

Bankruptcy Protections

Upstream is licensed and regulated by the Financial Services Authority ("FSA") Seychelles and Central Bank of Seychelles. FSA Seychelles is an associate member of IOSCO - the International Organisation of Securities Commissions.

Upstream Members' securities are held on trust by MERJ Nominees Ltd. pursuant to Rule 4.1 of the MERJ Securities Facility Rules Directive on Depository Interests), and the trust company, MERJ Nominees Ltd., is a bankruptcy-remote special purpose company. Therefore, in the event of bankruptcy of Upstream, MERJ, MERJ Nominees Ltd., or their affiliates, Upstream has taken all measures to attempt to ensure Members' assets remain the sole property of the named Upstream Member and shall not be included in the estate of Upstream, MERJ, MERJ Nominees Ltd. or their affiliates.

Upstream Members' securities are not insured with the U.S. Securities Investor Protection Corporation (SIPC).

Upstream is a MERJ Exchange Ltd. ("MERJ") market. MERJ has a corporate custodial account holding Upstream Members' assets at a trust company licensed by the Nevada Financial Institutions Division. The trust company is not a depository institution and uses a bank partner, BankUnited, Inc. to provide depository services. The Custodian deposits Upstream Members' U.S. dollars with the bank partner and is entitled to retain the interest earned on Upstream Members' deposits held at its bank.

If the bank partner were to become insolvent, then the bank partner's FDIC insurance¹ may cover each fully disclosed Upstream Members' U.S. Dollars to the extent, *but only to the extent*, where such funds have been deposited by the Upstream Member to the Custodian's bank account. The standard insured amount is \$250,000.00 per person/per account under the United States Federal Deposit Insurance Act, Section 11. Information on how the FDIC may respond to claims from an Upstream Member is here:

<https://www.fdic.gov/resources/deposit-insurance/diquidebankers/fiduciary-accounts/index.html>.

FDIC deposit insurance does not cover securities or non-fungible tokens purchased on Upstream, and does not cover cryptocurrency, bonds, mutual funds, money funds, treasuries, safe deposit boxes, insurance or annuity products.

Further information regarding Upstream Members custody account can be found in the Upstream/MERJ Participation Agreement².

This Bankruptcy Protection disclosure was last updated on 8th February 2024.

¹ FDIC Cert# 58979

² <https://upstream.exchange/media/upstream-participation-agreement-2023.pdf>