Relevant Information Document – Tether Gold

Date: January 27, 2025

Disclaimer

This document comprises a Relevant Information Document (the **"RID"**) relating to Tether Gold Tokens (**"Tether Gold Tokens"** or **"XAU₮"**) issued by TG Commodities Sociedad Anonima De Capital Variable (**"TG Commodities"** or **"TG Commodities, S.A. de C.V."**), a company incorporated and in effect under the Laws of El Salvador, whose registered address is Edificio Torre Futura, Oficina 6, Nivel 11, entre 87 y 89 avenida norte, Colonia Escalón, San Salvador, El Salvador (together, **"Tether Gold"**, **"we"**, **"us"** and **"our"**) and has been prepared in accordance with Article 22 of the Law for the Issuance of Digital Assets (the **"Law"**). The RID has been submitted to the EL Salvador National Commission of Digital Assets (the **"CNAD"**) pursuant to Tether Gold's application to be registered as a stablecoin[1] issuer. Tether Gold has successfully obtained authorization as a stablecoin issuer under Article 5 of the Regulations for the Issuance of Public Offerings of Stable Coins (the **"Regulations"**). However, while Tether Gold Tokens subject to this offering are registered in the Public Registry of the CNAD, their registration does not imply certification regarding the quality of the token or the solvency of Tether Gold. It is incumbent upon prospective customers to thoroughly review all information about Tether Gold Tokens and the associated risks contained herein.

Prospective purchasers of Tether Gold Tokens must consult the gold token terms of sale and service available at https://gold.tether.to/legal (the **"Terms"**).

In the event of any inconsistency between this RID and the Terms, the Terms shall prevail.

The RID relates only to the facts as of the date set out above. Except as required by the CNAD, Tether Gold undertakes no obligation to update or revise publicly any statements herein, whether as a result of new information, developments, future events or otherwise.

[1] For the purpose of this RID, stablecoin shall have the meaning given to it under Article 5(e) of the Law, which states: *'Stablecoin is a type of digital asset designed to minimize price volatility and that references, represents, or is backed by an asset or basket of assets'*.

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Apart from the responsibilities and liabilities, if any, which may be imposed on Tether Gold by the CNAD, the regulatory regime established thereunder or under the regulatory regime of any other applicable jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Tether Gold, nor any of its Affiliates[2], nor their or any of their respective Affiliates' shareholders, directors, officers, employees, contractors, agents, partners, advisors, attorneys and representatives (**"Associates"**) accept any responsibility whatsoever for the contents of this RID including its accuracy, completeness, verification, and sufficiency or for any other statement made or purported to be made by them, or on their behalf, in connection with the Tether Gold Tokens. Except to the extent that Tether Gold is responsible for the content of this RID as set out in the Regulation for the Registry of Issuers and Issuances promulgated by CNAD, Tether Gold and its Associates waive and disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract, or otherwise which they might otherwise be found to have in respect of this RID or any such statement. Except to the extent that Tether Gold is responsible for the content of this RID as set out in the Regulation for the Registry of Issuers and Issuances promulgated by CNAD, no representation or warranty, express or implied, is made by Tether Gold or any of its Associates regarding the content of this RID nor may any of its content be relied upon as a promise or representation, whether or not to the past or future.

The distribution of this RID in certain jurisdictions may be restricted by law and therefore persons into whose possession this RID comes should inform themselves about and observe any such restrictions in relation to the Tether Gold Tokens or this RID, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the laws of any such jurisdiction. Except in El Salvador, no action has been taken or will be taken in any jurisdiction that would permit possession or distribution of this RID in any country or jurisdiction where action for that purpose is required. Accordingly, this RID may not be distributed or published in any jurisdiction where to do so would breach any laws related to digital assets, securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration. Failure to comply with these restrictions may constitute a violation of the laws related to digital assets, securities laws or regulations of such jurisdictions. This RID may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorized or would impose any unfulfilled registration, qualification, publication or approval requirements on Tether Gold or its Associates or to any person to whom it is unlawful to make such offer or solicitation.

[2] For the purpose of this RID, Affiliates means, in relation to a person, a direct or indirect subsidiary of that person, a holding company of that person, and any other subsidiary of that holding company.

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Tether Gold is under no obligation to assess the suitability of the Tether Gold Tokens for purchasers and any comment or statement which may be made by Tether Gold or any of its Associates as to the suitability of Tether Gold Tokens should under no circumstances be considered as investment or legal advice and should not be received or relied upon as such. Purchasers of Tether Gold Tokens should make their own assessment of the suitability of Tether Gold Tokens to their needs. The contents of this RID must not be construed as legal, business or tax advice. Each prospective purchaser should consult their own lawyer, independent financial adviser or tax adviser for legal, financial or tax advice in relation to any dealing or proposed dealing in Tether Gold Tokens. Purchasers must inform themselves as to: (i) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Tether Gold Tokens; (ii) any foreign exchange or other regulatory restrictions applicable to the purchase, holding, transfer or other disposal of Tether Gold Tokens which they might encounter; and (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Tether Gold Tokens. Purchasers must rely on their own representatives, including their own legal advisers, financial advisers, tax advisers and accountants, as to legal, financial, business, tax, or any other related matters concerning Tether Gold and the Tether Gold Tokens. Neither Tether Gold, its Associates, nor any of their respective representatives is making any representation to any purchaser of Tether Gold Tokens regarding the legality of the purchase, holding, transfer, redemption or other disposal of Tether Gold Tokens by such purchaser under the laws applicable to such purchaser.

Forward looking statements

This RID contains forward-looking statements that reflect Tether Gold's current expectations and views of future events. You can identify some of these forward-looking statements by words or phrases such as **"may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "potential," "continue"** or other similar expressions, but the absence of these words does not mean that a statement is not forward-looking. Tether Gold has based these forward-looking statements largely on its current expectations and projections about future events that Tether Gold believes may affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements involve various risks and uncertainties and Tether Gold's expectations may later be found to be incorrect. Tether Gold's actual results could be materially different from its expectations. Accordingly, forward-looking statements should not be relied upon as representing Tether Gold's views as of any subsequent date, and Tether Gold does not undertake any obligation to update forward-looking statements to

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reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable laws. You should read thoroughly this RID and the documents referred to herein with the understanding that actual future results may be materially different from and worse than what we expect. All forward-looking statements are qualified by these cautionary statements. You should not place reliance on these forward-looking statements.

Third Party and Website Information

Where third party information has been used in this RID, the source of such information has been identified. Neither Tether Gold nor any of its Associates accepts any responsibility for the accuracy or completeness of such third-party information. This RID makes reference to the https://gold.tether.to/ website (the **"Tether Gold Website"**). The contents of the Tether Gold Website do not form part of, and are not incorporated by reference into, this RID, unless expressly stated otherwise within this RID.

Capitalized Terms

Where capitalized terms are used in this RID but are not defined in this RID, such terms shall have the meaning given to them in the Terms as stated on the Tether Website.

Company Information

TG Commodities is a Salvadoran company registered in El Salvador Commercial Registry and having its registered office in Edificio Torre Futura, Oficina 6, Nivel 11, entre 87 y 89 avenida norte, Colonia Escalón, San Salvador, El Salvador; is a Stablecoin Issuer authorized by the CNAD, and a Digital Assets Service Provider (**DASP**) authorized by the CNAD with the Registration Number PSAD – 0032.

TG Commodities is wholly owned by Tether Holdings Sociedad Anonima De Capital Variable (**"Tether Holdings"** or **"Tether Holdings, S.A. de C.V."**) and Tether Operations Sociedad Anonima De Capital Variable (**"Tether Operations"** or **"Tether Operations, S.A. de C.V."),** both incorporated and in effect under the Laws of El Salvador, together with their Affiliates referred to herein as the **"Tether Group"**).

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Summary of the Tether Gold Tokens

Tether Gold Tokens are digital assets offered by Tether Gold which each represent ownership of an undivided specific interest in one fine troy ounce[3] of gold on a specific gold bullion bar meeting the quality assurance requirements of **"London Good Delivery"** set by the London Bullion Market Association (**LBMA**) and held by a custodian, on behalf of the Tether Gold token holders, in a custodial vault, identifiable by a unique serial number, weight, and purity (such gold held by the custodian on behalf of the Tether Gold token holders, the **"Gold Reserves"**). Tether Gold operates a **"Look-up Website"** where it is possible to search the specific gold bar(s) associated with each on-chain address.

TG Commodities will assume responsibility for issuing and redeeming Tether Gold Tokens in place of TG Commodities Limited.[4]

TG Commodities is the customer-facing entity that issues and redeems Tether Gold Tokens. Subject to the Terms and onboarding procedures, users who have successfully completed Tether Gold's 'Know-Your-Customer' ("**KYC**") verification process (**"KYC Verified Customers"**) can purchase and redeem (the **"Services"**) Tether Gold Tokens through the Tether Gold Website at app.tether.to. The current minimum purchase amount is 50 XAU₮ or 50 fine troy ounces of gold. Redemptions must be in increments of full gold bars. KYC Verified Customers purchasing or selling Tether Gold Tokens directly through the Tether Gold Website are doing so in what is referred to as the Primary Market. Our obligations exist only with those users and transactions taking place in the Primary Market.

Tether Gold Tokens may also be purchased from the Secondary Market. The "Secondary Market" refers to any transaction in Tether Gold Tokens other than with users and transactions taking place in the Primary Market, described above. Secondary Market transactions are subject to the terms of Secondary Market participants.

Examples of Secondary Markets include exchanges that support Tether Gold Tokens. Users can also transact and store Tether Gold Tokens with any supported blockchain wallet. Tether Gold does not control these wallets, nor does it control the blockchains on which the Tether Gold Tokens are transacted.

[3] A fine troy ounce denotes only the pure gold content of a gold bar. One troy ounce is a traditional unit of weight for precious metals and equals approximately 31.1034 grams.
[4] TG Commodities Limited (BVI) was the entity providing services to Tether Gold's KYC Verified Customers prior to the date set out above.

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The Gold Reserves are held by the custodian in a vault in Switzerland. Tether Gold Tokens can be fractionalized up to six decimal places (i.e., to represent ownership increments as small as 0.000001 troy fine ounces).

When an on-chain transaction transfers Tether Gold Tokens from its initial on-chain address to a second on-chain address, the physical gold associated with the Tether Gold Tokens held at each on-chain address will be reallocated by Tether Gold on behalf of the Tether Gold token holders so as to minimize the number of physical gold bars associated with each on-chain address. This reallocation will happen instantly so that each Tether Gold token will always represent ownership of physical gold within a particular gold bar.

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I, the undersigned hereby affirm that to the best of my information, knowledge, and belief, but without personal liability, that the contents of this RID and any attachments provided with this RID are true, correct and not misleading.

For and on behalf of each of TG Commodities, S.A. de C.V.

Paolo Ardoino
Chief Executive Officer

January 27, 2025

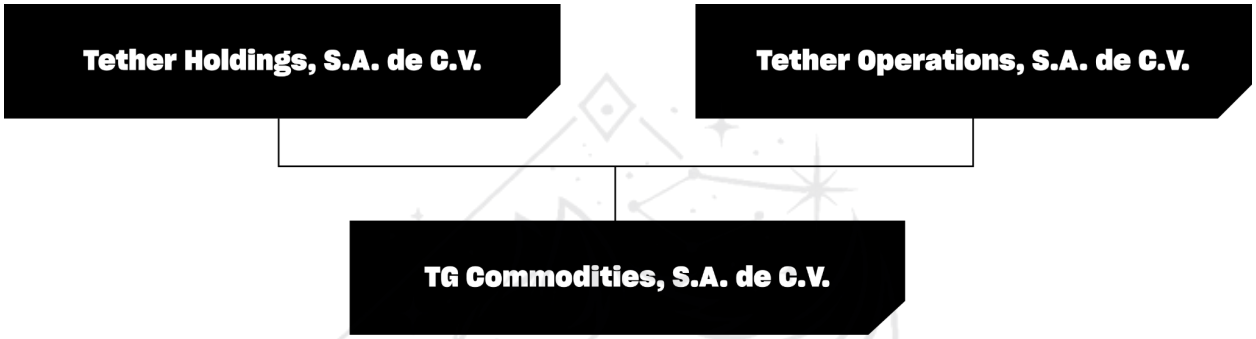
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1. Company Information

1.1. Organizational Structure & Management

TG Commodities is wholly owned by Tether Holdings, S.A. de C.V. and Tether Operations, S.A. de C.V., both incorporated and in effect under the Laws of El Salvador.



Recognizing the importance of corporate governance, we endeavor to pursue corporate governance practices that support transparency, accountability, and ethical conduct.

Tether Gold has furnished all pertinent information and documentation related to its directors and senior officers to the CNAD as part of its applications for Stablecoin Issuer and Digital Assets Service Provider licenses.

1.2. Key Management & Hiring Policy

The Tether Group is led and managed by a senior management team with extensive experience in financial services, technology, and compliance. The following link sets forth details of Tether's key management personnel: https://tether.to/en/about-us.

Personnel and contractors with specific roles and skills are engaged by the various entities within the Tether Group depending on operational needs. Relevant personnel relationships are managed in compliance with the Laws and Regulations in force in El Salvador, so as to secure the selection and retention of the best personnel for each role, and to provide the greatest support to the business.

1.3.Attestations

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As part of our continued commitment to transparency and to comply with our regulatory obligations in El Salvador, we will publish reports on the Gold Reserves quarterly, that will be available on the Tether's Transparency page https://tether.to/en/transparency (the **"Transparency Page"**). In addition, Independent Auditors' Reports on those Gold Reserve reports will be prepared by an independent third party accounting firm, as of the end of each quarter. The reports on the Gold Reserves will provide information about the inventory of the Gold Reserves and its market value at the date of the report. Gold Reserves reports are not financial statements but selected financial information extracted from accounting records and relates exclusively to the backing of the Product.

1.4. Contact Details

For any inquiries, please reach out to us on support@tether.to or through our contact page at https://cs.tether.to. This page is designed to ensure seamless interactions with Tether Gold. It features an intuitive interface that allows users to submit their inquiries and complaints efficiently. To enhance the precision and efficiency of our response, we organize the submission process by categories. This categorization ensures that each inquiry or complaint is directed to the appropriate department, enabling us to address such communications with precision and care. We aim to provide an accessible, user-friendly platform to ensure your concerns and questions are acknowledged and resolved promptly.

2. Description of the characteristics of the token

2.1. Overview of the token

Tether Gold Tokens are digital assets offered by Tether Gold which each represent ownership of an undivided specific interest in one fine troy ounce of gold on a specific gold bullion bar meeting the quality assurance requirements of **"London Good Delivery"** set by the London Bullion Market Association (**LBMA**) and held by a custodian, on behalf of the Tether Gold token holders, in a custodial vault, identifiable by a unique serial number, weight, and purity (such gold held by the custodian on behalf of the Tether Gold token holders, the **"Gold Reserves"**). Tether Gold operates a **"Look-up Website"** where it is possible to search the specific gold bar(s) associated with each on-chain address.

TG Commodities is the customer-facing entity that issues and redeems Tether Gold Tokens. Subject to the Terms and onboarding procedures, KYC Verified Customers can purchase Tether Gold Tokens through the Tether Gold Website. The current minimum purchase amount is 50 XAU₮ or 50 fine troy ounces of gold. KYC Verified Customers purchasing or selling Tether Gold Tokens directly through the Tether Gold Website are doing so in what is

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referred to as the Primary Market. Our obligations exist only with those users and transactions taking place in the Primary Market.

Tether Gold Tokens may also be purchased from the Secondary Market. The "Secondary Market" refers to any transaction in Tether Gold Tokens other than with users and transactions taking place in the Primary Market, described above. Secondary Market transactions are subject to the terms of Secondary Market participants.

Examples of Secondary Markets include exchanges that support Tether Gold Tokens. Users can also transact and store Tether Gold Tokens with any supported blockchain wallet. Tether Gold does not control these wallets, nor does it control the blockchains on which the Tether Gold Tokens are transacted.

2.2. Main Application

Existing alternatives to achieve economic exposure to gold have increased options for individuals and entities to access exposure to gold, but require trade-offs between monetary principles. Products available in traditional financial markets lack a low-cost means for investors to gain direct exposure to the price of gold. Tether Gold Tokens seek to combine the best of three distinct worlds: direct exposure to the price of physical gold, the accessibility of traditional financial assets like ETFs, and the transactional utility of a digital token:

	Gold Exposure Type	**Costs**	**Accessibility**	**Transactional Utility**
Physical Gold	Direct	High	Low	Very Low
Gold ETFs	Indirect	Low	High	Moderate
Tether Gold	Direct	Low	High	Very High

By applying the technology and functionality of the Tether Group's fiat-backed stablecoins to physical gold, Tether Gold Tokens enable ease of access to gold exposure, by lowering costs and barriers to entry for purchasers.

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Potential Use Cases

The Tether Group's fiat-pegged tokens have been adopted for a variety of purposes, particularly those requiring high degrees of transactional utility. Fiat money could already be moved around the world, but the enhanced speed and efficiency of fiat-pegged stablecoins spurred adoption by users who most value these traits.

Since physical gold is far less mobile than fiat money, a gold-pegged stablecoin such as Tether Gold Tokens opens the door to novel forms of economic activity by representing an even greater step-change in the transactional utility of the underlying asset.

(a) Mobile 'Safe-Haven' Asset

Physical gold has long been held as a 'safe-haven' asset. However, being physically cumbersome, physical gold is difficult and costly to transact with and store. By imbuing a digital token with the economic characteristics of physical gold, Tether Gold Tokens reduce friction and the cost associated with holding the underlying asset. While the physical gold largely remains in vaults, Tether Gold Tokens enable the ownership interest of that physical gold to flow more easily.

(b) Liquid Portfolio Hedge

Many market participants include gold in their portfolios as a hedge against financial instability. However, although numerous gold-related investment products exist today, it continues to be costly and burdensome for non-institutional investors to gain exposure to physical gold, particularly in smaller quantities. Lower-cost investment products offering indirect exposure to gold are widely available, but these often lack the liquidity and hedge effectiveness of physical gold itself. Tether Gold Tokens democratize access to physical gold as an asset class by allowing for smaller denominations of gold.

(c) Sovereign-Neutral Monetary Unit

The broadest use case for Tether Gold Tokens is as a sovereign-neutral monetary unit. Through Tether Gold Tokens, holders gain access to a money-like asset that has the scarcity-basis and price stability of gold. While Bitcoin and physical gold both exist outside the direct control of monetary authorities, bitcoin's price volatility has often precluded its use as a monetary unit upon which to base trade. By making gold-based contracting and global settlement accessible to a much broader range of users, Tether Gold Tokens offer a monetary unit for global trade. Governments may no longer adhere to a 'gold standard', but

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Tether Gold Tokens seek to empower individuals and business entities to benefit from the use of this monetary unit.

2.3. Number of Stablecoins Issued

As of the date of set out above, Tether Gold Tokens are available on the Ethereum blockchain. The blockchain on which Tether tokens are available are identified on Tether's Transparency page. The number of Tether Gold Tokens in circulation changes based on purchases and redemptions of Tether Gold Tokens in the Primary Market. Tether typically publishes daily updates regarding the number of Tether Gold Tokens in circulation on the Transparency Page. The information provided is based on the information available to Tether Gold, which may be delayed. Accordingly, the information available on the Transparency Page may not reflect the Tether Gold Tokens in circulation at the time the information is reviewed.

This issuance does not have any maximum or a minimum number of tokens required to launch the Services in El Salvador.

2.4. Customer Types

Subject to the Terms and onboarding procedures, only KYC Verified Customers can purchase Tether Gold Tokens from the Tether Gold's Website. The current minimum purchase transaction is 50 XAU₮ or 50 fine troy ounces of gold and redemptions must be in increments of full gold bars, all as more fully described below.

To be eligible to purchase Tether Gold Tokens from Tether Gold, a prospective customer must agree to the Terms, complete the account verification process through the Tether Gold Website and submit documents requested by Tether Gold to complete its anti-money laundering, counter-terrorist financing, counter-proliferation, sanction measures, and other checks. Tether Gold maintains the sole discretion to approve or reject requests to become a KYC Verified Customer.

A verification fee of USDT150 (payable in USDT tokens) applies for any applications to be a KYC Verified Customer; except that Existing Customers will not be required to pay the verification fee. The fee helps offset a portion of the incurred costs from the execution of the verification process. The fee is non-refundable; however, upon successful verification, it will be credited back to the KYC Verified Customer for use on redemptions. This amount is intended to ensure that only those serious about establishing an account apply.

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Prohibited Persons as defined in the Terms are prohibited from purchasing Tether Gold Tokens from Tether Gold, or from otherwise using the Services available through the Tether Gold Website.

2.5. Digital Assets Service Providers & Platforms

TG Commodities has applied for and successfully obtained the DASP license under Article (7) of the Digital Asset Service Providers Regulations. Consequently, KYC Verified Customers can purchase and redeem Tether Gold Tokens directly through the Tether Gold Website.

Tether Gold Tokens may also be purchased and sold on the Secondary Market, including from exchanges and over-the-counter platforms that support Tether Gold Tokens outside El Salvador. Users can also transact and store Tether Gold Tokens with any supported blockchain wallet. Due to the decentralized nature of the blockchain on which Tether Gold Tokens function, third-party platforms can list Tether Gold Tokens without the need for approval from Tether Gold to do so. Therefore, it is not possible to keep track of all Secondary Market participants.

2.6. Purchase & Redemptions

2.6.1. Purchasing Tether Gold Tokens

Subject to the Terms and onboarding procedures, KYC Verified Customers can purchase Tether Gold Tokens through the Tether Gold Website. The current minimum purchase transaction is 50 XAU₮ or 50 fine troy ounces of gold. The cost to acquire Tether Gold Tokens is the cost to purchase gold in the Swiss gold market (which includes market brokerage fees and dealer mark-ups) at the time of purchase, plus a fee, as quoted from time to time by Tether Gold (which, as at the date set out above, is 25 bps of the purchase cost).

2.6.2. Redemptions of Tether Gold tokens

Redemptions of Tether Gold Tokens can only occur for full bars of gold. Since gold bars do not contain exactly 400 fine troy ounces (they usually range in size from ~385 to ~415 fine troy ounces), Tether Gold token holders seeking to redeem Tether Gold Tokens will generally be asked to deposit at least 430 Tether Gold Tokens to ensure they have enough to redeem for a full gold bar. In the unlikely event that the gold bar contains more than 430 fine troy ounces, the holder will either be required to: (a) redeem additional Tether Gold

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Tokens to cover the excess, or (b) pay an amount of fiat necessary to cover the cost of the excess gold (based on the then current cost to purchase the gold in the Swiss gold market). If the gold bar contains fewer than 430 fine troy ounces, the holder seeking to redeem Tether Gold Tokens will only be entitled to redeem the number of Tether Gold Tokens equivalent to the number of fine troy ounces of gold contained in the bar to which their Tether Gold Tokens are allocated, rather than the full 430 Tether Gold Tokens they deposited for redemption. Excess Tether Gold Tokens will be returned to the KYC Verified Customer.

Upon redemption of a gold bar, the gold will be delivered to the place of the KYC Verified Customer's choosing in Switzerland, acting reasonably. As of the date set out above, in addition to the 25 bps fee for redemption of the Tether Gold Tokens described above, the KYC Verified Customer will be required to pay the cost of physical delivery to the location in Switzerland selected by the holder. Tether Gold does not currently offer delivery outside of Switzerland, and any onward transportation of the gold will be the KYC Verified Customers' sole responsibility.

Rather than taking physical delivery, a KYC Verified Customer may request that Tether Gold make arrangements to attempt to sell their gold bar on their behalf. If so, Tether Gold will attempt to do so in the Swiss gold market. If the gold bar is successfully sold, Tether Gold will provide the KYC Verified Customer with the fiat money in US Dollars received in exchange for the gold, less the 25 bps fee for redemption of the Tether Gold Tokens described above. Any sale transaction is subject to the rates and transaction counterparties available at the time of election. Tether Gold and its Associates have no obligation to repurchase any Tether Gold Tokens or any gold bars.

Fees and minimum redemption or purchase amounts and Terms may be changed from time to time. The Fee Schedule available at https://gold.tether.to/legal/feeschedule provides information on the current fees and minimum redemption and purchase amounts.

2.7. Restrictions on Transferability

Tether Gold is committed to adhering to the applicable government laws and regulations. This includes the regulations and economic sanctions with respect to certain high-risk jurisdictions. As part of this, Tether Gold Tokens cannot be purchased or redeemed by Prohibited Persons. The definition of **"Prohibited Persons"** is available on https://gold.tether.to/legal.

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Tether Gold retains the discretion to approve or reject any application to become a KYC Verified Customer, and to suspend or terminate access to the Services in accordance with the Terms.

Furthermore, Tether Gold may delay or suspend redemption under various circumstances, in accordance with its Terms, including in the following cases:

- if Tether Gold determines that a KYC Verified Customer has engaged in a Prohibited Use (as defined in the Terms);
- when Tether Gold or its Affiliates are directed to do so by any government (including any court, law enforcement agency, tribunal, or regulatory body);
- if a KYC Verified Customer's account or wallet is subject to pending litigation, investigation, or government proceedings; or
- when Tether Gold believes that someone is attempting to gain unauthorized access to a KYC Verified Customer's account or wallet or that the Tether Gold Tokens have been obtained by or used in fraud, theft or other criminal activities.

Additionally, in certain circumstances and at the behest of law enforcement, regulatory or government agencies, Tether Gold may take steps to attempt to freeze the Tether Gold Tokens held in external wallets for which Tether Gold does not hold private keys.

Further restrictions on the use of, and ability to restrict, Tether Gold Tokens are set out in the Terms, which must be read in full alongside this RID.

Other restrictions on transferability

Tether Gold Tokens may also be purchased and sold on the Secondary Market from exchanges and other operators and may be held in third-party wallets and other custody solutions. The restrictions and verification requirements are subject to the standards set by such providers, which may include restrictions on transferability that are more onerous than those imposed by Tether Gold. Holders of Tether Gold Tokens, whether acquired in the Primary Market or Secondary Market will be subject to the Terms.

3. Safeguarding Arrangements

As stated above, XAU₮ reflects ownership of an undivided specific interest in one fine troy ounce of gold in the Gold Reserves. Tether Gold does not hold legal title to the Gold Reserves. Instead, the Gold Reserves are held by a custodian on behalf of XAU₮ holders and remain with the custodian throughout the lifecycle of the Tether Gold Tokens, up until

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redemption. KYC Verified Customers can use the Look-up Website to search their specific gold bar(s).

The custodian is a Swiss entity, which is a related party to Tether Gold. The custodian is not involved in the creation or issuance of Tether Gold Tokens. The custodian acts as the custodian for gold held on behalf of Tether Gold token holders, pursuant to a contractual arrangement pursuant to which Tether Gold is the representative of the Gold Token holders. Whilst it is related to Tether Gold, it does not form part of the Tether Group and operates separately from the Tether Group, including by maintaining separate financial accounts, customer records, bank accounts and personnel. The custodian may store the Gold Reserves in its own facilities, or facilities provided by third parties.

4. Risk Disclosure

No person should use the Services or purchase or hold Tether Gold Tokens unless they understand the Tether Gold token and its risks. The risks associated with the Tether Gold Tokens are subject to change and KYC Verified Customers and prospective customers must carefully review and understand the risks associated with Tether Gold Tokens as described on the Risk Disclosure on the Tether Gold Website before using the Services.

This Risk Disclosure Statement discusses some of the principal risks of Tether Gold Tokens, but it does not and cannot describe every risk or consideration associated with Tether Gold Tokens and the Services.

Please review the Risk Disclosure on https://gold.tether.to/legal/riskdisclosurestatement

5. Compliance & Risk Management

5.1. Risk Management

Recognizing the importance of having adequate risk management policies and procedures to ensure the integrity and continuity of Tether Gold Tokens, Tether Gold has implemented an Enterprise Risk Management (ERM) system aimed at identifying and addressing potential risks to our operations. Through this framework, we systematically assess vulnerabilities and implement appropriate policies and procedures to mitigate these risks.

5.2. Conflicts of Interest

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Tether Group personnel are informed of their duties to identify, manage, and, where possible, avoid conflicts of interest as stated in our Conflicts of Interest policy and supporting documents.

Tether Group may also explore further measures to mitigate the risks associated with a conflict of interest, such as temporary or permanent withdrawal of oversight of a given matter or activity from the personnel concerned, discontinuing its involvement in the transaction or event, or disclosing the nature of such conflict to the affected customer or party. Except as required by the CNAD, disclosure of conflicts of interest is subject to Tether Group's conflicts of interest policy and procedures.

5.3. Cybersecurity

Tether Group has successfully completed a SOC 2 Type 1 audit, a comprehensive assessment evaluating our systems and controls pertaining to security, availability, confidentiality, and processing integrity. This audit provides a thorough examination of our cybersecurity measures, guaranteeing adherence to stringent industry standards and best practices. For more information, please refer to Completion of System Organization Control (SOC) 2 Type 1 Audit.

Furthermore, Tether Group aims to complete a SOC 2 Type 2 Report, which will evaluate the criteria of Security, Availability, Confidentiality, Privacy, and Processing Integrity and assess the operating effectiveness of our internal controls over a period of 12 months.

5.4. Wallets used by Tether Gold

The Tether Gold Website does not provide a wallet service, and only KYC Verified Customers may buy or redeem Tether Gold Tokens directly through the Tether Gold Website, using Fiat bank transfers and the KYC Verified Customer's own wallet, and if applicable gold transportation and storage mechanisms.

Tether Gold utilizes wallets to, among other matters, receive Tether Gold Tokens for redemptions and to transmit Tether Gold Tokens upon purchase. Wallets utilized by the Tether Group consist of online software wallets and offline hardware wallets which have security and safety features provided by the supplier of the relevant hardware wallet and software wallet technologies and systems.

5.5. Smart Contract Audits

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Tether Group conducts smart contract reviews through constant and ongoing testing. These reviews are conducted at two levels. The first ensures that operating procedures are consistent and accurate, and that any issues identified are addressed in a timely and effective manner. The second level involves testing in a live environment and ensuring that only those with administrative permissions are able to amend or make decisions on privileged functions, such as minting, freezing, unfreezing, revoking, burning, or other functions that form the basis of the smart contract.

5.6. Relationship with Bitfinex

The Bitfinex platform (available at Bitfinex.com) is operated by subsidiaries of iFinex Inc. (iFinex Inc. and its subsidiaries, the **"Bitfinex Group"**). Each of the Tether Group and the Bitfinex Group share members of management and other personnel, and have a number of common shareholders. The Tether Group receives support services from the Bitfinex Group and the Tether Group utilises services available on the Bitfinex platform. Tether Gold Tokens trade on the Secondary Market available on the Bitfinex platform, subject to the terms of that platform.

5.7. Anti-Money Laundering, Countering the Financing of Terrorism, and Counter Proliferation and Sanction measures ("Anti-Financial Crime")

Tether Gold's current Anti-Financial Crime compliance landscape is shaped by standard-setting organizations such as The Financial Action Task Force ("**FATF**") and enhanced by aspects from The Wolfsberg Group of International Financial Institutions, The Bank Secrecy Act of 1970, the BVI Anti-money Laundering Regulations, Revised Edition 2020, Proliferation Financing (Prohibition) Act, No. 20 of 2021, and Counter Terrorism Act, No. 33 of 2021, and El Salvador Money Laundering Act and Regulation for the prevention, detection and control of money and assets laundering, terrorism financing and mass destruction weapons proliferation financing issued by the Financial Investigation Unit of El Salvador`s General Attorney Office.

5.7.1. Customer Onboarding

Tether Gold requires all prospective customers to successfully complete its customer verification process prior to being permitted to purchase or redeem any Tether Gold Tokens. Customer verification processes are governed by written policies and procedures for verifying customers and conducting risk-based enhanced due diligence processes on customers. Compliance team members are trained on and required to follow those policies and procedures in connection with all customer verifications.

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Verification processes use financial industry standard vendors and tools to verify prospective customers' information and screen their names against sanctions, politically exposed persons, and law enforcement lists. As a part of this process, all prospective customers are screened for adverse media using open source intelligence (**"OSINT"**) by trained analysts.

5.7.2. Ongoing Monitoring

Tether Gold uses Chainalysis's industry-leading investigation tool, Reactor. Reactor is an investigatory tool that assists Tether Gold in linking real-world illicit activity to digital asset addresses and transactions using Chainalysis' reference data set. Tether Gold currently uses the Reactor tool to screen counterparty digital asset wallet addresses for risk scoring purposes, enhanced due diligence measures and for the purpose of investigations.

All KYC Verified Customers undergo automated ongoing name screening and periodic ongoing monitoring using OSINT screening for adverse media.

Tether Gold screens media platforms regularly for articles relating to crime involving digital assets and relevant names are screened against Tether Gold's KYC Verified Customers. Potentially positive hits related to Tether Gold's KYC Verified Customers are escalated for investigation.

5.7.3. Suspicious Transactions/Activity and Reporting

Tether Gold engages an investigations team, many members of which are drawn from international financial institutions whose role is to review unusual or suspicious activity and file Suspicious Transaction and Suspicious Activity Reports (**"STR"** and **"SAR"**) with the relevant Financial Intelligence Unit. Tether Gold may, in certain circumstances, temporarily restrict access to, and/or terminate customer relationships with KYC Verified Customers in the event that they are believed to be engaged in suspicious activity or to be in breach of any of the Terms.

5.7.4. Termination of the Relationships

In connection with customer investigations conducted by Tether Gold's Compliance Team, Tether Gold will assess if a customer relationship should be terminated or placed on enhanced monitoring.

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6. Information on the underlying technology and standards applied

Tether Gold Tokens are currently available only as an ERC-20 token on the Ethereum blockchain.

6.1. Tether Gold Technology Stack

There are three layers to Tether Gold's product offerings, with each performing distinct functions:

1. The first layer is the native blockchain. Tether Gold uses the Ethereum blockchain's native transaction system.
2. The second layer is the tokenization system for the Ethereum blockchain. The Ethereum blockchain's tokenization system allows Tether Gold to:
    a. track and report the circulation of Tether Gold Tokens; and
    b. enable users to transact and store Tether Gold Tokens in a:
        i. p2p, pseudonymous, cryptographically secure environment.
        ii. supported blockchain wallet/software; and
        iii. multisignature and offline cold storage supporting system.
3. The third layer is Tether Gold, being the business entity that is responsible for selling and redeeming Tether Gold Tokens. Tether Gold operates differently from other Tether Group business entities as a result of the unique product characteristics of Tether Gold Tokens. More details are described fully below:
    a. **Gold Reserve Management**: Since each Tether Gold token reflects ownership of an undivided specific interest in one fine troy ounce of gold in the Gold Reserves, Tether Gold does not hold legal title to the Gold Reserves. Instead, the Gold Reserves are held by a custodian on behalf of Tether Gold token holders and remain with the custodian throughout the lifecycle of the Tether Gold Tokens, up until redemption.
    b. **Reserve Custody**: Alpha Group Commodities Limited S.A. de C.V. **("AGCL"),** a wholly-owned subsidiary of Tether Holdings, purchases the gold underlying the Tether Gold Tokens. Once AGCL deposits gold with the custodian, Tether Gold issues the corresponding amount of Tether Gold Tokens to AGCL, which holds the newly-issued Tether Gold Tokens in inventory. Upon receipt of funds from a KYC Verified Customer, Tether Gold purchases Tether Gold Tokens from AGCL for resale to the KYC Verified Customer. This process allows for the existence of a pool of Tether Gold Tokens ready for sale to KYC Verified Customers.

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c. **Identification of Physical Gold**: Tether Gold token holders can identify the specific gold bar(s) held by the custodian that are associated with their Tether Gold Tokens by entering their address into Tether Gold's Website at https://gold.tether.to/.

6.2. Life cycle of Tether Gold token

There are seven steps in the lifecycle of a Tether Gold token:

- **Step 1** - AGCL purchases gold from brokers. AGCL is a wholly owned subsidiary of Tether Holdings. Tether Gold Tokens cannot be created until the gold bar that they represent ownership of is confirmed as held by the custodian. AGCL maintains an inventory of Tether Gold Tokens and sells those to Tether Gold. AGCL's inventory of Tether Gold Tokens permits Tether Gold to supply Tether Gold Tokens to KYC Verified Customers upon purchase, without having to create new Tether Gold Tokens for each transaction.
- **Step 2** - Following the purchase of gold, AGCL transfers this gold to Tether Gold.
- **Step 3** - In consideration for the transfer of the gold to Tether Gold and delivery of the gold to the custodian, Tether Gold issues Tether Gold Tokens to AGCL. One Tether Gold token is issued for each fine troy ounce of gold held by the custodian. AGCL then holds those Tether Gold Tokens until they are purchased by Tether Gold for onward sale to a KYC Verified Customer.
- **Step 4** - A KYC Verified Customer submits a request to acquire Tether Gold Tokens, and pays in U.S. Dollars. The cost to acquire Tether Gold Tokens is the then current cost to purchase gold in the Swiss gold market, plus fees.
- **Step 5** - Where required, Tether Gold purchases Tether Gold Tokens from AGCL to meet the KYC Verified Customer's request, and transfers these to the customer.
- **Step 6** - Users transact with Tether Gold Tokens. The user can transfer, exchange, and store Tether Gold Tokens through the blockchain, using any method that accepts Tether Gold Tokens.
- **Step 7** - If a KYC Verified Customer wishes to redeem their Tether Gold Tokens, they may do so for physical delivery of the underlying full gold bar in Switzerland, or may request that Tether Gold attempt to sell their bullion bar in the Swiss gold market (each subject to conditions, such as fees and minimum redemption). Upon redemption of the Tether Gold token, Tether Gold removes the Tether Gold token from circulation.

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7. Dispute Resolution

7.1. Complaints Handling Procedure

All complaints must be submitted through our customer support page https://cs.tether.to. We are committed to handling all complaints in accordance with our complaints handling procedure, which is designed to ensure a thorough review and resolution of all concerns raised. We are committed to addressing complaints with due diligence and in compliance with applicable legal and regulatory requirements.

7.2. Mandatory Resolution of Disputes Through Arbitration

Except for excluded claims described in the following paragraph, any dispute, claim or controversy arising out of or relating to this RID or the accuracy, completeness, verification, sufficiency, interpretation or validity thereof, shall be governed by the Laws of the BVI and will be subject to and finally resolved by confidential, binding arbitration on an individual basis and not in a class, representative or consolidated action or proceeding and in accordance with the International Institute for Conflict Prevention and Resolution International Non-Administered Arbitration Rules, as amended from time to time (the **"CPR Rules"**).

Arbitration will be conducted through the use of videoconferencing technology (unless both parties agree that an in-person hearing is appropriate given the nature of the dispute) before a sole arbitrator. The sole arbitrator must be a Legal Practitioner in the BVI with at least fifteen (15) years of experience in commercial disputes, that holds a current practising certificate. If an arbitrator cannot be jointly appointed by the arbitration parties within thirty (30) days of the commencement of the arbitration, an arbitrator meeting the above qualifications will be selected by the International Institute for Conflict Prevent and Resolution. Judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof.

If the arbitral parties do not promptly agree on the seat of arbitration if an in-person hearing is selected, the seat will be Road Town, Tortola, BVI. The language of the arbitral proceedings will be English. No discovery shall be conducted except by agreement of the parties or after approval by the arbitrator, who shall attempt to minimize the burden of discovery. The arbitrator may award any relief that a court of competent jurisdiction could award, including attorneys' fees when authorized by Laws, and the arbitral decision may be enforced in court. For claims less than U.S.$15,000, Tether will reimburse you for all initiating filing fees in the event that the claim is successful. The prevailing party, as

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determined by the arbitrator, will be entitled to its costs of the arbitration (including the arbitrator's fees) and its reasonable attorney's fees and costs.

The following claims and causes of action will be excluded from arbitration as described in the paragraph above: causes of action or claims in which either party seeks injunctive or other equitable relief for the alleged unlawful use of its intellectual property, including without limitation copyrights, trademarks, trade names, trade secrets, or patents or its confidential information or private data. Nothing in this section (7.2) will prevent Tether from seeking any other form of injunctive relief in any court of competent jurisdiction, whether or not interim relief has also been sought from the Arbitrator.

The arbitrator will have the power to hear and determine challenges to its jurisdiction, including any objections with respect to the existence, scope, enforceability or validity of the arbitration provisions of this RID. This authority extends to jurisdictional challenges with respect to both the subject matter of the dispute and the parties to the arbitration. For the purposes of challenges to the jurisdiction of the arbitrator, each clause within this section (7.2) will be considered as separable from any contract of which it forms a part. Any challenges to the jurisdiction of the arbitrator, except challenges based on the award itself, will be made not later than the notice of defense or, with respect to a counterclaim, the reply to the counterclaim; provided, however, that if a claim or counterclaim is later added or amended such a challenge may be made not later than the response to such claim or counterclaim as provided under the CPR Rules.

8. Tax Regime

As per Article (36) of the Law, Tether Gold falls under the scope of such Law; thus, the Tether Gold Tokens' nominal value and the yields or income from the tokens shall be exempt from all kinds of levies, duties, taxes, rates and contributions, of any kind and nature, present or future, whether ordinary or extraordinary or even special in El Salvador jurisdiction. The capital gain or ordinary income obtained from the purchase and sale or any other means of transfer of the Tether Gold Tokens, including debt forgiveness, shall be also exempt from any kind of taxation in El Salvador.

Holders of Tether Gold Tokens should consult with their own tax advisers with respect to the tax consequences of acquiring, holding or redeeming Tether tokens under the relevant legislation and regulations.

9. Certifier

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This RID was certified by TR Capital, S.A. de C.V., a Salvadoran company incorporated on May 13, 2017, and registered in the Companies Registry of the Registry of Commerce under number 21 of Book 3736, with Registration Number 2017088178 and Tax Identification Number 0614-130517-102-0 (the **"Certifier"**).

The Certifier was authorized as a Digital Asset Issuance Certifier by resolution CNAD-044-2023/04, duly registered under entry number CERT-0003.

The Certifier's report has been submitted to the National Commission for Digital Assets incompliance with the provisions of the Regulation of Registration of Issuers and Public andPrivate Issuances, and it has received a favorable judgment.

10. External Counsel

Tether Gold has retained the legal services of Dentons El Salvador to navigate the intricate landscape of local laws and regulations effectively. Dentons is a well-established and registered law firm known for its legal compliance and guidance expertise.

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