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Dear Sirs

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The James Asset Trust 1, the James Asset Trust 2 and the James Asset Trust 3 (Trusts)

You have asked us to opine on the following matters concerning a draft Amended and Restated Declaration of Trust to be known as the James Asset Trust 1, a draft Declaration of Trust to be known as the James Asset Trust 2 and a draft Declaration of Trust to be known as the James Asset Trust 3:

When executed:

- (a) Will the Trusts create valid trusts under British Virgin Islands law?
- (b) Will the assets of the Trusts be ringfenced from creditors of the Trustee and any other creditor under British Virgin Islands law?
- (c) Will the trust instruments each be legally valid, binding and enforceable under British Virgin Islands law?

DOCUMENTS

For the purposes of giving this opinion we have examined and relied upon and reviewed the following documents only:

1. a Declaration of Trust (**Original Declaration of Trust**) originally dated 9 August 2022 and amended and restated on 28 September 2022 made by James Asset (PTC) Limited (**Trustee**) as original trustees which established an irrevocable Trust governed by British Virgin Islands law known as the **James Asset Trust**;

Appleby (BVI) Limited (the Legal Practice) is a company limited by shares incorporated in the British Virgin Islands. The term "Partner" is a title referring to a director, shareholder or an employee of the Legal Practice. Legal services are supplied by Legal Practitioners admitted to the Roll and authorised to practice in the British Virgin Islands

2. a draft Deed of Amendment and Restatement (Execution Version) to be made by James Asset (PTC) Limited as Trustee of the Original Declaration of Trust to further amend and restate the Original Declaration of Trust established on 9 August 2022 and amended and restated on 28 September 2022 declaring that the Original Declaration of Trust shall be amended and restated so that such instrument shall be read and construed for all purposes as set out in Schedule 1 of the said draft Deed of Amendment and Restatement in the form of an Amended and Restated Declaration of Trust;
3. a draft Amended and Restated Declaration of Trust to be made by James Asset (PTC) Limited as trustees and to be known as the **James Asset Trust 1**; and
4. a draft Declaration of Trust to be made by James Asset (PTC) Limited as trustees and to be known as the **James Asset Trust 2**;
5. a draft Declaration of Trust to be made by James Asset (PTC) Limited as trustees and to be known as the **James Asset Trust 3**;
6. an Administration Agreement dated 9 August 2022 made between James Asset (PTC) Limited in its capacity as trustee of the James Asset Trust (to be renamed James Asset Trust 1) and Fiduciary Group Limited, a company incorporated under the laws of the British Virgin Islands, as Administrator;
7. a draft Reporting Agreement in agreed form to be entered by James Asset (PTC) Limited in its capacity as trustee of the James Asset Trust (to be renamed James Asset Trust 1) and Monetalis Services Limited, a company incorporated in the British Virgin Islands;
8. a draft Administration Agreement in agreed form to be entered by James Asset (PTC) Limited in its capacity as trustee of the James Asset Trust 2 and Fiduciary Group Limited, a company incorporated under the laws of the British Virgin Islands, as Administrator;
9. a draft Reporting Agreement in agreed form to be entered by James Asset (PTC) Limited in its capacity as trustee of the James Asset Trust 2 and Monetalis Services Limited, a company incorporated under the laws of the British Virgin Islands, as Administrator;
10. a draft Administration Agreement in agreed form to be entered by James Asset (PTC) Limited in its capacity as trustee of the James Asset Trust 3 and Fiduciary Group Limited, a company incorporated under the laws of the British Virgin Islands, as Administrator; and

11. a draft Reporting Agreement in agreed form to be entered by James Asset (PTC) Limited in its capacity as trustee of the James Asset Trust 3 and Monetalis Services Limited, a company incorporated under the laws of the British Virgin Islands, as Administrator.

OUR REVIEW

12. For the purposes of this opinion we have reviewed and considered the documents referred to at paragraphs 1 to 11 herein (the "Documents").
13. We note that pursuant to clause 13.1 of the Original Declaration of Trust the James Asset Trust may be amended or provisions waived only with the approval of a MakerDAO Resolution and the Trustee. We further note that the Trustee intends to amend and restate the James Asset Trust by entering into a Deed of Amendment and Restatement as Trustee of the Original Declaration of Trust to further amend and restate the Original Declaration of Trust established on 9 August 2022 and amended and restated on 28 September 2022 and declaring that the Original Declaration of Trust shall be amended and restated so that such instrument shall be read and construed for all purposes as set out in Schedule 1 of the said draft Deed of Amendment and Restatement in the form of an Amended and Restated Declaration of Trust to be known as the James Asset Trust 1.
14. We also note that by separate draft Declarations of Trust to be made by the Trustee, the Trustee intends to declare irrevocable trusts to be governed by the law of the British Virgin Islands in similar terms to the James Asset Trust 1 to be known as the James Asset Trust 2 and the James Asset Trust 3.
15. (a) In respect of the proposed Amended and Restated Declaration of Trust to be known as the James Asset Trust 1, the proposed James Asset Trust 2 and the proposed James Asset Trust 3, the term **Beneficiary** means each holder of **DAI** and **DAI** means the stablecoin maintained and regulated by the Maker Protocol and any other crypto-asset resulting from a fork of **DAI**.

(b) In respect of the proposed Amended and Restated Declaration of Trust to be known as the James Asset Trust 1, the proposed James Asset Trust 2 and the proposed James Asset Trust 3, the terms of the trusts to be established provide for a limited role for the Trustee as set out in clauses 5, 6, 7 and 8 of each trust, such that the Trustee is in both cases permitted to act in relation to Trust Assets of the trusts only in accordance with an applicable MakerDAO Resolution, which Trust Assets are not selected by the Trustee. In addition under sub-clause 8.1 the Trustee shall have no right or power to deal with the Trust Assets in any manner whatsoever other than as instructed by the

Deciding Persons and under sub-clause 8.2 the Trustee shall not have any further or other powers of investment with respect to the Trust Assets and no provision relating to Trustee powers or investment implied by statute or general law shall apply to the Trusts.

- (c) MakerDAO is defined in both trusts as meaning the set of smart contracts which facilitate the generation of DAI and which is governed by holders of MKR. MKR means the ERC-20 token that is native to the MakerDAO. MakerDAO Resolution means a proposal clearly marked as concerning James Asset Trust 1, James Asset Trust 2 or James Asset Trust 3 respectively and validly passed as an executed executive vote on the "Maker Governance Voting Portal" in accordance with the governance protocols of the MakerDAO. Deciding Persons means the holder from time to time of MKR.
- (d) In respect of both the proposed Amended and Restated Declaration of Trust to be known as the James Asset Trust 1, the proposed James Asset Trust 2 and the proposed James Asset Trust 3, sub-clauses 8.9 to 8.12 provide in terms as follows:

"8.9 Liability

8.10 In the absence of wilful default, negligence or fraud, the Trustee shall not be liable or responsible to the Beneficiaries or any other person for any loss as a result of or otherwise in connection with:

- (i) any Asset;
- (ii) whether and how it performs each of its trusts, powers, authorities, duties, discretions and obligations under or in connection with this Deed Poll or conferred upon it by operation of law;
- (iii) the determination by it of any question arising in relation to any of the provisions of this Deed Poll; or
- (iv) anything done or omitted to be done by it or its directors, officers or employees under this Deed Poll.

8.11 In no circumstances shall the Trustee be liable for any special damages, indirect or consequential damages, loss of profits, loss or goodwill or reputation or loss of opportunity, regardless of whether or not foreseeable, even if the Trustee has been advised of the possibility of such loss or damage

and regardless of whether the claim for loss or damage is made in negligence, breach of contract or otherwise.

8.12 The Trustee is entitled to be indemnified from the Trust Assets for any liabilities incurred in his, her or its capacity as such, unless they were caused by his, her or its own wilful default, negligence or fraud.”

OPINION

16. Subject to the assumptions in paragraph 17, as a matter of British Virgin Islands law, it is our opinion that:
 - 16.1 the obligations expressed to be assumed by each party in each of the Documents constitute its legal, valid, binding and enforceable obligations.
 - 16.2 each Trust when executed in accordance with paragraph 17(e) below will create a trust duly, validly and completely constituted under British Virgin Islands law and create in favour of the Beneficiaries a beneficial interest in the Trust Assets of each Trust;
 - 16.3 according to the proposed terms of the Trusts, the assets of the Trusts will be ringfenced from creditors of the Trustee and from third party creditors under British Virgin Islands law as follows. In an administration or liquidation of the Trustee conducted under the jurisdiction of the British Virgin Islands courts under British Virgin Islands law the Trustee’s right, title and interest in its capacity as the Trustee in the Trust Assets would fall outside its insolvency estate and so would not be available to meet the claims of any of its unsecured creditors. A third party with a claim against one of the Trusts would have no recourse to the Trust Assets of the other Trust;
 - 16.4 in any proceedings against any of the parties to the Documents in the British Virgin Islands for the enforcement of its obligations under any Document insofar as it is a contract, the British Virgin Islands courts would recognise the choice of the laws contained in that Document as the governing law of that Document;
 - 16.5 the submission by each party in each Document to which it is party to the jurisdiction of the British Virgin Islands courts to settle any disputes arising out of that Document will be recognised by the British Virgin Islands as a valid submission;
 - 16.6 each of the trust instruments of the Trusts once executed in accordance with paragraph 17(e) below will be governed by the laws of the British Virgin Islands (and

the obligations included therein) will be legally valid, binding and enforceable under British Virgin Islands law;

- 16.7 Based on our review of those laws and regulations which are normally applicable to transactions of the type contemplated by the Trust Assets:
- (a) the execution and delivery by the Trustee of the Trusts and the exercise of its rights and performance of its obligations under the Documents, do not and will not conflict with, result in any breach of or constitute a default under any present law or regulation having the force of law in the British Virgin Islands;
 - (b) no consent, licence, approval, authorisation or order is required by the Trustee from any court or, governmental authority or body in the British Virgin Islands and no further act, condition or thing is required to be done, fulfilled or performed in connection with its execution and delivery of, or the exercise of its rights or performance of its obligations under, the Documents to which it is a party; and
 - (c) in respect of each Document, no declaration, registration, filing or recording with any court or governmental authority or body in the British Virgin Islands is necessary to ensure the legality, validity, enforceability or admissibility in evidence in the British Virgin Islands of that Document.
- 16.8 Save for British Virgin Islands stamp duty arising under the Stamp Act in the sum of USD 200 per trust instrument, no registration, or other similar duties are payable in the British Virgin Islands in connection with the execution, delivery, performance or enforcement by legal proceedings of the trust documents referred to herein or the obligations thereby created, other than nominal court fees, except that if such performance or enforcement involves the transfer of, an agreement to transfer or the acquisition of certain types of property, such transfer or agreement or acquisition may (depending upon the particular circumstances) give rise to liabilities to British Virgin Islands stamp duty or stamp duty reserve tax or stamp duty land tax.
17. We have assumed:
- (a) that the Original Declaration of Trust was properly constituted, the formalities set out in paragraph 17(e) below were met at the time that it was established and existing, including the imposition of applicable British Virgin Islands stamp duty under the Stamp Act and that it has at all times been operated and administered in accordance with its terms;

- (b) the authenticity, accuracy, completeness and conformity to original documents of all documents submitted to us as copies;
 - (c) that there have been no changes to the Original Declaration of Trust, that the Original Declaration of Trust sets out the terms of the James Asset Trust fully and accurately, and that no further additions, retirements, removals or changes of trustee of the Trust have taken place;
 - (d) the Trustee is the sole trustee of the Trust and any and all prior Trustees (or purported Trustees) of the Trust were, have been and remain duly discharged from such office in accordance with the proper law of the Trust from time to time;
 - (e) that each of the trust instruments of the Trusts will be executed by two duly authorised signatories of the Trustee and that applicable British Virgin Islands stamp duty in the sum of USD 200 per trust instrument will be applied to each trust instrument;
 - (f) in respect of each party to the documents reviewed by us in connection herewith:
 - (i) where that party is a body corporate save for the Trustee, its due incorporation, valid existence and good standing (where such concept is legally relevant) under the laws which govern its capacity; and
 - (ii) its power, capacity and authority (together with all necessary regulatory and other approvals, authorisations, consents, licences and exemptions required under the laws of any relevant jurisdiction) to execute, deliver and perform its respective obligations under those documents.
 - (g) that no resolution to voluntarily wind up the Trustee has been adopted by the members and no event giving rise or leading to the winding up of the Trustee (if any) has in fact occurred; and
 - (i) that none of the directors of the Trustee or the registered office of the Trustee has received any notice of any litigation or threatened litigation to which the Trustee or any of the Trusts is or may be party.
18. We do not purport to be experts on or generally familiar with or qualified to give advice on any laws other than the laws of the British Virgin Islands and, accordingly, we express no views on the laws of any other jurisdiction in this letter.

19. This letter is addressed to you solely in connection with the matters referred to herein and, except with our prior written consent, may not be relied upon by any other person or for any other purpose whatsoever.

Yours faithfully


Appleby