

Vshard Validator terms of service - last updates 14 Feb, 2023

Please read these terms and conditions of use carefully. By accessing or using our websites, mobile applications, APIs or other products or services that have linked to these terms and conditions, you agree to be bound by them terms and all terms incorporated by reference and in particular to our website terms of use. If you do not agree to all of these terms and conditions, do not use our website, mobile applications, APIs or other products or services.

1. Scope

These terms and conditions between Vshard (Validator Shard) and the Client (hereafter the "Agreement") govern the execution and the receipt of the Vshard staking service (the "Service") provided by Vshard to the Client. They apply to all staking services provided by Vshard, regardless of which staking service is used. Other product or service-specific agreements and other special regulations for staking transactions are reserved.

2. Description of the service

The Vshard staking service is a digital asset staking service operated by Vshard, where the Client can stake digital assets to one or several validators operated by Vshard for the purpose of gaining staking rewards. Vshard agrees to grant the Client access to the Service pursuant to the terms and conditions set forth in this Agreement and the Client agrees to use the Service only in strict conformity with such terms and conditions. Vshard staking is an IT service, where Vshard operates validators; Vshard staking is not an investment service

3. Definitions

Terms used in this Agreement with their initial letters capitalized have the meanings ascribed to them in this section or where they are elsewhere defined in this Agreement. Any term defined in the singular will have the corresponding definition in the plural (and vice versa). As used in this Agreement:

- i. "Agreement" means these Terms and Conditions and all attachments, including any Order Forms signed by the Parties.
- ii. "Client" means the Party using the Service provided by Vshard.
- iii. "Confidential Information" means all non-public information disclosed by one party to the other in connection with this Agreement that the disclosing party marks as confidential or which the receiving party should reasonably know to be the confidential information of the other party.
- iv. "Digital Assets" means digital representations of securities, rights, financial instruments and/or units of accounts booked on a distributed ledger/blockchain. For the avoidance of doubt, Digital Assets include payment tokens, utility tokens and asset/security tokens.
- v. "Party" means the Client or Vshard, as applicable, and "Parties" means the Client and Vshard collectively.
- vi. "PoS" means Proof-of-Stake.
- vii. "Proof-of-Stake" means a distributed ledger/blockchain consensus algorithm where Digital Assets are "staked" to a Validator to validate transactions. This definition includes any types of proof-of-stake algorithms including delegated proof-of-stake algorithms (DPoS).
- viii. "Service" means Vshard's provision of proof-of-stake validation IT services to Supported Networks, including, without limitation, producing and validating new blocks, processing transactions, and securing the network.
- ix. "Slashing Penalties" means any penalty assessed by the Supported Network for Vshard's failure to perform the Service according to the Supported Network Protocol.

- x. "Staking" means use of the Service by the Client to gain Staking Rewards.
- xi. "Staked Digital Assets" means the Digital Assets that the Client has Staked with the Service.
- xii. "Staking Rewards" means digital assets distributed by the Supported Network in compensation for "staking" less Vshard fees and any Slashing Penalties.
- xiii. "Supported Network" means any distribution ledger/blockchain network for which Vshard is able to perform the Service.
- xiv. "Validator" means a validator node, a baker or equivalent validating blocks and/or transactions for a distributed ledger/blockchain networks using a proof-of-stake consensus algorithm.

4. Vshard's responsibilities: during the Term of the Service

Vshard operated the Service in a diligent and professional manner in accordance with applicable IT industry standards.

The Vshard staking service is a non-custodial service: the Client is responsible for maintaining the security of its own accounts and private keys at all times. Vshard will never ask for private keys in any circumstance. Vshard will not hold any client private keys at any moment and will not act as a custodian of Client's funds.

5. Client's responsibilities: during the Term of the Service

The Client initiates the process of staking by minting our validator token. Through means of secondary sale, The Client can "unstake".

6. Availability of the Service

Vshard will provide the Client with all information necessary to use the Service. The Client acknowledges that Vshard is making the Service available through the Internet or through other means mutually acceptable to the Client and Vshard that access to the Internet and the Service is dependent on numerous factors, technologies and systems, all of which are beyond the authority and control of Vshard. The Client acknowledges and agrees that Vshard shall not be liable or responsible for any inability of the Client to access the Service or repair any fault under its full control, as the case may be, in an appropriate and generally accepted manner using the resources available during Indian banking hours and days. The Client acknowledges and agrees that Vshard may employ, delegate, engage, associate or contract with one or more affiliates, agents or service providers as Vshard may deem necessary or desirable to assist it in providing the Service or discharging its other obligations under this Agreement; provided, however, that Vshard shall be as responsible to the Client for the acts and omissions of any such affiliates, agents or service providers as it is for its own acts and omissions under this Agreement.

7. Access to the service; restrictions on use

i. Access to the service

This service is a public service. Whereas the Staking Rewards are limited only to the Vshard NFT holders.

ii. Certain restriction on use

The Client is solely responsible for all information and the usage that it makes available via the Service. The Client agrees that it shall not use the Service (i) in a manner that negatively affects other users or interferes with or disrupts the Service or that could otherwise bring the Service into disrepute; (ii) in any manner that intentionally or unintentionally violates any applicable law, regulation or sanctions.

iii. Acceptable use

The Client may not (a) reverse engineer, disassemble, or decompile any part of the Services. The Client shall bear the risk of loss for, and assumes all liability arising from, any authorized or fraudulent usage of Services (or any hardware or software component thereof). In addition, Client agrees not to (i) send or store malicious code in connection with the Services or otherwise interfere with or disrupt performance of the Services. (ii) use manual or automated tools to scan or probe the related systems or networks in a manner inconsistent with the permitted use of the Service. Vshard reserves the right, but is not required, to take any and all action it deems appropriate, including, without limitation, blocking access to geographic areas or suspending access to Services (or any hardware or software component thereof), in order to prevent or terminate any fraud, abuse or illegal use of or activities in connection with the Services or any other breach of this section, provided, however, that any such action by Vshard shall be consistent with applicable laws, rules, and regulations.

8. Service levels

i. Staking rewards

The Client will receive Staking Rewards directly attributed to their Staked Digital Assets after deduction of Vshard fees and applicable taxes if any. The yield and the payment frequency of such Staking Rewards are dependent on the Supported Network Protocol and may change at any time. Factors that are used by the Supported Network in determining Staking Rewards can include, among others, the inflation rate in the Supported Network, the amount of nominated stake behind a given validator, the total number of validators in the system, whether a validator is in the active validator set, if the validator has experienced any Slashing Penalties, etc. In cases where Vshard collects Staking Rewards, it will redistribute them to the Client according to the payment frequency set forth in the Order Form.

ii. Slashing penalties / loss of staking rewards

Some supported networks can impose Slashing Penalties on Client's Staked Digital Assets for Vshard's failure to operate service in accordance with the Supported Network Protocol (e.g., over-delegation, double-validation, lack of availability). By entering into this Agreement, the Client understands and accepts the risk of loss of up to all of their Staked Digital Assets if a slashing event were to occur and/or loss of staking rewards. The Client acknowledges and agrees that Vshard will not compensate the Client for missed staking rewards and/or Slashing Penalties. The Client can decide at any moment to change their digital staking service supplier.

9. Term

i. Termination

The Service under this Agreement will start on the Start Date. The Start Date of the Services is the later of the Service date on the Order Form or the date that the Order Form is fully executed. Effective Date means the date upon which both Parties have executed the Order Form.

Either party may terminate this Agreement at any or no reason with one-month notice, unless they experienced and can demonstrate that an event as those described in section *b took place, in which case the client can terminate this Agreement with immediate effect.

Upon the termination of this Agreement, provided that Client is not in material breach of this Agreement, Client will cease to Stake Digital Assets with Vshard subject to the rules and conditions of Supported Network Protocol.

Upon termination of this Agreement, all licenses to access and use the Services will likewise terminated, and Client will immediately thereafter discontinue all such access and use.

Any obligations and duties that by their nature extend beyond the expiration or termination of this Agreement will survive the expiration or termination of this Agreement including, without limitation, accrued rights to payment, confidentiality obligations, warranty disclaimers, indemnification and limitations of liability.

ii. Immediate termination or suspension

Vshard may, at time and without delivery of prior written notice to the Client, terminate or suspend this Agreement, in whole or in part, immediately if Vshard learns, or believes in its sole judgment, that (i) the Service has been or may be used by the Client for any illegal or unlawful purpose or in a manner that breaches any applicable law or regulation; (ii) the Client is action or has acted in a manner that threatens or may threaten that fair and orderly use of the Service; or (iii) the Client permits other entities than itself to use the service.

iii. Effect of termination

Upon termination, the Client shall (i) cease to use of the Service; and (ii) pay to Vshard all fees and expenses outstanding through the termination date. Upon termination, Vshard shall pay to the Client its attributable Staking Rewards minus Vshard fees. Further, the termination of this Agreement, for any reason, shall not affect the entitlement of Vshard to any fees and expenses due. All representations, warranties, and covenants made in or pursuant to this Agreement will survive the termination of this Agreement.

10. Fees

The Client agrees to pay Vshard the fees set forth on the website. Vshard charges a percentage of the Staking Rewards. Fees are non-refundable. The Client explicitly authorises Vshard to deduct and levy fees from the Staking Rewards due to the Client. If applicable, the Client will pay on top any value added taxes (VAT), any tax in the nature of a withholding tax and any duties payable in respect of the fees due hereunder or otherwise arising in respect of this Agreement. Vshard may increase fees at any time. The Client will be notified one (1) month in advance of the intention by Vshard to increase such fees.

11. Proprietary information

The Client acknowledges and agrees that Vshard owns and shall retain all right, title and interest in and to the Service, all components thereof, including without libation all related applications, all application programming interfaces, user interface designs, software and source code and any and all intellectual property rights therein, including, without limitation all registered or unregistered (a) copyright, (b) trade mark, (c) service mark, (d) trade secret, (e) trade name, (f) data or database rights, (g) design rights, (h) moral rights,(i) inventions, whether or not capable of protection by patent or registration, (j) rights in commercial information or technical information, including know-how, research and development data and manufacturing methods, (k) patent and (l) other intellectual property and ownership rights, including applications for the grant of any of the same, in or to be Service and all other related proprietary rights of Vshard (together, with any and all enhancements, corrections, bug fixes, updates and other modifications to any of the foregoing and any and all data or information of any kind transmitted by means of any of the foregoing, the "Proprietary Information"). The Client further acknowledges and agrees that the Proprietary Information is the exclusive, valuable and confidential property of Vshard. The Client acknowledges and agrees that it shall not reverse engineer, copy, bug fix, correct, update, transfer, reproduce, republish, broadcast, create derivative works based on or otherwise modify, in any manner, all or any part of the Service or the Proprietary Information. The Client further agrees to keep, the Proprietary Information confidential and not to transfer, rent, lease, loan, sell or distribute, directly or indirectly, all or any portion of the Service or any Proprietary Information to any third party without the prior written consent of Vshard.

12. Confidentiality & Use of data

a. Confidentiality

All information provided under this Agreement by a party (the "Disclosing Party") to the other party (the "Receiving Party") regarding the Disclosing Party's business and operations, including without limitation the terms of this Agreement, shall be treated as confidential ("Confidential Information"). All confidential information provided under this Agreement by Disclosing Party shall be used, including disclosure to third parties, by the Receiving Party or its agents or service providers, solely for the purpose of performing or receiving the Service and discharging the Receiving Party's other obligations under this Agreement or managing the business of the Receiving Party and its affiliates, including financial and operational management and reporting, risk management, legal and regulatory compliance and client service management. However, information is not confidential to the extent (i) it is or becomes publicly available other than through a breach of this Agreement, (ii) it is independently derived by the Receiving Party without the use of any information provided by the Disclosing Party in connection with this Agreement, (iii) it is disclosed to comply with any legal or regulatory proceeding, investigation, audit, examination, subpoena, civil investigative demand or other similar process, (iv) it is disclosed as required by operation of law or regulation, or (v) where the party seeking to disclose has received the prior written consent of the party providing the information, which consent shall not be unreasonably withheld.

b. Use of data

Vshard may collect and store information regarding the Client and share it with its affiliates, agents and service providers in order to: (i) provide the Service; and (ii) manage Vshard's business, including, but not limited to, client on-boarding, financial and operational management and reporting, risk management, legal and regulatory compliance and client service management. Vshard shall require any affiliate, agent or service provider to which it has disclosed Data pursuant to this section to comply with the Agreement's confidentiality and Indian data-protection obligations.

13. Mutual representation and warranties

Each party represent and warrants to the other party: (a) it is duly organized and validly existing under the laws of the jurisdiction in which it was formed or incorporated; (b) it has full power and authority to enter into and perform its obligations hereunder; and (c) this Agreement has been duly authorized, executed and delivered on its behalf by persons empowered to do so.

14. Client warranties

To the extent applicable to each Client, the Client warrants to Vshard that:

- i. Knowledge & expertise: it has read in full and that it understands and agrees with the Supported Network Protocol(s) and it has adequate knowledge and expertise of distributed ledger/blockchain technologies, staking, accounts, keys, and details of the Supported Network(s) and Supported Network Protocol(s).
- ii. Due diligence: it has conducted its own, independent, thorough and positive due diligence on the Services provided by Vshard, the Supported Network(s), Digital Asset(s), and other matters considered in this Agreement in determining to use the Service.
- iii. Own account: it is acting for its own account and has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for the Licensee based upon its own judgment and upon advice from such advisers as it has deemed necessary.
Deposit: the Client expressly understands, acknowledges and accepts that the Service and/or Staking Rewards is not an investment service and do not represent in any way a public deposit.

15. Limited warranty of Vshard

Vshard represents and warrants to the Client that it shall use commercially reasonable efforts to provide the Service without introducing errors or otherwise corrupting any data submitted by the Client. The Client acknowledges and agrees that except as set forth in the previous sentence, the Service, including, without limitation, the Blockchain data

and the Information contained therein, are provided on an “as is” and “as available” basis with all faults and without warranty of any kind.

16. Warranty for third-party products

Vshard will not be held liable for any Defects of the source codes and software which are integral part of the Software used to provide the Service, but are not proprietary to Vshard, such as the open source codes of Validators and/or distributed ledger/blockchain nodes.

17. Warranty for distributed ledger/blockchain

Vshard shall not be held liable for any and all damages caused by the Supported Network Protocols underlying the Service and for any cause including, but not limited to forks, network congestions, bugs, actions whatsoever of any kinds in any jurisdictions, actions for breach of contract or tort, provided that Vshard did not act with intent or gross negligence. In particular, Vshard shall not be liable for any indirect, incidental, special, exemplary or consequential damages, including for loss of profits, goodwill or data loss, arising out of all Supported Network Protocols underlying the Service.

18. Indemnification

a. By Vshard

Vshard will indemnify, defend and hold harmless the Client from and against any and all damages, liabilities, losses, costs and reasonable out-of-pocket costs and expenses (including reasonable attorney’s fees) to the extent arising out of any claim, action or allegation brought by any third party that the use of the Service by the Client violates the copyright, patent or other intellectual property rights of such third party. The obligation of Vshard to provide such indemnity will not apply to the extent that (i) any software or hardware supplied to the Client in respect of the Service is modified by persons or entities other than Vshard and the alleged violation relates to such modification, (ii) any such software or hardware is combined with other products, processes or materials not supplied or recommended by Vshard, where such alleged violation would not have arisen but for such combination, (iii) any such software or hardware is modified by Vshard in compliance with the directions of the Client and the alleged violation relates to such modification, (iv) the Client continues to use such software or hardware after Vshard has made available a non-infringing alternative to the Client or (v) such damages, liabilities, losses, costs or expenses arise as a result of the fraud or wilful misconduct of the Client.

b. By the Client

The Client will indemnify, defend and hold Vshard, and each of its officers, directors, employees and agents, harmless from and against any and all damages, liabilities, losses, costs and reasonable out-of-pocket costs and expenses (including, but not limited to, reasonable attorney’s fees) to the extent arising out of any claim, action or allegation brought under the laws of India by any third party relating to, resulting from, in connection with or arising out of (i) any breach of this Agreement by the Client, (ii) the use of the Service by the Client, (iii) any failure on the part of the Client to comply with any applicable law, rule and regulation, including holding, maintaining and complying with the necessary licenses, recognitions, registrations, authorisations, exemptions and memberships necessary for the conduct of its business and with respect to the use of the Service, except, in each case, to the extent that such damages, liabilities, losses, costs and expenses are incurred as a result of the fraud or wilful misconduct of Vshard.

19. Limitations of liability

The Client acknowledges and agrees that Vshard shall not have any liability in or be responsible for any damages, liabilities, losses, costs, out of pocket costs or expenses (including attorney’s fees), whether direct, indirect, special, incidental, consequential, punitive or otherwise of any kind (including, without limitations, any loss of revenue, loss of actual or anticipated profits, loss of contracts, loss of the use of money, loss of anticipated saving, loss of business, loss of opportunity, loss of goodwill, loss of reputation or loss of, damage to or corruption of data), in each case arising under or related to claims of breach of contract, tort, including negligence, strict liability, negligent

misrepresentation, restitution, breach of statutory duty or any other cause of action whatsoever with respect to this Agreement, the Service, or any other matters or services contemplated hereby. Notwithstanding anything to the contrary herein and without limiting the foregoing, the Client acknowledges and agrees, that Vshard shall not be liable in any manner to the Client for (i) the failure of any Transaction or Transfer through the Service to perform its settlement or other obligations under such Transaction or (ii) the failure of the Service to deliver, display or transmit orders, messages or other data entered into the Service by the Client. As a consequence, Vshard shall not be held liable for: any loss or theft of digital assets including, but not limited to private keys; transaction errors done by the Client; late execution or settlement of any transaction whatsoever, in particular if Vshard-STAKING is down or if the blockchain is down or congested; the incorrect booking of transactions or the presence of an error in ordering the booking of transactions in a blockchain any security breach or weakness, bug, of any kind for a digital asset; any security breach or weakness, bug, of any kind in the technology stacks used including but not limited to programming languages and open-source libraries; any configuration or installation error by the Client.

20. Commitments

Vshard has made no commitments or promises orally or in writing with respect to delivery of any future features or function of the Services. In relation to any future features, all presentations, request for proposal responses, and/or product roadmap documents, information or discussions, either prior to or following the entering into of this Agreement, are for informational purposes only, and Vshard shall have no obligation to provide any future releases or upgrades or any features, enhancements or functions, unless specifically agreed to in writing by both parties. Client acknowledges that no decisions are based upon any future features or functions of the Services.

21. Discontinuation of service

Vshard reserves the right to discontinue Service at any time for any or no reason. If Vshard decides to discontinue Service, it will announce its intention to do so providing a minimum of 15 calendar day's notice.

22. Taxes

The client shall be responsible for payment of all taxes, fees and surcharges, however designated, imposed on or based upon the use of the services and Staking Rewards obtained by the use of Services.

Neither Vshard nor any of its agents shall provide any advice or guidance with respect to the tax obligations of the Client. The Client is strongly encouraged to seek advice from its own tax advisor to discuss the potential tax consequences of entering into this Agreement and the receipt of any Staking Rewards.

23. Assignment

Except as otherwise provided below, neither party may assign, transfer or otherwise dispose of this Agreement or any rights or obligations hereunder without the prior written consent of the other party. Notwithstanding the foregoing, (a) Vshard may assign or transfer this Agreement or any rights or obligations hereunder to any affiliate of Vshard without the prior written consent of the Client and (b) either party shall have the right to assign or transfer this Agreement in connection with the merger or acquisition of such party or the sale of all or substantially all of its assets, without such consent. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and permitted assigns.

24. Amendments

Vshard is entitled to amend and modify this Agreement at any time. The Client will be notified of any amendments by appropriate means (i.e. via e-mails or via publication on the Vshard legal website). The amendments shall be deemed to have been accepted by the Client unless an objection is raised in writing within 15 days of notification, but in any event when the Service is used. In the event of an objection, the Client shall be free to terminate this Agreement with 15 days notice.

The version of this Agreement currently in force, as amended from time to time, can be accessed on the Vshard legal website.

25. Force majeure

Any delay in or failure of performance by either party under this Agreement will not be considered a breach and will be excused to the extent such delay in or failure is caused by any event beyond the reasonable control of such party, including, but not limited to, acts of Gods, acts of civil. or military authorities, strikes or other labor disputes, fires, pandemic, interruption in telecommunications or Internet or network service providers, acts or omissions of a third party hardware or software supplier or a third party communications provider, power outages and governmental restrictions.

26. Severability

If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule of law or otherwise, the remainder of this Agreement will not be affected and to that extent the provisions of this Agreement will be deemed to be severable.

27. Entire agreement

This Agreement, together with all related Order Forms and attachments, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and supersedes all prior agreements, understandings representations, and warranties, both written and oral, with respect to such subject matter.

28. No waiver

No failure on the part of any party to exercise, and no delay on its part in exercising, any right or remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further or future exercise thereof or the exercise of any other right or remedy.