

## **MEMORANDUM OF UNDERSTANDING**

### **RELATING TO**

### **ACCELERATING THE TRANSITION TO THE DIGITAL ASSET ECONOMY**

The Government of Bermuda has taken up the challenge of developing a comprehensive licensing and prudential oversight regime for digital-asset businesses. Omega One acknowledges the Government of Bermuda's leadership in implementing a regulatory framework that supports public-interest objectives and innovation in the blockchain and digital-asset industry.

Omega One's vision is to lead the transition from the high-friction, intermediated financial markets of today to a low-friction, less-centralized future built on the foundation of the blockchain, in which all assets will be represented as digital assets. The Government of Bermuda's regulatory framework and encouragement of the blockchain and digital-asset industries bolsters the public confidence necessary to bring this vision to reality.

The Government of Bermuda and Omega One agree that digital-asset security is the cornerstone upon which public confidence in the blockchain and digital-asset industries will be built. It is therefore a necessary foundation for any trading system facilitating the exchange of digital assets. The Government of Bermuda and Omega One share an interest in establishing a secure and comprehensively regulated digital-asset exchange and custody framework in which qualified custodians safeguard customer assets and customers are insured against certain types of losses.

Key to the success of this initiative is the creation of a Digital Custody Union ("DCU"), a consortium of global digital custodians providing mutual rating and first-loss insurance, operating within a broader reinsurance framework managed by Omega One, and located in Bermuda, the world's leading offshore reinsurance jurisdiction.

This Memorandum of Understanding sets forth initial steps that the Government of Bermuda and Omega One endeavor to take to facilitate the transition and transformation of traditional asset markets to and into digital-asset markets. The Government of Bermuda and Omega One agree that these are first steps in a broader initiative to support the digitization of traditional assets and other innovations made possible through blockchain technology; each will use best efforts to achieve the objectives identified in this Memorandum.

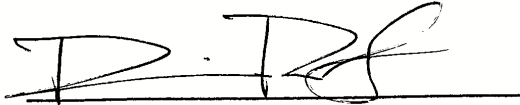
Omega One shall endeavor to do the following:

- § Provide information, resources, and expertise that may be helpful in the development of a legal and regulatory framework for the exchange and custody of digital assets that supports public-interest objectives and innovation in the blockchain and digital-asset industries;
- § Seek and maintain licensing to develop a digital-asset exchange in Bermuda that will conduct a global business in the exchange, custody, and issuance of digital assets, within the spirit and letter of legislation and regulations issued by the Government of Bermuda, the Bermuda Monetary Authority, and other regulatory authorities;
- § Reorganize its legal-entity structure to direct and manage meaningful aspects of its digital-asset businesses from Bermuda;
- § Provide favorable consideration of Bermuda residents and Bermuda-based businesses as part of internal employment and onboarding policies and procedures, with the expectation of adding 20 local jobs in Bermuda over 3 years;
- § Direct philanthropic and public-interest efforts, and proceeds from the sale of Omega One tokens, including no less than 10% of the venture philanthropy allocation thereof, for the betterment of local community sporting clubs in Bermuda.

The Government of Bermuda shall endeavor to do the following:

- § Develop a comprehensive regulatory framework for the exchange and custody of digital assets, including regulations facilitating insured custody of digital assets and digitization of traditional assets;
- § Prioritize Omega One's licensing applications and requests for guidance in connection with the submission of such applications in accordance with applicable law;
- § Support educational and training initiatives relating to blockchain technology and the global regulatory framework applicable to blockchain and related technologies for residents and businesses in Bermuda;
- § Assess and give due consideration to public comments provided to the Government of Bermuda, the Bermuda Monetary Authority, or other regulatory authorities in connection with legislative and regulatory proposals having the potential to impact the blockchain and digital-asset economies in Bermuda; and
- § Maintain robust, uniform oversight of market participants to maintain public confidence in the blockchain and digital-asset industries.

This Memorandum of Understanding shall be effective on the 11<sup>th</sup> day of May 2018.

A handwritten signature in black ink, appearing to read 'D. Burt', written over a horizontal line.

On behalf of the Government of Bermuda  
E. David Burt, JP, MP, Premier & Minister  
of Finance

A handwritten signature in black ink, appearing to read 'Alex Gordon-Brander', written over a horizontal line.

On behalf of Omega One  
Alex Gordon-Brander, Chief Executive  
Officer