

# Codego staking and cryptocurrency services - Terms of use

**Effective date:** 01 January 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- **“Unbonding Period”** means the blockchain-imposed waiting period during which staked funds cannot be withdrawn.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.

### **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 staking services may undergo adjustments, Codego Bulgaria Ltd guarantees the return of the User's initial capital. In cases of service interruption or contract modification:

- Paid Staking Profits:** Any staking profits previously distributed may be deducted from the initial capital in the calculation of the guaranteed deposit.
- Method of Return:** The initial capital will be refunded to the User in accordance with pre-agreed methods or through further negotiations.

### **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.

#### **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. 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 24 months.

#### **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.

## **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 limited to the return of the User's initial capital in accordance with the terms stated above. It is not liable for indirect, incidental, or consequential damages, including lost profits or business.

## **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**

From the moment the User activates a service plan, the agreement is binding until the end of the chosen plan's duration. Only Codego Bulgaria Ltd has the right to terminate the contract unilaterally before the end of the User's selected plan. The User does not have the right to cancel or terminate the service plan before its completion.

### **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 or breach of these Terms.

#### **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