NovaLink

Australian Regulatory Position Memorandum — Preliminary

Positioning under the Corporations Act, AUSTRAC, ASIC, ACL, Privacy Act, Spam Act

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Status: Position memo (counsel review pending)

Issuing entity: Group-wide policy — adopted by each NovaLink entity listed in the Corporate Structure & Entity Register (NL-ORG-01)

Applies to: operation of the NovaLink product in Australia, whichever Community Platform a participant joined through

The NovaLink entities: Ntech Link Technologies Ltd, Co. No. 2195904 (Store Operator) · Auralink Nova Technology L.L.C, Dubai, Reg. No. 1607764 (Technology Provider) · NodeLink USA, Inc., Delaware, File No. 10606222 (US Distribution)

Effective date: 22 May 2026

Contact: support@novalink.tech

This memorandum addresses Australian regulatory considerations that may be relevant to a the Company Country Distributor, a Node Operator resident in Australia, or an Australian-resident participant in the Company Network. It is a positioning memorandum prepared by the Company for prospective Australian counterparties. It is not legal advice. Australian counterparties are encouraged to obtain their own advice from a qualified Australian financial-services or consumer-law practitioner. This memorandum is a preliminary position paper: it must not be circulated to Australian counterparties, distributors, investors or regulators as evidence of completed Australian compliance or of regulatory clearance, and no such representation is made.

1. Summary

Topic	The Company position	Confidence
Is the USDN a financial product under the Corporations Act?	The Company takes the position that the USDN, as used inside the network, is an internal credit and, on the Company's position, is not a token or a financial product; utility / internal credits and not financial products. The Company is monitoring the Treasury's Digital Asset Platform regime and the ASIC INFO 225 update for 2026.	Position; Australian counsel review pending
Does the Company need an Australian Financial Services Licence (AFSL)?	Not on the present analysis, on the basis that the Company does not deal in or provide advice on financial products in Australia and the participation-reward model is not characterised as a managed investment scheme. The position would change if the platform crossed the proposed Digital Asset Platform thresholds.	Position; Australian counsel review pending
Does the Company need to be registered with AUSTRAC as a Digital Currency Exchange (DCE) provider?	The Company itself does not, on its present model, perform fiat-to-crypto or crypto-to-fiat exchange services as part of the Platform. From 31 March 2026 the AUSTRAC perimeter expanded to all Digital Asset Service Providers; the Company is assessing whether any of its functions trigger registration and will register if so. Country Distributors that take fiat for token-linked products on behalf of the Company in Australia should themselves be registered.	Active assessment
Australian Consumer Law (ACL) on the hardware?	The Nx1/Hx1 Home Station, when sold or supplied to a consumer in Australia, is subject to the consumer guarantees under Schedule 2 of the Competition and Consumer Act 2010 (Cth). The Company does not, and cannot, contract out of those guarantees. The Terms include compatible language.	Obligation identified; implementation not independently verified
Privacy Act 1988 (Cth) and the APPs?	The Company, as an overseas data controller offering services to individuals in Australia, treats itself as subject to the Australian Privacy Principles (APPs) in respect of those individuals. The Privacy Policy maps	Obligation identified; implementation not independently verified

	to APPs 1–13. The Australian-facing privacy contact is support@novalink.tech (subject “Privacy — Australia”); unresolved complaints may be escalated to the OAIC.	
Spam Act 2003 (Cth)?	The Company obtains express consent for marketing and includes functional unsubscribe in all commercial electronic messages to Australian recipients.	Obligation identified; implementation not independently verified

2. Is the USDN a financial product?

2.0A Current product model (controlling). No NovaLink entity issues, sells or distributes any token or internal credit, accepts crypto-assets in exchange for credit, distributes participation rewards, or conducts any airdrop. The NovaLink entities sell the Nx1/Hx1 Home Station (hardware, through the NovaLink Store operated by Ntech Link Technologies Ltd) and provide the technology behind it (Auralink Nova Technology L.L.C). Participation — including the internal participation credit (“USDN”), the Node Telemetry License, rewards and withdrawals — takes place on the participant's community platform and is operated by the participant's Community Operator under its own agreements. On the community platforms the flow is: a participant deposits USDT or USDC and is credited USDN, an internal, US-dollar-pegged account credit; USDN may be used to acquire a Node Telemetry License; participation rewards accrue in USDN; and on withdrawal USDN is paid out in USDT or USDC to the participant's own external wallet. This paragraph is the single controlling product

description and prevails over any inconsistent description; the regulatory analysis of the community-side functions is being refreshed with Australian counsel.

2.0 The NovaLink business model.

The NovaLink entities sell products and provide technology. Ntech Link Technologies Ltd sells the Nx1/Hx1 Home Station, an item of computer hardware, through the NovaLink Store; Auralink Nova Technology L.L.C holds the licence to the operating system and creates the finished product. No NovaLink entity sells internal credit, accepts USDT or USDC in exchange for credit, distributes participation rewards, or takes custody of customer money or crypto-assets. The participation functions described in Section 2.0A occur on the community platforms and are performed by the Community Operators under their own agreements; their regulatory treatment falls to be assessed in respect of the relevant Community Operator.

2.1 The test.

Under section 763A of the Corporations Act 2001 (Cth), a "financial product" is, broadly, a facility through which a person makes a financial investment, manages financial risk, or makes non-cash payments. The Corporations Regulations 2001 (Cth) and ASIC INFO 225 expand on the application of those concepts to crypto-assets.

2.2 Why the USDN is not characterised as a financial investment.

- The USDN is an internal credit recorded in connection with a Node Operator's contribution of bandwidth and compute. The economic substance of USDN distribution is a reward for infrastructure participation, not a return on capital invested in a common enterprise.
- USDN does not confer ownership, equity, voting, or profit-sharing rights in the Company or in any underlying asset (Section 7.1 of the Company Terms).
- USDN reward generation is contingent on the operator's ongoing contribution; it is not a passive yield on a deposit. The Risk Disclosure Policy explicitly disclaims any guarantee of returns and exposes the Dynamic Payout Cap.

2.3 Why the USDN is not characterised as a non-cash payment facility.

- The USDN is an internal accounting credit used within the Company ecosystem (Section 6 of the Terms). It is not used by third parties to make payments to other third parties off the Platform.
- USDN functions as an internal unit of account and is not designed or marketed as a general-purpose payment instrument for transactions with persons outside the Company ecosystem.
- USDN is credited when a participant deposits USDT or USDC with their Community Operator, and is redeemed by payout in USDT or USDC to the participant's own external wallet. Participation rewards accrue in USDN as a capped share of the real bandwidth revenue the participant's machine generates. The NovaLink entities do not hold customer assets and are not custodians. Whether the Community

Operators' deposit and payout functions require registration is a live question under assessment with counsel (Section 3).

2.4 Watching items.

- Treasury's proposed Digital Asset Platform regime (consulted on in 2023–2025; expected to be legislated in the 2026 sitting). If the Company were to be characterised as operating a Digital Asset Platform under the regime, the AFSL pathway would be revisited.
- ASIC has signalled it intends to update INFO 225 in 2026 with examples of utility tokens that are not financial products and examples that are.

3. AUSTRAC registration

3.1 Pre-2026 position.

Prior to 31 March 2026, AUSTRAC DCE registration was required only of operators that exchanged fiat for digital currency or vice versa. The Company does not perform such exchange itself.

3.2 2026 perimeter expansion.

Effective 31 March 2026, AUSTRAC's regulatory perimeter expanded to cover essentially all Digital Asset Service Providers (DASPs/VASPs), including crypto-to-crypto exchangers, custodians, and digital-asset transfer providers. The Company is assessing each of its functions against the expanded perimeter:

Function	Analysis	Registration?
Acceptance of USDT/USDC deposits credited as USDN (performed by the Community Operators, not by any NovaLink entity)	May be characterised as a digital-asset exchange service. Live assessment with Australian counsel in respect of the Community Operators.	Likely yes for the Community Operator if confirmed — assessment being finalised as a priority; application to be filed without delay if required. No compliance representation is made pending completion.
Internal USDN conversions within a community platform	Within-Platform accounting; not a service to the public.	Likely no
Crediting of USDN on deposit of USDT/USDC (Community Operator function)	Not a custodial deposit; whether crediting an internal unit against a digital-asset deposit is an exchange service is part of the counsel assessment.	Counsel assessment in progress for the Community Operators
External USDN withdrawals (paid out in USDT/USDC by the Community Operator)	A withdrawal pays out USDT or USDC to the participant's own external wallet address. Characterisation under the digital-asset transfer perimeter is part of the counsel assessment.	Under assessment with counsel
Travel Rule (from 31 March 2026)	Applies to digital-asset transfers covered by the perimeter. The	Applicable to any transfer in scope

	Community Operators will implement Travel Rule data collection for any covered transfer.	

4. AFSL

On the present analysis, no NovaLink entity requires an AFSL: the NovaLink entities sell hardware and provide technology, and do not deal in, or advise on, financial products. The position of the Community Operators in respect of USDN and participation rewards forms part of the Australian counsel assessment described in this memorandum, and no concluded position is stated for them here.

5. ACL — hardware and the Nx1/Hx1 Home Station

Where an Nx1/Hx1 Home Station is supplied to a consumer in Australia for less than the consumer-threshold amount, the consumer guarantees of Schedule 2 of the Competition and Consumer Act 2010 (Cth) apply. Specifically:

- The Nx1/Hx1 Home Station must be of acceptable quality (s 54).
- The Nx1/Hx1 Home Station must be fit for the purpose for which it was supplied (s 55).
- The Nx1/Hx1 Home Station must match its description (s 56) and any sample or demonstration model (s 57).
- Repairs must be carried out within a reasonable time.

The Company does not contract out of these guarantees. Where a major failure occurs in the Nx1/Hx1 Home Station, the consumer is entitled to a refund or replacement at their election; for minor failures, the Company may repair the device.

6. Privacy Act 1988 (Cth) — APP application

The Company, although BVI-incorporated, "carries on business in Australia" within the meaning of section 5B of the Privacy Act in respect of Australian-resident Users, by virtue of soliciting their participation and processing their data. The Company applies the Australian Privacy Principles (APPs) to that processing. The Privacy and Cookies Policy maps as follows:

APP	Topic	Where addressed
APP 1	Open and transparent management	Privacy & Cookies Policy ss 1, 8
APP 2	Anonymity / pseudonymity	Anonymous browsing of marketing site is supported; KYC required for Platform access only
APP 3	Collection of solicited personal information	Privacy Policy s 1; KYC fields disclosed
APP 4	Unsolicited personal information	Default-delete policy adopted: unsolicited personal information that could not lawfully have been collected is destroyed or de-

		identified as soon as practicable (see Privacy & Cookies Policy)
APP 5	Notification of collection	Privacy Policy notice on sign-up
APP 6	Use or disclosure	Privacy Policy s 2
APP 7	Direct marketing	Opt-in via Art 6(1)(a) GDPR; Australian recipients aligned with APP 7
APP 8	Cross-border disclosure	Privacy Policy s 2.4 (international transfers, SCCs)
APP 9	Government-related identifiers	Not adopted as the primary identifier; KYC document fields treated as sensitive
APP 10	Quality of personal information	User self-service correction in dashboard
APP 11	Security of personal information	Privacy Policy s 3; Logs Policy
APP 12	Access to personal information	Privacy Policy s 4
APP 13	Correction	Privacy Policy s 4

7. Spam Act 2003 (Cth)

- The Company obtains express consent for marketing emails and treats consent as withdrawn on first unsubscribe request, with a 5-business-day implementation target (consistent with ACMA expectations).
- Every commercial electronic message includes a functional unsubscribe and identifies the Company as the sender.

8. Foreign company registration (Corporations Act Part 5B.2)

Whether any NovaLink entity or Community Operator is “carrying on business in Australia” within the meaning of Part 5B.2 of the Corporations Act 2001 (Cth) is the subject of a documented factual assessment now underway, covering offices and personnel in Australia, recurring contracts with Australian customers, distribution arrangements (including the Australian Country Distributor) and Australian-facing platform activity. No ASIC foreign-company registration is currently held by any entity in the group. If the assessment concludes that the threshold is met for any entity, an application for registration (ASIC Form 402, appointment of a local agent and an Australian registered office) will be lodged without delay. No representation of compliance with Part 5B.2 is made pending completion of this assessment.

9. Open questions to be resolved with Australian counsel

- Final position on AUSTRAC DASP registration following the 31 March 2026 perimeter expansion.
- The regulatory treatment of the Community Operators' USDN functions. On the community platforms, participants deposit USDT or USDC and are credited USDN, and withdrawals are paid out in USDT or USDC to the participant's own external wallet. The crediting of an internal unit on deposit of a digital asset, and payout back into a digital asset, fall to be assessed under the BVI VASP Act and the AUSTRAC DASP perimeter in respect of the relevant Community Operator. Counsel must confirm whether the

Community Operators require VASP or DASP registration. This assessment is being finalised as a priority; if registration is confirmed to be required, an application will be filed without delay, and no compliance representation is made pending completion.

- Whether the Company's Country Distributor model in Australia could be characterised as the operation of a managed investment scheme or as the provision of financial product advice by the Distributor.
- Whether the Risk Disclosure language meets ASIC's expectations under the Digital Asset Platform regime if and when it is in force.
- GST treatment of the USDN in the hands of an Australian Node Operator.