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# Staking Terms and Conditions

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## 1. Preliminary Notes

Unless otherwise stated herein, capitalized terms shall have the same meaning as in the General Terms and Conditions (“GTC”) of Bitcoin Suisse AG (“BTCS”).

These Staking Terms and Conditions (“**Staking Terms**”), the GTC, the PoS blockchain protocol-specific Staking Terms Annex (individually an “**Annex**”, collectively the “**Annexes**”) and the brochure “**Special Risks of Digital Assets**” shall govern the rights and obligations between the Client and BTCS (individually a “**Party**”, collectively the “**Parties**”) in connection with the Staking Services, and together constitute the Staking Services agreement between the Parties (“**Staking Agreement**”). In case of discrepancies between any of the aforementioned documents, the provisions in the Annexes and the Staking Terms, in descending order, shall prevail.

## 2. Purpose and Scope

BTCS may offer its clients services which allow them to participate in the consensus process of a proof-of-stake (“**PoS**”) blockchain protocol (“**Staking Services**”).

Holders of PoS Crypto Assets may contribute to the integrity and stability of the protocol’s underlying decentralized network by locking, also referred to as bonding, their Crypto Assets (“**Staked Crypto Assets**”) to validate, propose, sign, vote on and/or attest blocks in a PoS blockchain protocol

(“**Staking**”). To perform Staking, it is necessary to run a node software based on the blockchain protocol. Node software operators are, depending on the individual PoS blockchain protocol, referred to as “validators”, “stakers”, “bakers”, or “collators” (henceforth referred to as “**Validators**”). Depending on the individual PoS blockchain protocol, holders of Crypto Assets can delegate or nominate Staking to Validators, which are selected according to the rules of the Staking protocol. In return for the Staking of Crypto Assets, Validators may receive a compensation paid out or distributed to them by the decentralized network protocol (“**Rewards**”).

## 3. Staking Setup and Operations

The Client instructs and engages BTCS to perform, on its behalf and for its account, Staking Services for PoS blockchain protocols that are part of BTCS’ Staking Services offering, as specified in the respective Annexes.

The Staking Services may comprise the following services:

- the provision and operation of the required hardware and software infrastructure to participate in the consensus process of the PoS blockchain protocol as a Validator;
- the maintenance of the protocol and software versions;

- the provision of administrative services, such as Entries and Exits and claiming, if any, and collecting the Client's Rewards and forwarding them to the Client's account at BTCS.

The Client acknowledges and agrees that it has no say with respect to the setup, operations, and maintenance of the Validators and/or the Staking Services.

#### 4. Staking Entries and Exits

The Client may request BTCS, depending on the PoS blockchain protocol, to delegate or deposit Crypto Assets to ("**Entry**") or to undelegate or withdraw the Staked Crypto Assets from the protocol ("**Exit**"). The Client acknowledges and agrees that the request shall only be deemed to be executed upon confirmation of receipt by BTCS.

BTCS shall execute requests for Staking Entries and Exits within a reasonable time. The Client acknowledges and agrees that Staking Entries and Exits are only possible within BTCS Opening Hours as set out in the GTC. Staking Entries and Exits are subject to the, at any time applicable, additional rules and procedures of the decentralized network protocol, especially the Lockup Periods specified in Section 7.

BTCS expressly reserves the right to set and adjust, at any time, the minimum balance of Crypto Assets that must be staked at all times during the provision of Staking Services ("**Minimum Balance**"), the initial minimum Staking order size ("**Initial Minimum Order Size**") as well as the minimum Staking Entry to additionally delegate or deposit Crypto Assets to and the minimum Staking Exit to undelegate or withdraw Staked Crypto Assets from the PoS blockchain protocol ("**Additional Minimum Order Size**"). Minimum Balance, Initial Minimum Order Size and Additional Minimum Order Size are specified in the respective Annex.

#### 5. Maintenance

Should BTCS become aware of any threat to security, including imminent network forks, it reserves the right, but has no obligation, to suspend or refuse the provision of Staking Services at any time until the threat in question has been resolved. BTCS shall neither be liable for any loss or damage suffered because of such suspension or refusal if it has exercised reasonable care.

BTCS further reserves the right to modify, suspend, or discontinue the Staking Services and/or change the technical means of how the Staked Crypto Assets are stored due to necessary operational or technical maintenance at any time with or without notice to the Client, and BTCS shall not be liable to the Client or to any third party if it exercises such right.

#### 6. Custody of Staked Crypto Assets

BTCS may hold Staked Crypto Assets of Clients either in Separated Custody or Collective Custody as specified in the GTC. The Client acknowledges and agrees that the custody of Staked Crypto Assets may, depending on the PoS blockchain protocol, be subject to Lockup Periods and Slashing according to Section 7.

**The Client acknowledges and agrees that BTCS may temporarily transfer all or part of the Crypto Assets either prior to an Entry or following an Exit from Separated Custody to Collective Custody, as further specified in the Annexes. Such Crypto Assets will be transferred to Separated Custody within a reasonable time, taking into account operational care and efficiency. The Client further acknowledges and agrees that, due to the way BTCS has technically implemented certain PoS blockchain protocols, as further specified in the Annexes, part or all of the Crypto Assets may be transferred to and henceforth held in Collective Custody for part of or the entire duration of the provision of the Staking Services.**

#### 7. Lockup Periods and Slashing

BTCS complies with any instruction by the Client within reasonable time, insofar as operationally and technically possible as well as permissible within the boundaries of the rules and procedures of the specific decentralized network protocol (especially with regards to Lockup Periods and Slashing) as well as within the applicable laws and regulations, contractual provisions and BTCS' internal rules and policies. The Client is aware that decentralized network protocols may be subject to Lockup Periods which may govern the minimum and/or maximum duration or a defined termination date of the Staking Services ("**Lockup Periods**"). The Client acknowledges and agrees that, during a Lockup Period, Exits with respect to the Staked Crypto Assets or a termination of the Staking Services are not possible. The Lockup Periods, if any, are specified in the respective Annex.

Some PoS blockchain protocols may also include negative incentive mechanisms, in contrast to the Rewards mechanism, which consist of enforcing a penalty against Validators that are inactive, fraudulent, or otherwise act against the rules and procedures of the PoS blockchain protocol ("**Slashing**"). Staked Crypto Assets that are subject to Slashing are typically burned and thus become inaccessible to network participants. **The Client understands that (i) all or part of the Staked Crypto Assets may be slashed by the PoS blockchain protocol and are thus at full or partial risk of loss and (ii) the Client bears said economic and financial risk.**

BTCS has no influence over the Lockup Periods or Slashing mechanisms defined by a PoS blockchain protocol and, if it

has exercised reasonable care, therefore excludes all liabilities thereof as permitted by law.

## 8. Rewards

Rewards consist of (i) newly generated Crypto Assets distributed by a PoS blockchain protocol for performing blockchain validation tasks, which may include validating transactions, collecting and bundling transactions into blocks, proposing, signing, voting on and/or attesting blocks as well as protocol-related governance tasks, and/or (ii) Crypto Assets paid by PoS blockchain protocol users in the form of transaction fees.

The amount and payout frequency of the Rewards usually depend on the Validator's stake size, the actual successful participation in the consensus mechanism and the total amount of Staked Crypto Assets in the protocol as well as other factors defined by the specific PoS blockchain protocol.

Rewards are distributed automatically by the decentralized network protocol to the Validators, subject to their claiming. The Rewards may also be subject to a separate Lockup Period specified by the respective PoS blockchain protocol.

The amount of the Rewards earned during the provision of Staking Services is based on various factors, which are internal and/or external to the protocol and may change over time. As the payment of Rewards may depend on factors defined by the decentralized network protocol, over which BTCS has no control, **the Client acknowledges and agrees that the payment of Rewards cannot be guaranteed and therefore is not owed by BTCS to the Client.**

**The Client is not entitled to the Rewards and/or their payment until forwarded and booked to the Client's account at BTCS.** Following the claiming, if any, collection and receipt of the Rewards by BTCS, BTCS will forward and book the Rewards to the Client's account within a reasonable time, taking into account operational care and efficiency.

Unless otherwise stated in the Annex, the Client acknowledges and agrees that Rewards earned are not subject to automatic Staking Entries by BTCS, also referred to as "re-staking". If the Client wishes to re-stake such Rewards, a separate expressly stated Staking Entry order must be placed with BTCS in accordance with Section 4.

## 9. Remuneration

BTCS shall receive a pro-rata Remuneration in the form of a percentage of the Client's Rewards earned or in any other protocol-specific form (including VAT, if applicable), as further specified in the respective Annex, unless otherwise agreed in written form ("**Remuneration**").

Where applicable, the Client acknowledges and agrees that BTCS shall have a claim against the Client for the Remuneration. Unless otherwise stated in the Annex, the Remuneration is payable in the Crypto Assets of the respective PoS blockchain protocol. It is at BTCS' sole discretion to invoice the Remuneration either in fiat currencies or Crypto Assets.

The Client hereby authorizes BTCS to debit periodically and automatically the Remuneration from the Client's account and/or to offset the Remuneration with any claims by the Client against BTCS. The Client shall receive a debit confirmation.

## 10. Crypto Asset Events

BTCS is neither obliged to monitor and has no duty to inform the Client about Crypto Asset Events, the exercise of governance tasks in a protocol or blockchain community vote, or any other relevant blockchain event or action with regards to Staked Crypto Assets.

By using the Staking Services, the Client acknowledges and agrees that it cannot take any actions with regard to Staked Crypto Assets in the context of Crypto Asset Events.

Clients shall refer to the GTC for further information on Crypto Asset Events.

## 11. Risk Disclosure

Staking and the use of Staking Services by the Client involve risks. **The Client confirms to have read and understood the brochure "Special Risks of Digital Assets" that BTCS makes available to its clients on the website [www.bitcoin-suisse.com](http://www.bitcoin-suisse.com).** The Client acknowledges and accepts that Crypto Assets may be highly volatile or/and inflationary and that their markets may be illiquid, with the risk being that the value of the Crypto Assets may decrease significantly or that the Crypto Assets may even become completely worthless. Usually, Crypto Assets are neither guaranteed nor backed by either a particular nation, institution, company, individual, BTCS, or any other mechanism.

There may be general security vulnerabilities or human-related errors (e.g., cyber-attacks, fraud), internet or telecommunications infrastructure irregularities or failures, which may cause BTCS to be unable to provide the Staking Services to the Client. Furthermore, protocol-specific risks, such as coding errors and forks, may occur leading to a non-usability of the decentralized network protocol and related protocols and software. There may also be Validator-specific risks, such as that the Staked Crypto Assets are temporarily or permanently not selected for block production, or that a Rewards cycle is missed out for operational or technical reasons and therefore no Rewards are paid out to the

Validator, or that the Staked Crypto Assets are subject to Slashing in part or whole by the decentralized protocol.

Furthermore, Staking Services are unregulated in some jurisdictions and/or their legal and regulatory qualification may be uncertain. Staking Services may be subject to regulatory actions, changing legislation or changing practice with respect to existing legislation in the future.

The risks mentioned are not exhaustive and, to the extent they are outside of BTCS' control, BTCS excludes all liability as permitted by applicable law.

## 12. Limitation of Liability

BTCS excludes all liability, regardless of its legal basis, including indirect damages, loss of profit of the Client or third parties and any other consequential damage as permitted by applicable law. Expressly excluded from liability are cases without willful intent or gross negligence on the part of BTCS or any indirect losses by the Client or third parties.

**In particular, BTCS is not liable for the success of the Staking Services or any loss of the Staked Crypto Assets due to circumstances that are outside of BTCS' control.** All liability for technical communication errors caused by interruptions outside of BTCS' control, or for the incorrect, erroneous, incomplete, or delayed order transmission shall be excluded. In addition, BTCS waives all liability caused by the unavailability of the Client.

## 13. Representations and Warranties

The Client acknowledges and agrees **that Staking Services are provided for the Client's account and risk and that BTCS cannot guarantee that the Client will receive any Rewards.**

The Client confirms that it uses the Staking Services based on its own analysis and initiative. The Client further confirms that it has not been advised in any way by BTCS with respect to the Staking Services or the Staked Crypto Assets.

The Client warrants to have adequate measures in place to prevent the unauthorized use of its information technology infrastructure used in connection with the Staking Services and acknowledges its obligation to cooperate and to promptly notify BTCS if it becomes aware of any such incidents.

The Client represents and warrants to be familiar with the functioning and risks of PoS blockchain protocols and the Staking Services.

## 14. Cooperation with Third Parties

BTCS shall have the right to delegate the provision of all or certain functions of the Staking Services to third parties. BTCS excludes all liability as permitted by applicable law in relation to the functions performed by such third parties.

## 15. Potential Conflict of Interest

The Client acknowledges and agrees that BTCS, its associated or affiliated companies, or any of its directors or employees, shall be entitled at any time to buy, sell, hold, or stake Crypto Assets or interact in other capacities with the underlying network protocol for their own account.

## 16. Compliance with Legal and Tax Regulations

It is the Client's sole and full responsibility to be informed about and to comply with the applicable laws and regulations. BTCS expressly points out that no investment, legal or tax advice in connection with the Staking Services has been or will be provided.

The Client acknowledges and agrees that BTCS shall have no responsibility for tax reporting, withholding, or filing of any tax-related information, disclosures or declarations with any tax or revenue authority.

## 17. Amendments

BTCS expressly reserves the right to change the Staking Agreement at any time. Any amendment will be published through the communication channels defined in the GTC.

**The most recent Staking Terms are available on BTCS' website [www.bitcoinsuisse.com/legal](http://www.bitcoinsuisse.com/legal).**

## 18. Severability Clause

If any provision of the Staking Agreement is held to be invalid or unenforceable, all remaining provisions hereof will remain in full force and effect. This shall also apply if an individual clause cannot be implemented for legal or regulatory reasons. If such a case should occur, the Parties shall agree upon a new effective clause that is as economically comparable as possible to the clause concerned.

## 19. Force Majeure

In case of a force majeure event, the Parties shall mutually agree on any special measures required to deal with the situation appropriately. This shall apply particularly in the case of unrest, revolution, war, pandemic situations, natural disasters and chemical or nuclear contamination affecting BTCS or the Staking Services.

## 20. Confidentiality

The Client shall be obliged to keep confidential any information which is not publicly known regarding the Staking Services and its processes.

The Client acknowledges and agrees that in connection with the fulfilment of legal and regulatory obligations, and to the extent required, BTCS may disclose and or transmit data relating to the Client to a court, regulatory or tax authorities, internal and external auditors, advisory or law firms

commissioned by BTCS, and third parties in accordance with Section 14.

The Client acknowledges and agrees that its name, address, and payments owed to BTCS may be shared with third parties that carry out or support BTCS's invoicing, dunning and debt collection.

## **21. Duration and Termination**

The Staking Agreement shall remain in force for an unlimited period and may be terminated by either Party with immediate effect, but within the boundaries of the Lockup Period of the individual PoS blockchain protocol, BTCS Opening Hours set out in the GTC and within a reasonable time, taking into account operational care and efficiency, as well as subject to deviating provisions in the Annexes. No termination reason must be specified.

BTCS expressly reserves the right to immediately terminate the Staking Services, or to liquidate, surrender, or transfer the Crypto Assets, whether staked or not, if the Client is subject to legal or regulatory proceeding(s) and/or if the regulatory environment is subject to changes that may risk, in BTCS' reasonable discretion, to cause BTCS to violate applicable laws and regulations in the continued performance of the Staking Services.

## **22. Governing Law and Jurisdiction**

The Staking Agreement shall be governed by and construed in accordance with the substantive laws of Switzerland, to the exclusion of the principles of conflicts of laws thereof.

Exclusive jurisdiction for any dispute or controversy deriving from or connected to the Staking Agreement shall be submitted to the exclusive jurisdiction and competence of the courts of Zug (Canton of Zug, Switzerland).