

TERMS OF SERVICE

Ethpool

bitfly staking gmbh, Wiedner Gürtel 9, 1100 Vienna, Austria

Version: February 2023

Preamble

- (A) *bitfly staking*. bitfly staking gmbh is an Austrian limited liability company, registered in the commercial register of the Commercial Court in Vienna under registration number FN 569385 g, with its seat in Vienna and business address Wiedner Gürtel 9, 1100 Vienna, Austria ("**bitfly staking**" or "**we**"). These Terms of Service ("**Terms**") govern your access to and use of the website ethpool.org ("**Website**") which is solely operated by bitfly staking.
- (B) *Ethpool*. bitfly staking operates an Ethereum staking pool ("**Ethpool**"). Via Ethpool Users (as defined hereinafter) may participate in staking on the Ethereum blockchain and gain staking rewards without setting up a validator by themselves. Staking is the process of committing a fixed amount of virtual currency in order to participate in block creation and attestation ("**Staking**"). Validators are responsible for attesting and proposing blocks on the Ethereum blockchain. In accordance with these Terms, bitfly staking operates validators on behalf of Users ("**Validators**").
- (C) *Ethereum*. Ethereum is a decentralized public ledger for verifying and recording transactions based on the proof-of-stake consensus mechanism.
- (D) *User*. Users ("**User(s)**" or "**you**") are natural or legal persons who use the Services of bitfly staking for Staking Ether.

§ 1. Definitions

Batch Smart Contract	means a proxy smart contract to the Deposit Contract that enables submitting multiple Deposit Amounts in a single transaction.
Beacon Chain	means the coordination mechanism of the Ethereum blockchain that is responsible for the creation and validation of new blocks, as well as the distribution of rewards in the form of ETH to validators for their efforts in ensuring the security of the network.
bitfly staking	means bitfly staking gmbh, an Austrian limited liability company, registered in the commercial register of the Commercial Court in Vienna under registration number FN 569385 g, with its seat in Vienna and business address Wiedner Gürtel 9, 1100 Vienna, Austria.
Deposit Contract	means a smart contract on the Ethereum blockchain where Deposit Amounts are collected. The address for the Deposit Contract can be viewed at https://ethereum.org/en/eth2/deposit-contract/ .
Deposit Amount	means exactly 32 Ether which Users must send to the Deposit Contract to activate a Validator.
Ethereum	means the Ethereum decentralized public ledger which is based on a proof-of-stake consensus mechanism.

Ethpool	means the solo staking pool operated by bitfly staking.
Invalid Deposit	means the Deposit Amount was not accepted by either the Deposit Contract or the Ethereum blockchain.
Pool Fee	means the fee of 8-15 % charged by bitfly staking which is retained from Transaction Fee Rewards.
Rewards	means Transaction Fee Rewards and Validator Duty Rewards.
Services	means the services offered by bitfly staking on the Website as described in § 4 of these Terms.
Staking	means the process of committing a fixed amount of virtual currency in order to participate in block creation and attestation.
Terms	means these Terms of Service.
Transaction Fee Rewards	means rewards in the form of transaction fees and MEV rewards on Ethereum.
User	means a natural or legal person who uses the Services of bitfly staking.
Validator	means validators which are operated by bitfly staking on behalf of Users. To activate a Validator, Users must deposit 32 ETH into the Deposit Contract either directly or via the Batch Smart Contract.
Validator Duty Rewards	means rewards in the form of attestation and block rewards on the Beacon Chain.
Validator Keys	means the public and private key for operating a Validator on Ethereum.
Website	means the website ethpool.org.
Withdrawal Credentials	means the credentials created when a deposit is made to the Deposit Contract and used in connection with withdrawing the Deposit Amount. Withdrawal Credentials have the prefix of 0x0 or 0x01. Validators with a prefix of 0x0 must first migrate to 0x01 before the Deposit Amount and Validator Duty Reward can be withdrawn (after a successful integration of the withdrawal function by Ethereum Core Developers).
Withdrawal Keys	means the public and private key for managing the Validator balance.

§ 2. Scope

- (1) *Scope*. These Terms govern your access and use of the Website as well as use of the Services described in § 4.
- (2) *Terms*. By transferring the Deposit Amount to the Deposit Contract with the intention to use our Services as described in § 4, you expressly agree to these Terms and consent to be bound by the provisions herein. At any time, you may review the Terms on the Website prior to transferring the Deposit Amount to the Deposit Contract.

§ 3. Key Generation

- (1) *Keys.* To gain access to Ethpool, Users must first generate Validator Keys and Withdrawal Keys
 - (a) themselves (e.g., by using the official Eth2.0 Deposit-cli); or
 - (b) via the Website (and setting the Withdrawal Credentials to an address in their sole control).
- (2) *Wallet.* Users are solely responsible for safekeeping their Validator Keys and Withdrawal Keys in a physical and / or digital wallet. bitfly staking neither creates wallet addresses nor stores private Withdrawal Keys on behalf of Users. bitfly staking shall not be liable for any loss of Validator Keys or Withdrawal Keys.
- (3) *Key File.* Users may upload to the Website a file which contains the public and private Validator Keys and the public Withdrawal Key. Users must also specify and upload the wallet address to which bitfly staking shall transfer Transaction Fee Rewards.
- (4) *Withdrawal Key.* Users shall take all necessary precautions to ensure that their private Withdrawal Key is kept confidential and secure in their own wallet. Users shall not share their Withdrawal Keys and Validator Keys with third parties.
- (5) *Deposit Amount.* In order to use the Services provided by bitfly staking Users must transfer, directly or via the Batch Smart Contract, the Deposit Amount to the Deposit Contract.
- (6) *Batch Smart Contract.* Users who generate Validator Keys and Withdrawal Keys via the Website in accordance with § 3 (1) (b) may submit multiple Deposit Amounts in a single transaction using the Batch Smart Contract.
- (7) *Loss of Key.* You acknowledge that losing the private Withdrawal Key will result in losing access to the Validator, the Deposit Amount and Validator Duty Rewards.
- (8) *No contact.* You acknowledge that bitfly staking will never under any circumstance contact you and ask you for your private Withdrawal Key.

§ 4. Services

- (1) *Services.* bitfly staking offers the following services via Ethpool ("**Services**"):
 - (a) Provision of validation services by running Validators and performing Validator duties as prescribed by the network such as proposing blocks and processing transactions for Users;
 - (b) Collection and distribution of Transaction Fee Rewards;
 - (c) Provision of tools enabling Users to create Validator and Withdrawal Keys via the Website;
 - (d) Provision of Batch Smart Contract enabling Users to submit multiple Deposit Amounts in a single transaction.
- (2) *Diligence.* bitfly staking shall provide the Services in a diligent manner and in accordance with industry standards.
- (3) *Slashing.* Validators that do not abide by the rules of the network are subject to slashing. If Validators are subject to slashing, a considerable amount of the Validator's stake may be at risk. By using the Services, Users accept the risk of loss of the Deposit Amount and any unrealized returns if a slashing event were to occur. Please see § 6 (2) regarding the use of Validator Keys and § 7 (2) regarding the limitation of liability of bitfly staking.
- (4) *Eligibility.* In order to access Ethpool and use the Services, you represent and warrant that

- (a) you are at least 18 years old or that you have full legal capacity to enter into these Terms;
- (b) you are not prohibited from using Ethpool in your country of residence; and
- (c) you have generated Validator and Withdrawal Keys in your own name and for your own account.

- (5) *Trading for own account.* Users guarantee to act for their own account and in their own name when using the Website and Services. Users may not act as an intermediary or trustee for third parties. Users may not grant access to their Validator or Withdrawal Keys to a third party.
- (6) *Access.* The Website may only be accessed or used in such countries and territories where it is not prohibited by law or regulation. In particular, citizens or residents, or legal entities incorporated or established in the following countries are not permitted to access or use the Platform: (i) the United States of America, (ii) the territories of Crimea and Sevastopol, (iii) Democratic Republic of the Congo, (iv) Iran, (v) Libya, (vi) North Korea, and (vii) Syria.
- (7) *Cancellation.* Users may cancel the Services by requesting bitfly staking to stop attesting and proposing blocks. bitfly staking will then stop providing its Services to the User.
- (8) *Discontinuation.* bitfly staking reserves the right to discontinue providing the Services at any time. The discontinuation of Services will be announced with a 30 days' notice via the Website.

§ 5. Rewards

- (1) *Transaction Fee Rewards.* Validators receive rewards in the form of transaction fees and MEV rewards on Ethereum ("**Transaction Fee Rewards**"). Transaction Fee Rewards are sent to a wallet address of bitfly staking. bitfly staking charges a fee of 8-15 % which is retained from Transaction Fee Rewards ("**Pool Fee**") and then transfers the remaining Transaction Fee Rewards to the wallet address specified by the User.
- (2) *Withdrawals.* Users may not withdraw the Deposit Amount and any Rewards until the functionality to withdraw funds from an exited Validator has been implemented by an Ethereum Improvement Proposal (EIP).
- (3) *Validator Duty Rewards.* Validators receive rewards in the form of attestation and block rewards on Ethereum ("**Validator Duty Rewards**"). Validator Duty Rewards are automatically credited to the public Withdrawal Key, which are controlled by the User as holder of the private Withdrawal Key.

Transaction Fee Rewards and Validator Duty Rewards are referred to as "**Rewards**".
- (4) *Active Validators.* Transaction Fee Rewards will be distributed to active Validators. 'Active' means Validators that are part of the staking pool for more than 12.8 minutes or two completed beacon chain epochs and are performing Validator Duties on the network. An epoch represents 32 slots and takes approximately 6.4 minutes.
- (5) *Distribution.* Transaction Fee Rewards are transferred to the wallet address specified by the User. bitfly staking will not hold or safeguard Transaction Fee Rewards on behalf of Users, but transfer them to the wallet address of Users after a certain threshold of Ether is met.
- (6) *Erroneous Transactions.* If bitfly staking determines, in its sole discretion, that Rewards were obtained erroneously, e.g., by determining that extraordinary transaction fees were offered by mistake, bitfly staking reserves the right to withhold any portion of the Reward that it deems erroneously obtained. bitfly staking may either return any such amounts or, after having determined

that the Reward was not obtained erroneously, distribute the Rewards according to the paragraphs above.

§ 6. Obligations of Users

- (1) *Ownership.* Users warrant and represent that they are the legitimate owners of the Deposit Amount. If bitfly staking becomes aware that Users are not legitimate owners of the Deposit Amount, bitfly staking will immediately stop operating the Validator for the respective User. bitfly staking may request Users to disclose the origin of the Deposit Amount.
 - (2) *Staking.* Users shall not set up another validator using the same Validator Keys used by bitfly staking while the corresponding Validator(s) are actively validating on the Ethereum network.
 - (3) *Website.* Users are prohibited from using the Website for the distribution of immoral and / or illegal information or to infringe rights, in particular trademark, copyright, patent or personality rights and the private sphere, as well as interests of third parties worthy of protection. Users are obliged to comply with copyright, trademark, criminal and youth protection laws when using the Website.
 - (4) *Content.* Users are prohibited from publishing, disseminating or sending content that could fall under the criminal offences of "slander", "libel", "defamation", "damage to credit" or "incitement" when using the Website. bitfly staking reserves all rights (copyright, trademark and other intellectual property rights etc.) to all retrievable content, in particular videos, texts, graphics, photos, logos / brands, designs including layout, software and their content. Users are not permitted to upload or distribute data and content when uploading the Validator and Withdrawal Key file (e.g. viruses, spyware, trojans) or to perform actions that could impair the operation of the Website or damage bitfly staking in any other way. Any use that could lead to a change in the structure of the Website and the software or program data is prohibited.
 - (5) *Data.* As far as bitfly staking is legally obliged, bitfly staking may access all content and data of Users, to transmit these if necessary to courts, authorities or other third parties or to delete them, in particular in correspondence with legal regulations, as well as judicial or official orders, in addition, for the purpose of safeguarding these Terms, the assertion of a law breaking, as well as the protection of the rights of other Users and the public.
 - (6) *Removal.* bitfly staking may immediately remove any data or content that violates these Terms as well as unlawful or undesirable content or data, without notifying Users and, if necessary, to take further measures.
 - (7) *Taxes.* Users are responsible to determine and pay if any taxes, duties or other charges are applicable when using the Services of bitfly staking. bitfly staking will not determine whether any taxes, duties or other charges apply for staking virtual currency, receiving Rewards or operating a Validator.
 - (8) *Court deposits.* In case bitfly staking is required by law to obtain information from the User before being able to distribute funds, the User shall comply with any information request made by bitfly. If Users fail to comply within a 60-day period, bitfly staking may exchange virtual currencies to be released to the User at the current daily exchange rate and deposit the equivalent in Euro to competent courts.
- (2) *Limitation of Liability.* bitfly staking shall be liable under these Terms only for damages caused by bitfly staking's willful misconduct or gross negligence. In particular, bitfly staking shall not be liable for damages caused by slashing in the event of Users' infringement of § 6 (2), nor shall it be liable for slight negligence or damages resulting from circumstances outside its control (e.g., force majeure). This paragraph does not apply in case of personal injury or damages arising from a breach of the main contractual obligation (*Hauptleistungspflicht*).
 - (3) *Indemnification.* Users shall indemnify and hold bitfly staking harmless for claims of third parties that are attributable to the User and have their legal grounds in the use of the Website.
 - (4) *Multiple Deposits.* bitfly staking is not responsible for transferring the Deposit Amount to the Deposit Contract. If Users deposit more than 32 Ether to the Deposit Contract, excess funds cannot be refunded, accessed or actively staked until the withdrawal functionality has been implemented to the Ethereum network.
 - (5) *Website.* bitfly staking does not guarantee that the Website is available to Users uninterrupted, that all data and content are correct, complete, accurate and current or that the Services offered meet the requirements or expectations of Users.
 - (6) *Uptime.* Validators should be online for at least 50 % of the time to have positive returns. bitfly staking guarantees an uptime of 70 % per calendar month. If the Validator has an uptime of less than 70 % in a given calendar month, bitfly staking will not charge the User the Validator Fee. bitfly staking is not responsible for events leading to an exclusion of the Validator which are not under the control of bitfly staking such as slashing or exit of the User.

§ 8. Changes to Terms

- (1) *Terms.* The current version of these Terms is available under ethpool.org/legal/terms.pdf. bitfly staking may update, change or replace these Terms at any time, if the update, change or replacement of these Terms is only minor and objectively justified. Any update, change or replacement of these Terms shall be notified to Users via a notification on the Website which the User must accept in order to continue using the Website.
- (2) *Acceptance.* Users must expressly consent to an update, change or replacement of these Terms by continuing to use the Services provided and accepting changes to these Terms on the Website.

§ 9. Miscellaneous

- (1) *Entire Agreement.* These Terms constitute the entire agreement between bitfly staking and Users. Conflicting terms and conditions shall not apply. Earlier agreements are declared void.
- (2) *Assignment.* The transfer of rights and obligations arising from the contractual relationship between the User and bitfly staking requires the express written consent of bitfly staking.
- (3) *Notifications.* All declarations or notifications of Users shall be addressed to bitfly staking gmbh, FN 569385 g, with its seat in Vienna and business address Wiedner Gürtel 9, 1100 Vienna, Austria.
- (4) *Severability.* Should a provision of these Terms be invalid, contestable or unenforceable, the validity of these Terms shall remain unaffected, provided that this corresponds to the intention of the parties to these Terms as it emerges from the provisions of these Terms in their context. If the User is not a consumer within the meaning of Directive 2011/83/EU, such a provision shall then be replaced by an effective and enforceable provision which has such legal and above all economic content as the invalid one or comes closest to it.

§ 7. Disclaimer of Warranty and Liability

- (1) *Fluctuations.* Virtual currencies are subject to significant fluctuations in exchange rates. Due to unexpected price fluctuations the value of Rewards of Users may vary greatly. A total loss of capital invested cannot be ruled out. bitfly staking shall not be liable for any loss of funds of the User due to price fluctuations of virtual currencies.

- (5) *Choice of law.* These Terms and any non-contractual obligations arising out of or in relation to it shall be governed by and construed in all respects in accordance with Austrian law, excluding the Austrian conflict of law rules of Austrian international private law.
- (6) *Venue.* All disputes arising out of the Website or related to its violation, termination or nullity shall be brought before the competent court in corporate matters (*Handelsgericht*) in Vienna, Austria. If the User is a consumer within the meaning of Directive 2011/83/EU, the place of jurisdiction shall be the place of residence of the consumer.

bitfly staking gmbh