agreement with Agora stating that you have redemption rights, (ii) no violation of any of your agreements with Agora, and (iii) no action, pending or otherwise, by a regulator, law enforcement or a court of competent jurisdiction that would restrict redemption.

Sending AUDS to another address automatically transfers and assigns to that holder, and any subsequent holder, the right to redeem AUDS for US Dollar funds so long as the holder is eligible to do so.

On-chain transactions are irreversible: As explained above, when AUDS is sent out of your Agora Account to a third-party AUDS address, such transaction is completed on the Ethereum or other public or private blockchains. This means that such transaction is irreversible and Agora does not have the ability to reverse or recall any transaction once initiated. You bear all responsibility for any losses that might be incurred as a result of sending AUDS to an incorrect or unintended AUDS address.

Blockchain and Protocol Risks: Agora exercises no control over the operation of any blockchain or protocol. Blockchains may experience downtime, during which no transactions are being validated and therefore no minting activities, redemptions, or any type of transfers can take place. Blockchains can experience bugs or other software malfunctions which can result in loss of funds. Protocols and smart contracts can likewise experience bugs or other malfunctions which could result in loss of funds.

Forks: AUDS is minted on various blockchains and protocols. Blockchains and protocols can sometimes experience events called “forks” where an alternative version of a blockchain or protocol is created. Where forks occur, it is possible that multiple versions of a digital token available on such blockchain or protocol could be created, for example, one on each fork. Due to the nature of AUDS, if a fork creates two or more digital tokens which purport to be an AUDS Token, it is only possible for one of those digital tokens to be an AUDS Token. As a result, in the event of a fork only the digital tokens on the particular blockchain or protocol that Agora announces on its website as being supported by Agora are AUDS Tokens. Any other digital tokens resulting from the fork are not AUDS Tokens.

Agora is under no obligation to support any particular blockchain or protocol, any forked version of any particular blockchain or protocol or any digital tokens resulting from a fork of a blockchain. Where a blockchain or protocol on which AUDS is minted is forked, Agora may elect to suspend Services temporarily or for an extended period of time on little or no notice. Agora will determine, in its sole discretion, whether to support a particular fork of a blockchain or protocol or whether to cease support for all version of a particular blockchain or protocol. Where Agora determines to cease support for a particular blockchain or protocol, you will take any and all actions reasonably necessary to effectuate the migration of your AUDS Token to a supported blockchain or protocol identified by Agora. Agora assumes no liability or responsibility whatsoever arising out of or relating to your failure to effectuate such migration of your AUDS to another blockchain or protocol identified by Agora.

Agora assumes no liability or responsibility whatsoever for any losses or other issues that might arise from Agora electing to support or not support a particular blockchain or protocol, any forked version of any particular blockchain or protocol or any digital tokens resulting from a fork of a blockchain or protocol. Third parties may elect to support a fork that Agora does not support. There is no guarantee that Agora will support the same fork and assumes no liability or

responsibility arising out of or relating to your choice to purchase AUSD on a forked version of a blockchain not supported by Agora.

Unauthorized versions of AUSD: It is possible that a third-party could create a digital token which claims to be an alternative version of AUSD, such as by “wrapping” or “bridging” AUSD Tokens. These digital tokens are not AUSD Tokens. They are not minted or supported by Agora. They cannot be redeemed with Agora.

Legal and Regulatory Risk: The legal status of certain digital tokens, including AUSD, may be uncertain. This can mean that the legality of holding or trading them is not always clear. Whether and how one or more digital tokens constitute property, assets, rights or securities of any kind may also be unclear and vary for different jurisdictions.

The regulatory status of AUSD and blockchain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to AUSD, blockchain technology and its applications. Accordingly, it is not possible to determine whether an AUSD transfer would be recognized under applicable law by a court or regulator.

Legislative and regulatory changes across jurisdictions may adversely affect the tokenization of U.S. Dollars into AUSD, and the use, transfer, redemption and/or value of AUSD.

Compliance: You are responsible for complying with applicable laws and regulations. You agree that Agora is not responsible for determining whether or which laws may apply to your transactions, including tax laws. You are solely responsible for reporting and paying any taxes arising from your use of the Agora Products and Services, including any accurate reporting of the tax or legal status of AUSD in your jurisdiction.