

Codego staking and cryptocurrency services - Terms of use

Effective date: 01 January 2025

Updated date: 04 March 2025

By using the staking and cryptocurrency services provided through the Codego Bulgaria Ltd application (the "App"), you ("User" or "Client") agree to the following Terms of Use (this "Agreement"). These Terms govern your access and use of the staking and cryptocurrency services. Please read these Terms carefully before proceeding. By accessing the App, creating an account, or engaging in staking and cryptocurrency services, you agree to these Terms of Use. If you do not agree, you must refrain from using the services.

1. DEFINITIONS

- **"Codego Bulgaria Ltd"** refers to the company operating the staking and cryptocurrency services licensed for crypto activities in Bulgaria with company ID 207194652.
- **"Staking"** means locking cryptocurrency to participate in blockchain operations, including validating or producing blocks.
- **"Staking Rewards"** means cryptocurrency earned from staking activities, such as block rewards or transaction fees.
- **"Unbonding Period"** means the blockchain-imposed waiting period during which staked funds cannot be withdrawn.
- **"Client Funds"** refers to the cryptocurrency deposited by the Client for staking purposes.
- **"Slashing Penalty"** refers to penalties imposed by a blockchain for improper or negligent staking activities.
- **"Cryptocurrency"** refers to a digital asset using blockchain technology for secure, decentralized transactions, not controlled by any central authority.
- **"MiCA"** refers to the Markets in Crypto-Assets Regulation, a comprehensive EU framework for crypto assets effective from 1 January 2025.
- **"DAC8"** refers to the EU Directive on the Automatic Exchange of Information on Crypto-assets, mandating reporting of certain transactions to tax authorities, effective from 1 January 2025.

2. INDEPENDENT ENTITIES

Codego Bulgaria Ltd operates independently and holds a crypto license in Bulgaria (ID 207194652).

Codego SRL is a separate and unrelated entity with no involvement in the staking services provided by Codego Bulgaria Ltd. Codego SRL is not liable for any services, products, or losses associated with Codego Bulgaria Ltd or third-party providers of staking services.

Although the cryptocurrency staking and masternode services provided by Codego Bulgaria Ltd are accessible through the application distributed by Codego SRL, Codego SRL has no operational, technical, or legal responsibility for these services. Codego SRL

is licensed exclusively for electronic money services and IBAN-based payment solutions and does not provide or manage cryptocurrency-related services. By accepting this contract electronically through the App and receiving updates on the terms via email, the Client expressly agrees to waive any legal action or claims against Codego SRL regarding the staking services. The Client acknowledges that Codego SRL solely acts as an application distributor and is not accountable for any staking-related activities, risks, or losses.

3. SERVICES PROVIDED

3.1 Staking Services

Codego Bulgaria Ltd provides staking services by operating and maintaining blockchain validation nodes. By staking cryptocurrency through the App, you agree to participate in these services.

3.2 No Ownership of Blockchain Nodes

Users acknowledge that they do not own or control the nodes operated by Codego Bulgaria Ltd but will receive a share of the rewards generated.

3.3 Revenue Share

Users will receive staking rewards proportional to the amount of cryptocurrency staked. Staking rewards will be distributed in the same cryptocurrency used for staking, less any applicable network fees or penalties.

3.4 Service Variability and Adjustments

Codego Bulgaria Ltd reserves the right to adjust staking services, including reward percentages, service terms, and durations, in response to changes by liquidity providers or regulatory requirements. Such changes may include temporary or permanent service suspensions.

3.5 Guarantee of Initial Capital

While Codego Bulgaria Ltd takes measures to ensure the return of the User's initial capital, such guarantee is subject to market conditions, regulatory constraints, and external factors. In the event of force majeure, regulatory prohibitions, liquidity constraints, or any unforeseen circumstances beyond Codego Bulgaria Ltd's control, the company cannot guarantee absolute certainty of reimbursement within the expected timeframe and shall not be held liable for any delays or losses.

4. USER RESPONSIBILITIES

4.1 Client Funds

The User retains ownership of the staked cryptocurrency but understands that staked funds may be locked during the Unbonding Period imposed by the relevant blockchain protocol.

4.2 Compliance with Laws

The User is responsible for complying with applicable tax laws related to staking rewards. Codego Bulgaria Ltd is not responsible for reporting or withholding taxes on behalf of the User.

In addition, the User agrees to indemnify Codego Bulgaria Ltd against any tax liability, fines, or penalties arising from their failure to comply with tax regulations.

4.3 Withdrawal Restrictions

Staked funds cannot be withdrawn until the Unbonding Period ends. Users acknowledge the risk of slashing penalties and agree that penalties may reduce staking rewards.

4.4 DAC8 Compliance

In compliance with the DAC8 Directive, Codego Bulgaria Ltd is required to report certain crypto transactions, including staking rewards, to tax authorities for the purpose of tax reporting and compliance. Users are responsible for fulfilling their own tax obligations. Codego Bulgaria Ltd will share relevant data with tax authorities as required by law.

5. GUARANTEE OF INITIAL CAPITAL AND REPAYMENT TERMS

5.1 Repayment of Initial Capital

The initial capital invested by the user in the staking service is guaranteed, subject to the conditions outlined in Section 3.5. However, in the event of a refund request, Codego Bulgaria Ltd may process the repayment either in a single lump sum or through monthly installments until the full amount is reached, with a maximum repayment period of 60 months. Codego Bulgaria Ltd reserves the right to adjust the repayment schedule in case of liquidity constraints, force majeure, or regulatory changes impacting fund availability.

5.2 Early Termination of the Service

If Codego Bulgaria Ltd decides to terminate the staking service before the natural expiration of the user's plan:

- Any staking profits previously distributed to the user will be considered as part of the already reimbursed initial capital.
- The remaining amount needed to reach the full refund of the initial capital will be calculated by deducting the profits already paid.
- The repayment of the remaining capital will be carried out according to the methods specified in point 1 of this article.

5.3 Completion of the Staking Period

At the end of the staking plan, the initial capital will be released along with the accumulated profits already paid during the staking period.

5.4 Lock-in Period for Staking

1. The staking lock-in period cannot be interrupted by the user in any way before its natural expiration. Staking is a medium-to-long-term investment based on blockchain technical factors; therefore, the user agrees that the funds will remain locked until the staking period is completed.

6. ADJUSTMENT OF PROFIT PERCENTAGES

6.1 Adjustment of Profit Percentages

Codego Bulgaria Ltd reserves the right to modify or adjust staking profit percentages at any time due to market conditions, operational needs, or regulatory requirements.

6.2 Minimum Guaranteed Profit

If the user completes the staking plan as scheduled, Codego Bulgaria Ltd guarantees that profit adjustments will not reduce the final earnings to less than 50% of the initially agreed profit under the selected staking plan. However, in case of significant market disruptions, regulatory interventions, or liquidity provider constraints, Codego Bulgaria Ltd reserves the right to review and modify such guarantees, with due notice to the user.

7. DIGITAL CONTRACT ACCEPTANCE

7.1 Digital Signature and Legal Validity

Upon acceptance of these terms, the contract will be digitally signed by the user via their mobile device using biometric authentication. This digital signature holds full legal validity and complies with all applicable regulations concerning digital contracts.

7.2 Contract Confirmation and Copy

After acceptance, a copy of the signed contract will be automatically sent to the user's registered email address, ensuring transparency and availability of the document for future reference.

8. DISCLAIMERS AND LIMITATION OF LIABILITY

8.1 No Warranty of Service Availability

While Codego Bulgaria Ltd strives to maintain 24/7 availability, it does not guarantee uninterrupted services. Downtime, technical issues, or blockchain network delays may occur.

8.2 No Liability for Blockchain Penalties

Codego Bulgaria Ltd is not responsible for slashing penalties or losses due to blockchain-imposed conditions or User actions.

8.3 Limited Liability

Codego Bulgaria Ltd's liability is strictly limited to the return of the User's initial capital in accordance with the conditions outlined in Sections 3.5 and 5. Codego Bulgaria Ltd shall not be held liable for indirect, incidental, or consequential damages, including lost profits, business disruptions, fluctuations in cryptocurrency values, or regulatory constraints preventing the return of funds. Additionally, Codego Bulgaria Ltd is not responsible for losses arising from third-party blockchain network issues, cyberattacks, or unforeseen technical failures.

9. SEPARATION OF RESPONSIBILITIES

- Codego Bulgaria Ltd will operate and maintain the technical infrastructure required for staking.
- Codego SRL has no connection or responsibility for any staking or cryptocurrency operations.

- Users acknowledge that any legal issues related to staking or cryptocurrency services are solely the responsibility of Codego Bulgaria Ltd.

10. CONFIDENTIALITY AND DATA PROTECTION

10.1 Confidential Information

Users agree to keep any non-public information related to staking services confidential and not disclose it to third parties without prior written consent from Codego Bulgaria Ltd.

10.2 Data Protection

Codego Bulgaria Ltd will handle personal data in accordance with applicable data protection laws, including GDPR and the relevant regulations under MiCA and DAC8 for the protection of User information.

11. TERMINATION AND SUSPENSION OF SERVICES

11.1 Termination

Only Codego Bulgaria Ltd has the right to terminate the contract unilaterally before the end of the User's selected plan. In cases where regulatory restrictions, loss of operational license, or force majeure events prevent the continuation of the staking service, Codego Bulgaria Ltd reserves the right to terminate services immediately, without liability for any losses incurred by users.

11.2 Effect of Termination

In the event of unilateral termination by Codego Bulgaria Ltd, any remaining staked funds will be subject to the blockchain's Unbonding Period. Users may receive their cryptocurrency only after the Unbonding Period ends.

12. GOVERNING LAW AND DISPUTE RESOLUTION

- This Agreement is governed by the laws of Bulgaria.
- Any disputes arising from or related to this Agreement will be resolved exclusively in the courts of Bulgaria.

13. MODIFICATIONS TO TERMS

Codego Bulgaria Ltd reserves the right to update these Terms of Use at any time without prior notice. Continued use of the App after changes to the Terms constitutes acceptance of the new Terms.

14. CRYPTO DEPOSITS AND CHARGES

14.1 Starting Date and Period

The services outlined in these Terms will restart on 1 January 2025 for a period of one year.

14.2 Deposit and Service Charges

- For All Users:** A fee of €5 will be charged for each cryptocurrency deposit.

•**For Business Accounts:** The monthly fee for using cryptocurrency services will increase from €5 to €99.

14.3 Staking Funds and Regulatory Compliance

- Deposited funds for staking are guaranteed by Codego Bulgaria Ltd.
- Staking services may be adjusted due to regulatory changes or liquidity provider requirements. While the staking profits are subject to variability, the initial deposit is guaranteed.
- Staking contracts may restart with new start dates to comply with regulatory changes.

14.4 Conversion of Non-Compliant Assets

To comply with MiCA, USDT will be converted into USDC (a MiCA-compliant stablecoin) as soon as possible.

14.5 Closure of Staking Services

Codego Bulgaria Ltd reserves the right to close the staking service without prior notice. Initial deposits will be re-credited to the User's wallet, but staking profits already paid may be reversed if the supplier agreement is compromised.

15. ADDITIONAL LEGAL PROTECTIONS

15.1 Force Majeure

Codego Bulgaria Ltd is not liable for any failure or delay in the performance of its obligations due to events beyond its reasonable control, including but not limited to acts of God, natural disasters, regulatory changes, cyberattacks, or interruptions in blockchain operations.

15.2 Indemnification

Users agree to indemnify and hold harmless Codego Bulgaria Ltd, its officers, directors, employees, and agents from and against any claims, damages, liabilities, or expenses arising out of their use of the staking services, breach of these Terms, or failure to comply with applicable laws and regulations. Codego Bulgaria Ltd is not responsible for losses due to third-party service provider failures, blockchain protocol changes, or regulatory interventions beyond its control.

15.3 Exclusion of Third-Party Liability

Codego Bulgaria Ltd is not responsible for the actions, errors, or omissions of third-party service providers, including liquidity providers or blockchain networks.

16. CONTACT INFORMATION

For questions or concerns regarding these Terms or the services provided, please contact Codego Bulgaria Ltd at:

- **Email:** bulgaria@codegotech.com
- **Company ID:** 207194652