TERMS AND CONDITIONS

Staking Facilities GmbH

01.11.2020

Terms and Conditions of Staking Facilities GmbH, Claudius-Keller-Straße 3 b, 81669 Munich

1. PREAMBLE

1.1 WHEREAS, delegated proof of stake (DPoS) and nominated proof of stake (NPoS) are blockchain consensus mechanisms which allow owners of Tokens (as defined below) to delegate Tokens and thus validation rights corresponding to their Tokens to third-party validators (also known as delegates or witnesses) without transferring ownership of their Tokens, whereby those third-party validators offer the corresponding technical staking infrastructure to enable the Token owners to participate in the respective proof of stake consensus mechanismus by staking themselves (hereinafter **"Staking Infrastructure"**) and thus potentially generating rewards (hereinafter **"Reward"**) which the token owners receive from the respective Blockchain (as defined below) directly, minus a certain percentage which the third-party validator providing the Staking Infrastructure receives from the respective Blockchain (as defined below) as a fee (including VAT) (hereinafter **"Fee"**), and

1.2 WHEREAS, SF is acting as such a third-party validator and is providing the corresponding Staking Infrastructure, and

1.3 WHEREAS, Customer is owning tokens on the Blockchain (as defined below) and wishes to delegate its Tokens (as defined below) and thus the validation rights corresponding to his/her Tokens (as defined below) to SF which shall provide the Staking Infrastructure.

2. SCOPE AND APPLICATION

2.1 The following provisions (hereinafter referred to as "**Terms and Conditions**") set forth the general conditions pursuant to which Staking Facilities GmbH (hereinafter referred to as "**SF**") provides Staking Infrastructure to its contractual partner (hereinafter referred to as "**Customer**", together with SF the **"Parties"**).

2.2 The Terms and Conditions shall apply exclusively. Any terms and conditions of the Customer that conflict with, differ from or supplement these Terms and Conditions will not become an integral part of the contract unless SF has expressly consented in writing to their application. In particular, consent shall not be deemed to be given even if, in the knowledge of the Customer's terms and conditions, SF accepts – without any reservations – orders, performs services or directly or indirectly refers to letters, etc., which contain the Customer's or third-party terms and conditions.

2.3 The agreement between the Parties on Staking Infrastructure under these Terms and Conditions (hereinafter the **"Agreement"**) shall be concluded by

-    (offer) Customer delegating its tokens, which are mentioned in the List of Tokens for which SF provides Staking Services (**"Eligible Tokens"**) to the Staking Address and

-    (acceptance) SF starting to provide Staking Infrastructure to such Customer,

whereby the Customer waives the requirements to be notified about such acceptance according to § 151 German Civil Code (**"BGB"**).

3. **DEFINED TERMS**

In this Agreement, except where set forth otherwise, the following terms shall have the following meanings:

"**List of Tokens**" shall mean the list of Eligible Tokens for which SF provides Staking Services, and which includes the Staking Addresses and the applicable Fees, and which is available under https://stakingfacilities.com/.

"**Regulatory Change Event**" shall mean any change of the regulatory, tax, administrative or other legal framework applicable to the Staking Services and/or SF in such a way that providing the Staking Services is no longer permitted or otherwise possible for SF or creates restrictions or obligations for SF.

"**Section**" shall mean a section of these Terms and Conditions.

"**Staking Address**" shall mean the addresses under which SF provides the Staking Services for the Eligible Tokens, further described in the List of Tokens.

"**Staking Rules**" shall mean the rules applying to the delegation of Tokens and thus delegation of the corresponding validation rights to SF, resulting from the specific blockchain to which the Tokens correspond ("**Blockchain**"); the basic Staking Rules are outlined in Section 1.1.

Other capitalized terms used in the Terms and Conditions shall have the meaning explicitly assigned to them elsewhere in the Terms and Conditions. Words indicating the singular also include the plural and vice versa, as the context requires.

4. **PROVISION OF SERVICES, STAKING RULES**

4.1 SF shall provide the Staking Infrastructure for the types of Eligible Tokens agreed between the Parties subject to Section 2.3 ("**Tokens**"). The Parties agree that providing the Staking Infrastructure is a purely technical service. The Parties acknowledge that the Customer can decide at its sole and free discretion on the number of Tokens and thus the number of corresponding validation rights Customer delegates to SF and SF exercise on behalf of Customer as part of SF's Staking Services.

4.2 **Customer confirms that Customer has perfect knowledge of staking services in general and the Staking Rules, the Blockchain and the Tokens. Customer acknowledge that the Staking Rules are outside of the sphere of influence of SF and may change at any time, in particular due to governance decisions of the participants in the Blockchain. Customer takes the risks that the Staking Rules change to its disadvantage. A change in the Staking Rules could, for example, result in a freezing period which restricts Customer from delegating or even transferring its Tokens to a third party. SF does not have an obligation to inform Customer on the Staking Rules or any updates to the Staking Rules. Customer will keep itself informed on the current Staking Rules at any time.**

4.3 SF shall provide the Staking Infrastructure to Customer using qualified personnel, apply due care and using state-of-the-art technologies.

4.4 The Tokens might enable Customer and/or SF to vote, for example for decisions in the corresponding Blockchain. However, such voting is not part of the services by SF.

5. **REWARDS, FEES AND TAXES**

5.1 Applicable Fees are listed in the List of Tokens.

5.2 Rewards minus the applicable Fees (including VAT) automatically accumulate on the Customer's side.

5.3 Each Party will bear its own costs.

5.4 All prices are net without applicable value-added tax.

5.5 Customer shall be responsible for payment of all applicable taxes, if any, to which the Reward and the Fee might be subject and any and all other taxes which may apply to Customer; SF makes no representations in this regard.

6. **SF REPRESENTATIONS AND OBLIGATIONS, SERVICE LEVEL**

6.1 SF Infrastructure

SF operates nodes ("**SF Nodes**") to provide the Staking Infrastructure. SF data centers are Munich based and ISO 27001 and ISO 9001 certified. SF operates non-validating backup nodes for every network. SF data centres have a 100 % renewable energy coverage.

6.2 Validator Keys

Keys for validating SF Nodes are generated on an air gapped computer. A physical backup is stored in a 24/7 monitored bank vault.

6.3 Monitoring

All SF Nodes are monitored by SFs 24 hours a day, seven days a week. SF monitoring is structured over redundant escalation levels.

6.4 Uptime

SF warrants an uptime of 99 % per month ("**Uptime Rate**"). The monthly "**Downtime Rate**" is defined by the number of missed blocks [n] in a month divided by the total number of blocks in the respective month [N]. Therefore, Uptime Rate [U] is defined as

$$U = 1 - n / N$$

A block shall not be considered a missed block [n] if the block has been missed due to (i) acts of Customer, (ii) scheduled maintenance, (iii) acts by a hacker or malicious actor, (iv) force majeure events, or (v) network downtime not caused by SF.

Should the Staking Infrastructure be available for less than the Uptime Rate in a month, Customer will get a Fee discount in that respective month upon request by Customer. The Fee discount may be deducted from the next Fee due:

Uptime Rate	Fee discount
Less than 99 %	20%
Less than 98 %	40%
Less than 97 %	60%

In no event shall the discount payment for any month exceed the Net revenue retained by Customer during the applicable month. Within thirty (30) days after Customer informs SF in writing about adowntim, SF shall deliver to Customer a downtime reporting. SF has thirty (30) days to pay the discount after Customer informs SF in written form about the downtime.
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6.5   Slashing

SF will apply due care to avoid a situation which leads to less Rewards or which might, depending on the Blockchain and the Staking Rules, even lead to a reduced number of tokens in the possession of Customer (together **"Slashing"**). For the avoidance of doubt, Section 9 (liability) shall apply to Slashing.

6.6   SF does not give any guarantees or assume any procurement risks. Any of such given by employees of SF shall be considered void.

7.   **CUSTOMER REPRESENTATIONS AND OBLIGATIONS**

7.1   Customer warrants and represents that Customer is the legitimate owner of all Tokens for which Customer makes use of the Staking Infrastructure.

7.2   Customer warrants and represents that Customer may enter into this Agreement and warrants and represents that using the Staking Infrastructure not forbidden in the jurisdiction where Customer's registered office is and/or where SF provides the Staking Infrastructure to.

7.3   Customer is aware that Customer must not transfer Tokens to SF for SF to provide the Staking Infrastructure. Customer only has to delegate the Tokens and thus the corresponding validation rights to the Staking Address in order to profit from SF's Staking Services.

7.4   Customer confirms that Customer will work closely together with SF and will provide SF with all necessary information which SF requires in order to comply with the law and in any Regulatory Change Event.

7.5   Should, for any reasons whatsoever, in particular for security reasons, SF decide to change the Staking Address, SF will inform Customer and Customer will delegate its Tokens within 96 hours to that new Staking Address.

7.6   Regardless of section 9, Customer allows SF to mention Customer as a customer. Customer will provide SF with a logo of Customer and permits SF to use that logo in connection with Customer's name and publish in SF's list of reference customers.

7.7   Customer is aware that SF will not exercise any voting rights potentially associated with Tokens. Furthermore, Customer is aware that, depending on the Staking Rules and the Blockchain, Customer might lose its voting rights associated with a Token as long as such Token is delegated to SF.

8. **EFFECTIVENESS, TERM**

8.1 This Agreement shall remain in effect for an indefinite period of time until terminated without any notice period by Customer or SF.

8.2 Any change in the delegation of Tokens by Customer (e.g., Customer delegates its Tokens to another staking service provider or aborts the delegation) shall be considered a termination of this Agreement, to the extent those Tokens are concerned.

8.3 The above is notwithstanding any legal right to terminate this Agreement for cause without any notice period.

8.4 SF has the right to terminate this Agreement with immediate effect in case of a Regulatory Change Event; in case of such a termination, SF is not obliged to pay any Fees, damages or other amount to Customer unless such have already arisen prior to the termination becoming effective and are not related to the Regulatory Change Event.

9. **LIABILITY AND INDEMNIFICATION**

In any case of simple negligence each Party is liable for the breach of a contractual obligation which gives distinction to the contract and on which the other Party may rely on (essential obligation) and limited to the typical and foreseeable damage only and further limited to 150% of the Fees which became due in the respective calendar year in which the damaging event takes place (the cap applies to all damages together which occur in this year or which are based on this damaging event); this exception does not apply to culpable damage to life, body or health nor in cases of mandatory liability including without limitation liability for cases in which a procurement risk or a guarantee for damages has been assumed, liability under the Product Liability Act, liability under the GDPR, fraudulent concealment of a defect or in the event of default. In addition, the Parties cannot be held strictly liable *(verschuldensunabhängige Haftung)* for a defect in the Staking Infrastructure which exists when the Agreement is entered into. Neither party shall be liable for lost profits and other indirect damages.

10. **MISCELLANEOUS**

10.1 The Agreement and its interpretation and any non-contractual obligations in connection with it are subject to German substantive law. The UN Convention on Contracts for the International Sale of Goods (CISG) shall not apply.

10.2 No Party may assign any rights or claims under this Agreement without the prior consent of the other Party in writing and signed.

10.3 Where the Agreement requires the written form, simple e-mail shall suffice, unless otherwise stipulated.

10.4 General terms and conditions as well as other pre-printed provisions on documents of either Party shall not apply to the Agreement.

10.5 If any provision(s) of the Agreement shall be held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The Parties shall use their reasonable efforts to substitute such provision by a legal, valid or enforceable one, approximating as closely as possible the original intent of the Parties.

10.6 Nothing contained in the Agreement is intended or is to be construed as a partnership, franchise agreement or joint venture, nor is either Party the employee or agent of the

other Party nor are the employees or agents of either Party employees or agents of the other Party.

10.7 English language terms used in this Agreement describe German legal concepts only and shall not be interpreted by reference to any meaning attributed to them in any jurisdiction other than Germany.

10.8 The headings in this Agreement are inserted for convenience only and shall not affect the interpretation of this Agreement.

10.9 This Agreement sets forth the entire agreement and understanding between the Parties as to the subject matter hereof and merges all prior discussions and agreements between the Parties.

10.10 All disputes arising out of or in connection with this contract or its validity shall be finally settled in accordance with the Arbitration Rules of the German Arbitration

10.11 Institute (DIS) without recourse to the ordinary courts of law. The arbitral tribunal shall be comprised of one arbitrator. The seat of the arbitration shall be Munich. The language of the arbitration shall be English. The law applicable to the merits shall be German law. The Parties agree that the arbitration shall be conducted as Expedited Proceedings and that Annex 4 of the DIS Arbitration Rules shall apply.