

Version 2.0

Staking Terms and Conditions

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1. Preliminary Notes

- 1.1. These Staking Terms and Conditions (**Staking Terms EU**), the Custody Agreement, the the General Terms and Conditions (**GTC EU**), 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 EU (individually a **Party**, collectively the **Parties**) in connection with the Staking Services (as defined herein), and together constitute the entire Staking Services agreement between the Parties (**Staking Agreement**).
- 1.2. In case of discrepancies between any of the aforementioned documents, the provisions in the Annexes and the Staking Terms EU, in descending order, shall prevail. Unless otherwise stated herein, the capitalized terms shall have the meaning assigned to them in the GTC EU.

2. Staking

- 2.1. At their request and subject to availability of such a service, Clients who hold PoS Crypto Assets at BTCS EU can participate in the consensus process of a decentralized proof-of-stake (**PoS**) blockchain protocol and thereby contribute to the integrity and stability of the PoS blockchain protocol and its underlying decentralized network by locking (also referred to as “bonding” or similar) their Crypto Assets (**Staked Crypto Assets**) in the protocol or by

delegating them to the protocol in order to validate, propose, sign, vote on and/or attest transactions and/or blocks (**Staking**).

- 2.2. To perform Staking, it is necessary to operate a node software based on the PoS blockchain protocol. Node operators are, depending on the individual PoS blockchain protocol, referred to as “validators”, “stakers”, “bakers”, “collators” or similar (henceforth collectively referred to as **Validators**). Validators are selected according to the rules of the PoS blockchain protocol. In return for the Staking of Crypto Assets, Validators may receive compensation in the form of “**Staking Rewards**” (as defined herein).

3. Staking Services

- 3.1. BTCS EU may offer clients access to Staking in connection with PoS blockchain protocols that are part of BTCS EU’s Staking Services offering and as further specified in the respective Annexes (**Staking Services**).
- 3.2. By accepting the terms and conditions of the respective Annex as well as these Staking Terms, the Client instructs BTCS EU to engage in Staking and perform the Staking Services on its behalf and for its account. **Unless otherwise specified, the Client hereby authorizes BTCS EU to engage in Staking in relation to the PoS blockchain protocol, the underlying decentralized network, and its users, as the Client’s direct representative.**

4. Staking Setup, Staking Operations

- 4.1. 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 the claiming, if any, and the collection of the Client's Rewards and the forwarding of them to the Client's account held at BTCS EU.
- 4.2. The Client acknowledges and agrees that it has no say with respect to the setup, operations, and maintenance of individual Validators and/or the Staking Services.

5. Representations and Warranties

- 5.1. **The Client acknowledges and agrees that it engages in Staking for its own account, benefit and risk and that BTCS EU provides the Staking Services without any guarantee that the Client will receive any economic benefits including Rewards (as defined herein).**
- 5.2. 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 EU with respect to the Staking Services or the Staked Crypto Assets.
- 5.3. The Client warrants to have adequate measures in place to prevent the unauthorized use of its IT Infrastructure used in connection with the Staking Services and acknowledges its obligation to cooperate and to promptly notify BTCS EU if it becomes aware of any such incidents.
- 5.4. The Client confirms, represents and warrants to be familiar with the functioning and risks of PoS blockchain protocols and the Staking Services. Reference is also made to the brochure **Special Risks of Digital Assets**.

6. Staking Entries and Exits

- 6.1. As part of the Staking Services, the Client may instruct BTCS EU, depending on the PoS blockchain protocol, to delegate or deposit Crypto Assets to (**Entry**) or to undelegate or withdraw the Staked Crypto Assets from (**Exit**) the PoS blockchain protocol including to or from smart contracts deployed for the purpose.

- 6.2. Orders placed outside of the BTCS Online Tools are deemed accepted only after written confirmation or in another form verifiable by text.
- 6.3. BTCS EU shall execute Orders for Staking Entries and Exits within a reasonable time. The Client acknowledges and agrees that Staking Entries and Exits are only possible during BTCS EU Opening Hours. Staking Entries and Exits are subject to the, at any time applicable, additional rules and procedures of the decentralized network and PoS blockchain protocols, especially the Lockup Periods specified in Section 7.
- 6.4. BTCS EU expressly reserves the right to set and adjust, at any time, the minimum balance of Crypto Assets that must be staked at all times for the provision of Staking Services (**Minimum Balance**), the initial minimum Staking Order size (**Initial Minimum Order Size**) and 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 Annexes. BTCS EU will inform the Client about material amendments in accordance with the GTC EU.

7. Lockup Periods

- 7.1. The Client is aware that decentralized PoS blockchain protocols may be subject to "lockup periods" which may govern the minimum or maximum duration of Staking operations including waiting periods until completion of an Exit (**Lockup Periods**).
- 7.2. **The Client acknowledges and agrees that, during a Lockup Period, a transfer of the Staked Crypto Assets or a termination of the Staking Services is not possible. Hence, the Client's instruction to BTCS EU to perform an Exit does not result in the immediate availability of the Staked Crypto Assets.** The Lockup Periods, if any, are specified in the respective Annexes.

8. Penalties, Slashing

- 8.1. In contrast to the Rewards mechanism specified in Section 9, the Client acknowledges and agrees that some PoS blockchain protocols may also include negative incentive mechanisms, 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 (**Penalties or Slashing**).
- 8.2. Clients with Staked Crypto Assets that are subject to **Penalties** may not be able to participate in the consensus mechanism for some time, as specified in the decentralized PoS blockchain protocol, or may

lose Rewards, whether accrued or not. Staked Crypto Assets that are subject to **Slashing** are typically “burned” by the PoS blockchain protocol and thus become inaccessible to network participants including the Client. 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.

- 8.3. The Client acknowledges and agrees that BTCS EU has no influence over the Lockup Periods, Penalty or Slashing mechanisms defined by a decentralized PoS blockchain protocol and, if it has exercised reasonable care in the performance of the Staking Services, therefore excludes all liabilities thereof as permitted by applicable law.

9. Staking Rewards

- 9.1. “Staking Rewards” may consist of Crypto Assets (i) newly generated and 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, (ii) provided by PoS blockchain protocol users in the form of transaction fees, and/or (iii) generated by network participants and other third parties in the form of “Maximum Extractable Value” (MEV) or similar practice (together **Rewards**). The Client is advised to learn about MEV and similar practices, including by consulting the brochure **Special Risks of Digital Assets**.
- 9.2. The amount and payout frequency of the Rewards may, inter alia, 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 relevant PoS blockchain protocol. **As the distribution of Rewards may depend on factors defined by the decentralized PoS blockchain protocol, over which BTCS EU has no control, the Client acknowledges and agrees that the forwarding of Rewards cannot be guaranteed and therefore is not owed by BTCS EU to the Client.**
- 9.3. The Rewards may be distributed by the decentralized PoS blockchain protocol to the Validators automatically, subject to claiming the Rewards by BTCS EU. The Rewards may also be subject to a separate Lockup Period specified by the relevant PoS blockchain protocol.
- 9.4. **The Client is not entitled to the Rewards and/or their distribution until forwarded and credited to the Client’s account at BTCS EU.** Following the claiming, collection and/or receipt of the Rewards by BTCS EU, BTCS EU will forward and credit the

distributed Rewards to the Client’s account within a reasonable time, taking into account operational care and efficiency.

- 9.5. The performance of individual Validators may vary in the short to medium term. Therefore, BTCS EU may “smooth out” Rewards for all clients of a specific PoS blockchain protocol. This approach is intended to allow for more stable and predictable compensation for Staking clients (“**reward smoothing**”). With this approach, BTCS EU credits the total rewards across all clients proportionally based on the staking account balance.
- 9.6. Unless otherwise stated in the respective Annexes, the Client acknowledges and agrees that the Rewards earned by BTCS EU may not be automatically staked, also referred to as “compounding”. If the Client wishes to stake such Rewards, a separate expressly stated Staking Entry Order must be placed with BTCS EU in accordance with Section 6.

10. Remuneration

- 10.1. BTCS EU shall receive proportional remuneration for its Staking Services in the form of a percentage of the Rewards that the Client earns for Staking in the PoS blockchain protocol-specific form (including VAT, if applicable), in accordance with the Fee Schedule or as further specified in the respective Annexes, unless otherwise agreed between the Parties in writing or in another form verifiable by text (**Remuneration**).
- 10.2. Where applicable, the Client acknowledges and agrees that BTCS EU shall have an enforceable 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 in BTCS EU sole discretion to invoice the Remuneration either in fiat currencies or Crypto Assets.
- 10.3. **The Client hereby authorizes BTCS EU 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 EU. The Client shall receive a debit confirmation.**

11. Custody of Staked Crypto Assets

- 11.1. To the extent applicable, Custody Services regarding Staked Crypto Assets are exclusively governed by the **Custody Agreement** and the GTC EU, which, together with the **Summary Custody Policy** (available on the Website), outlining the terms and conditions for the custody and administration of such assets.
- 11.2. The Client acknowledges and agrees that the custody of Staked Crypto Assets may, depending on the relevant PoS blockchain protocol, be subject to

Lockup Periods, Penalties, and Slashing, as set forth in Sections 7 and 8.

12. Crypto Asset Events

- 12.1. BTCS EU shall not be obliged to monitor and shall not have a duty to inform the Client about Crypto Asset Events or any other relevant blockchain event or action with regard to Staked Crypto Assets.
- 12.2. **By using the Staking Services, the Client acknowledges and agrees that BTCS EU or the Client itself may not be able to take any actions in the context of Crypto Asset Events with regard to Staked Crypto Assets.**
- 12.3. The Client shall refer to the **Custody Agreement** and the GTC EU for further information about Crypto Asset Events.

13. Maintenance

- 13.1. Should BTCS EU become aware of any threat to the security of the Staking operations, 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 EU shall not be held liable for any loss or damage suffered because of such suspension or refusal if it has exercised reasonable care.
- 13.2. BTCS EU further reserves the right to modify, suspend, or discontinue the Staking operations or the Staking Services and/or change the technical means of how the Staked Crypto Assets are stored due to necessary legal or regulatory reasons or other legitimate interest of BTCS. The Client will be notified in advance of any discontinuation or material change in accordance with the GTC EU.

14. Risk Disclosure

- 14.1. **The Client acknowledges and agrees that engaging in Staking and using the Staking Services may involve risks. The Client confirms that the Client's identity and its holdings in terms of Staked Crypto Assets may be disclosed to the PoS blockchain protocol, the underlying decentralized network, and its users, as a result of engaging in Staking and using the Staking Services.**
- 14.2. The Client confirms to have read and understood the brochure Special Risks of Digital Assets, including the sections on Staking, which is available on [LINK] (**Website**). 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 EU, or any other mechanism.

- 14.3. 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 EU 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 PoS blockchain 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 Penalties and Slashing in part or whole by the decentralized PoS blockchain protocol.
- 14.4. **Furthermore, Staking Services may be unregulated in some jurisdictions and/or their legal and regulatory qualifications may be uncertain, including under the Markets in Crypto-Assets Regulation (EU 2023/1114, MiCAR).** Staking Services may be subject to regulatory actions, changing legislation or changing practice with respect to existing legislation in the future.
- 14.5. **The Client acknowledges and agrees that the risks mentioned in Section 14 and in the brochure referred to in Section 14.1 are not exhaustive, and, to the extent they are outside of BTCS EU's control, BTCS EU excludes all liability as permitted by applicable law.**

15. Liability

- 15.1. BTCS EU's liability for the custody of Staked Crypto Assets shall be governed by the Custody Agreement and the GTC EU. In all other respects, including the performance of the Staking Services, BTCS EU's liability shall be governed by the Annex, where applicable, these Staking Terms and the GTC EU.
- 15.2. **To the extent permitted by applicable law, BTCS EU shall be liable for damages incurred by the Client in cases of intent or gross negligence by BTCS EU, its legal representatives, members of the board, employees or other auxiliary persons acting on its behalf. Liability for slight negligence is excluded in any case. Liability for moderate negligence is excluded to the extent permitted by applicable law.** The limitation of liability for moderate negligence does not apply in consumer cases.
- 15.3. Furthermore, BTCS EU shall **not be liable for indirect or consequential damages**, except where such exclusions are not permitted under applicable law. This limitation of liability does not apply in consumer cases.

15.4. **BTCS EU shall not be liable for any damages if they occur** due to circumstances beyond the control of BTCS EU, including force majeure (as defined in the GTC EU), and which cause the Services to be unavailable to the Client. **In any case, BTCS EU shall not be liable or responsible for the success or outcome of the Staking and the receipt and accrual of Rewards.**

15.5. The Client shall indemnify, hold harmless, and defend BTCS EU against third-party claims in connection with the Client's breach of its contractual obligations towards BTCS EU or applicable laws and regulations as well as the Client's Staking and use of the Staking Services.

16. Delegation to Third Parties

16.1. **BTCS EU shall have the right to delegate the provision of all or certain functions of the Staking Services to third parties, including Affiliates of BTCS EU (as defined in the GTC EU), and to involve such third parties in connection with the performance, including maintenance, of the Staking setup and Staking operations.**

16.2. BTCS EU shall only be liable for the damage caused by an intentional or grossly negligent breach of BTCS EU's duty of care in the selection or instruction of such third parties.

17. Potential Conflict of Interest

17.1. The Client acknowledges and agrees that BTCS EU, its Affiliates (as defined in the GTC EU), and their directors and employees, shall be entitled at any time to buy, sell, hold, or stake Crypto Assets or interact in other capacities with the underlying network or PoS blockchain protocol for their own account.

18. Compliance

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

18.2. Unless required by law, the Client acknowledges and agrees that BTCS EU shall have no responsibility for the accurate and timely tax reporting, filing of any tax-related information and disclosures or declarations to tax or revenue authorities.

19. Amendments

19.1. BTCS EU expressly reserves the right to amend the Staking Terms and the Annexes at any time. Any amendment will be made in accordance with the GTC EU and published through the Communication Channels. The latest version of the Staking Terms is available on the Website.

20. Severability Clause

20.1. 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.

21. Confidentiality

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

21.2. The Client acknowledges and agrees that in connection with the fulfilment of legal and regulatory obligations, and to the extent required, **BTCS EU may disclose information about the Client, its Staking, and its use of the Staking Services, to a court, regulatory or tax authorities, internal or external auditors, and third parties, including Affiliates, in accordance with Section 16.**

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

22. Duration, Termination

22.1. 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 EU Opening Hours as set out in the GTC EU, and within a reasonable time, taking into account operational care and efficiency, as well as subject to deviating provisions in the respective Annexes. No termination reason must be specified.

22.2. BTCS EU expressly reserves the right to immediately terminate the Staking Services if the Client is subject to legal or regulatory proceeding(s) and/or if the regulatory environment is subject to changes that may, in BTCS EU reasonable discretion, cause BTCS EU to violate applicable laws and regulations in the continued performance of the Staking Services.

23. Applicable Law, Place of Jurisdiction

23.1. The Staking Agreement between the Client and BTCS EU shall be governed by and construed in accordance with the substantive laws of the Principality of Liechtenstein, to the exclusion of the principles of conflicts of laws thereof.

23.2. Unless otherwise stipulated by mandatory statutory provisions, all disputes or controversies arising out of or in connection with the Staking Agreement,

including, without limitation, matters of validity, conclusion, binding effect, interpretation, construction, performance or non-performance and remedies, shall be resolved by the courts of Vaduz.

23.3. BTCS EU reserves the right to take legal action at the competent court or the competent authority of the Client's domicile.