Subscriber Conditions for staking

PostFinance

1. Scope

1.1. These Subscriber Conditions for staking ("Subscriber Conditions") govern the services that PostFinance Ltd ("PostFinance") provides for its customers in relation to staking cryptoassets. They apply in addition to the Subscriber Conditions for crypto, the General Terms and Conditions of PostFinance Ltd (GTCs) and the Subscriber Conditions for digital services.

1.2. Staking involves locking up cryptoassets to ensure the security and governance of a proof of stake (PoS) blockchain through validator nodes. PostFinance customers can arrange for certain cryptoassets to be staked for a specific period of time in accordance with the relevant network's regulations by fulfilling a performance guarantee (see Section 5.1 below) whereby staking rewards can be generated.

1.3. Staking cryptoassets is associated with certain risks. Please read the explanation of the risks involved in staking on our website carefully.

2. Services

2.1. PostFinance offers customers services for staking and unstaking cryptoassets for the account and at the sole risk of customers, who in this case act as the collateral provider in the staking process by providing a performance guarantee. These services encompass the following (directly or indirectly):
- the provision and operation of the required hardware and software to enable PostFinance to participate in a PoS blockchain's consensus process as validator;
- staking and unstaking as well as the payment of staking rewards to customers as compensation for the collateral provided by customers;

2.2. These services are linked to the purchase and sale and/or custody of cryptoassets (see Subscriber Conditions for crypto).

3. Staking and unstaking, lock-up periods

3.1. Customers as collateral providers instruct PostFinance to stake and unstake cryptoassets ("orders") with third-party providers in the name of PostFinance but for the account and at the sole risk of the customer (see Section 4).

3.2. Customers are entitled to issue PostFinance with orders concerning the cryptoassets to be staked (in accordance with the offer) and the amount. Information on the cryptoassets for which PostFinance offers staking services is published on PostFinance's website. PostFinance reserves the right to change or discontinue this range of services at any time without prior notice. PostFinance may determine the third-party provider (see Section 4), the term and other conditions of staking at its own discretion.

3.3. Orders are issued via secure electronic channels (e-finance, PostFinance App). If an order has been issued in a valid manner, a cancellation may be requested only if the order has not yet been executed. PostFinance will decide on the cancellation request at its own discretion.

3.4. Staking orders are executed if (i) the customer's portfolio of cryptoassets to be staked contains a corresponding amount at least equal to the value of the staking order and (ii) there are no technical circumstances preventing execution.

3.5. Unstaking orders are executed as soon as (i) the blockchain-specific lock-up period or the contractually agreed minimum staking duration has lapsed and (ii) there are no technical circumstances preventing execution. The contractually agreed minimum staking duration is specified in PostFinance's offer conditions. PostFinance may change these offer conditions at any time in accordance with Section 3.2.

3.6. The customer acknowledges that PostFinance is not obligated to execute orders (particularly unstaking orders) within a specific time period. PostFinance reserves the right to reject orders (including requests to change or cancel orders) without indicating reasons or to make orders subject to additional conditions. If instructions are unclear or contradictory, PostFinance may decide not to execute the order.

3.7. Unless customers have selected the "Automatic renewal" option, the cryptoassets will not be automatically staked again ("restaking") and the customer must issue a new, separate order if they wish to restake the cryptoassets.

3.8. **Customers acknowledge and accept that staking may involve longer lock-up and waiting periods, during which it is not possible to access the cryptocurrencies concerned, meaning these cryptocurrencies can neither be transferred nor sold.** This concerns both the contractually agreed and/or the blockchain-specific minimum staking duration. Additionally, most cryptocurrencies must be staked for some time before they generate staking rewards. The process of unstaking may also involve a lock-up or waiting period, which results in a delay to the return of staked cryptocurrencies from the point at which any unstaking order is issued. With the exception of contractually agreed minimum staking durations, PostFinance has no influence on the existence, extent, duration or expiry of lock-up and waiting periods. **PostFinance is not liable for any potential price fluctuations or total value losses during these lock-up, waiting or minimum staking periods.**

4. Involvement of third-party providers

4.1. PostFinance does not operate its own staking infrastructure, but rather enlists prudently supervised institutions with a good credit standing or subsidiaries of a consolidated and prudently supervised financial group with a good credit standing (third-party provider). PostFinance selects third-party providers at its own discretion and subjects them to a due diligence review in accordance with the regulatory requirements of the Swiss Financial Market Supervisory Authority FINMA. By issuing an order, customers authorize PostFinance to involve such third-party providers.

4.2. PostFinance or the third-party provider is authorized to take any steps deemed appropriate or necessary to ensure the cryptoassets can participate in the PoS blockchain's validation mechanism, in particular: (i) involve third parties in Switzerland and abroad, (ii) lock the cryptoassets and (iii) incorporate the cryptoassets into a pool or smart contract.

4.3. **If a third-party provider does not fulfil its obligations or does so only in part, PostFinance shall assign its claims against the third-party provider to the customer and leave the assertion of such claims to the customer at their own expense. PostFinance shall not be subject to any further obligations. The customer shall bear the risks associated with this, in particular the risk that the third party may be insolvent (del credere risk).**

4.4. Due to PostFinance's cooperation with third-party providers, staked cryptoassets are fiduciary claims within the meaning of Art. 16 (2) of the Banking Act. Customers acknowledge and accept that, if a third-party provider defaults, the power of disposal over the cryptoassets may be temporarily suspended.

5. Staking rewards

5.1. Staking rewards are compensation payments for the collateral provided by customers (locking up cryptoassets with the provision of a performance guarantee) as part of the staking process.

5.2. **The customer acknowledges and accepts that the generation and payment of staking rewards is not guaranteed, and PostFinance customers have no entitlement to staking rewards that are not received by PostFinance.** PostFinance distributes the staking rewards it receives to its customers in proportion to the assets they stake. No conclusions on future staking rewards can be drawn from the payment of staking rewards. The value of the staking reward is dependent on factors that are outside PostFinance's area of influence and is conditional on the amount of cryptoassets staked by a validator node, the specific time of the staking as well as other factors. **PostFinance guarantees neither a specific percentage rate nor a return during a given time period. All information in brochures, on the PostFinance website, in e-finance or comparable channels on expected staking rewards refers to specific network conditions and historic data that may change over the course of time and serve only as non-binding guidelines.**

6. Governance and voting mechanisms

6.1. Certain staking protocols may stipulate governance and voting mechanisms whereby operators of staking nodes can vote on proposed changes to the protocol. The customer authorizes PostFinance to exercise all governance decisions and voting rights at its own discretion and expressly and irrevocably waives their rights in respect of this.

7. Collective custody

7.1. Staking involves a transfer to a so-called staked wallet, which stores cryptoassets staked for customers collectively with cryptoassets of the same kind belonging to other customers ("collective custody").

8. Handling of hard forks and similar events

8.1. PostFinance is not obligated to monitor hard forks or similar events or to inform customers of such events.

8.2. The customer acknowledges and accepts that, with regard to staked cryptoassets, no actions can be taken in response to hard forks or similar events.

8.3. Further information on the handling of hard forks and similar events can be found in the Subscriber Conditions for crypto.

9. Fees and billing

9.1. Customers are obliged to pay PostFinance fees for the provision of services as validator pursuant to Section 2 in accordance with the current prices and conditions that have been published on PostFinance's website or agreed separately in writing. No fees are incurred if no staking rewards are generated.

9.2. The fee is calculated as a percentage of the staking rewards. In doing so, PostFinance may deduct the fee from the staking rewards at its own discretion or charge the fee to the customer in fiat currency (such as CHF) or offset it against any claims the customer may have.

9.3. PostFinance reserves the right to change the prices and conditions at any time. Customers will be notified about such changes in a way deemed appropriate by PostFinance.

9.4. PostFinance may sell the customer's staked cryptoassets to settle negative account balances in another account held by the customer. This could possibly lead to the immediate liquidation without notice of positions on the customer's account as well as to charges and/or currency/exchange rate losses.

10. Risk and risk retention

10.1. **Staking cryptoassets is associated with certain risks. By using the services, customers acknowledge the risk disclosure published on PostFinance's website ("Explanation of the risks involved in staking") and accept the risks set out therein.** PostFinance may update the explanation of the risks involved in staking from time to time. The current version of the explanation of the risks involved in staking at any given time is an integral part of this contract.

10.2. **Customers bear all risks associated with staking, including the risk that the staked cryptoassets may not be selected for block production either on a temporary or permanent basis, that a reward cycle may be omitted for operational or technical reasons, meaning no rewards are paid out, or that the staked cryptoassets may be impacted by slashing.**

10.3. **Customers bear all financial and legal consequences arising from i) measures taken by an authority or regulatory or self-regulatory authority, or ii) the exercising of consensus or similar mechanisms relating to the staking of cryptoassets, including any prohibition or restriction on staking, suspension or the exclusion of the convertibility or changes to functionality, the consequences of which may impact the customers' assets.**

10.4. PostFinance acts in its own name vis-à-vis third-party providers (see Section 3.1). It must only remit to the customer what it has received from third-party providers on the basis of the fiduciary deposit, or it must assign to the customer any claims against the third-party provider, unless these claims have already otherwise been transferred to the customer). **In particular, the customer shall bear the currency and transfer risk as well as the risk of default with respect to the third-party provider (see Section 4.3).** PostFinance shall not bear any risks of this kind arising from the investment, administration or disposal of the trust assets.

11. No offer or advice

11.1. The customer is aware that PostFinance is not or is only partially familiar with their personal situation and in particular their situation in terms of assets. The fact that PostFinance offers or performs services for the customer in accordance with Section 2 does not mean that it recommends these services based on their personal situation or deems them suitable or appropriate for the customer. PostFinance does not assess the appropriateness and/or suitability of orders initiated by customers. PostFinance does not provide investment, legal or tax advice. Customers' investment decisions are based solely on their personal assessment, financial situation, in-

vestment goals and personal interpretation of the available information. The customer bears sole responsibility for these decisions.

11.2. The customer must consider their personal (in particular financial and tax) situation, risk tolerance, investment goals and other relevant factors to determine whether staking cryptoassets is suitable for them. The customer should stake cryptoassets only if they can bear their loss without affecting their standard of living. Customers should stop the use of this service as soon as their personal situation no longer permits its use. The customer acknowledges and understands that the transactions do not guarantee any regular and/or secure income.

11.3. The approach to taxing staking and staking rewards is associated with uncertainties. The customer alone is responsible for assessing the tax consequences of staking their digital assets and for complying with the applicable tax laws and practices.

12. Procurement of services from abroad

12.1. The procurement of services from abroad may be subject to local legal restrictions or may violate rules of foreign law. It is the customer's responsibility to keep themselves informed and to ensure that they do not violate foreign law by using this product. PostFinance disclaims any liability in this regard.

13. No guarantees or assurances

13.1. **PostFinance is not obligated to ensure and provides no guarantee or assurances that: (i) cryptoassets that appear as "staked" (or similar wording) in the system are effectively taking part in the validation mechanism; (ii) PostFinance will be able to unstake the cryptoassets and/or staked cryptoassets will not be lost or negatively impacted; and (iii) all actions carried out by third-party providers, their delegates or subcustodians will be appropriate.**

14. Limitation of liability and compensation

14.1. **PostFinance excludes any liability for losses or damages that are not the result of a breach of PostFinance's due diligence. In the event of a breach of due diligence, PostFinance's liability shall be limited to direct damages or losses caused intentionally or as a result of gross negligence. Insofar as is permitted under the mandatory provisions of Swiss law, PostFinance's liability for direct/indirect damages or losses (including loss of profit for customers or third parties and other consequential damage) and for third-party providers and auxiliaries is excluded.** In particular, PostFinance accepts no liability for any losses or damages resulting from (i) a loss of cryptoassets, especially following slashing events, (ii) lock-up and waiting periods, (iii) faults to or the malfunction of the systems, hardware and software of third parties, (iv) the non-execution or the partial or delayed execution of orders, (v) transmission errors, technical faults and unlawful interference with customers' IT systems/computers, (vi) hacking, theft, fraud, cyber attacks, loss of private keys and other loss events, (vii) events or the materialization of risks outside of PostFinance's area of influence, (viii) causes or exacerbations of the damage or loss in the absence of mitigating measures implemented by the customer; (ix) the procurement of services from abroad, (x) the suspension of services in accordance with the provisions of this contract and/or in cases of force majeure.

14.2. **The customer undertakes to indemnify PostFinance and hold it harmless in relation to liability claims, damages, losses, costs and expenses (including proportionate legal costs) that PostFinance incurs or suffers as a result of a measure undertaken by the customer to execute an order that PostFinance has received from the customer as part of this contract,** specifically as a result of: (i) a violation by the customer of representations and/or warranties (in particular those set out in this contract, the signature documents and/or the offer documents); or (ii) negligence, fraud or wilful misconduct by the customer.

15. Amendments and changes to the terms

15.1. PostFinance may amend the scope of the service and/or the conditions of use for the service or access to it or impose restrictions or conditions at any time.

15.2. PostFinance may amend the conditions of this contract at any time in accordance with the General Terms and Conditions. Amendments

will be communicated to the customer in appropriate form. If the customer does not agree with the amendments, the customer may terminate the services in accordance with Section 16.

16. Termination of the services

16.1. The customer and PostFinance may terminate this contract at any time. Neither the death, the onset of incapacity to act or the bankruptcy of the customer shall effect the revocation of this contract.

16.2. If PostFinance suspends the services or terminates this contract in accordance with the General Terms and Conditions, the customer's cryptoassets will be "unstaked".

16.3. Termination of this contract by the customer in accordance with these SC has no influence on the contractually agreed minimum staking durations of ongoing staking orders. In this case, the customer's cryptoassets will be returned upon expiry of the minimum duration and/or lock-up and waiting periods and will not be "restaked".

16.4. Trade and safekeeping services may be terminated in accordance with the Subscriber Conditions on crypto.

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