

# Vivid Digital S.r.l. – Special Terms and Conditions

## Crypto Earn Pocket

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### 1. Scope of application

When you hold crypto with us, we may enable you to use these crypto for staking in a third party 'proof of stake' network ("**staking service**"), by opening a "**Crypto Earn Pocket**". These special terms and conditions ("**Special Terms**") apply to the legal relationship between you ("**Client**" or "**you**") and Vivid Digital S.r.l. ("**Vivid Digital**" or "**we**") and regulate the Crypto Earn Pocket feature (see paragraph 3 below) provided to You by Vivid Digital.

These Special Terms are supplemental to, and form part of, the general terms and conditions entered into between Vivid Digital and You (the "**Terms & Conditions**").

In case of any conflict between these Special Terms and the terms of the Terms & Conditions, the terms of these Special Terms take precedence. Terms not defined in these Special Terms shall have the meaning given to them in the Terms and Conditions.

**It is very important that you understand how our Crypto Earn Pocket works. Please do not make use of our Crypto Earn Pocket if you have not read and completely understood these Special Terms and all risks involved (see paragraph 6 below).**

### 2. What is staking?

Staking allows individuals holding a crypto to earn rewards by locking the crypto in their wallets. The locked coins are used to validate network transactions or as a liquidity source. When you stake your crypto, you help decentralizing and therefore securing the network. As a reward for staking your crypto, you can earn additional coins ("**Staking Rewards**"). Staking Rewards cannot be guaranteed.

Staking is only available for certain crypto which use the 'proof of stake' consensus (or similar) mechanism, as may be made available on the website/in the App. We reserve the right to add, remove or modify crypto eligible for staking at any time.

Staked crypto may be subject to a lock-up period during which assets cannot be withdrawn or transferred. The length of the lock-up period will be disclosed before staking starts.

In order to provide you with the staking services, Vivid Digital relies on third party service providers who run the infrastructure necessary for staking. When you instruct us to stake crypto, Vivid Digital passes on such instruction to the relevant third party service providers in its own name but on Your behalf and at Your risk. In other words, by instructing Vivid Digital to stake your crypto, you acknowledge and accept the risks associated with staking, including the potential loss, theft, compromise, or imposition of penalties on your crypto by any such third party service providers.

Vivid Digital reserves the right to suspend, limit or terminate its services relating to staking at any time without prior notice in relation to one or more types of crypto. We will promptly inform You of any such changes to our staking services.

### 3. The Crypto Earn Pocket

#### 3.1. Opening your Crypto Earn Pocket

In order to stake crypto, you will need to open a Crypto Earn Pocket with us. After you have opened a Crypto Earn Pocket, you can stake the crypto available for staking. More information about the coins available for staking can be found on our website and in the App.

Please be aware that different costs and fees may apply to your staking rewards. Please refer to paragraph 5 of these Special Terms for more information.

#### 3.2. Deposit funds in your Crypto Earn Pocket and stake

To start staking, you can buy the crypto assets available for staking in the App from time to time using the euro denominated funds in your Vivid Money account.

Staking crypto with us happens in the following way:

- You tell us (i) how much money you want to spend or (ii) how much crypto assets you want to stake.
- We will let you know how much crypto assets you can buy or how much money you have to spend (on the basis of our offer price that we provide you with in the App (the **offer price**). Any applicable transaction fees will also be shown to you in the App. Please see more information about our offer price and our fees in section 5 below.
- If you click 'stake' and correctly authorise your order, the relevant amount of funds will be debited from your Vivid Money account, paid to Vivid and your order will be executed for the then prevailing offer price.
- After a successful staking order and the settlement in accordance herewith, the relevant crypto assets will be immediately visible in your Crypto Earn Pocket and shall be held by us for you in accordance with our Terms & Conditions.

Please be aware that although we will attempt to deliver your ordered crypto assets to you as fast as possible, funds may be debited from your Vivid Money account before the status of your staking transaction is shown as complete, and the crypto asset is delivered to you and shown in your Crypto Earn Pocket.

#### 3.3. Unstaking

You can unstake your crypto (an **Unstaking**) by placing a sell order in relation to the crypto coins you have staked. Once you have placed the sell order, your crypto will be unstaked and sold; the proceeds will be transferred to your chosen Vivid Money account.

Unstaking crypto with us happens in the following way:

- You tell us (i) for what amount of money you want to Unstake or (ii) how much crypto assets you want to Unstake.
- We will let you know how much crypto assets you need to sell (on the basis of our offer price) or how much money you will receive in this sale. Any applicable transaction fees will also be shown to you in the App. Please see more information about our offer price and our fees in section 5 below.
- If you click 'unstake' and correctly authorise your order, the balance in your Crypto Earn Pocket will be decreased in accordance with your order and your order will be executed for the then prevailing offer price.
- After a successful unstaking order and the settlement in accordance herewith, the relevant amount of money will be immediately transferred to your Vivid Money account.

Please be aware that although we will attempt to deliver your fiat money to you as fast as possible, crypto assets may be debited from your Crypto Earn Pocket before the status of your unstake transaction is shown as complete, and the fiat money is transferred to you and shown in your Vivid Money account (which may take up to two (2) business days).

Some networks require that staked crypto be locked for a certain period of time (the "**Lockup Period**"). In other words, the staked crypto cannot be transferred or sold during that Lockup Period. We do not control the use or duration of Lockup Periods. Where Lockup Periods exist, these will be displayed on our website or in the App.

We reserve the right to refuse (in total or parts) orders or instructions to sell crypto during a Lockup Period. Please ensure that you are familiar with any Lockup Periods applicable to staked crypto.

#### **4. Staking Rewards**

Staking Rewards are calculated based on the crypto, duration of your commitment and amount staked. The amount of Staking Rewards cannot be guaranteed; Vivid Digital will indicate the approximate amount of Staking Rewards for eligible crypto on our website or in the App.

You will receive Staking Rewards in the form of coins in your Crypto Earn Pocket. These coins will be automatically staked. You will be able to unstake these coins and sell them, but please be aware that they may be subject to a Lock-Up Period. Any applicable Lock-Up Period will be displayed to you on our website or in the App. The proceeds of such transaction will be transferred to your Vivid Money account, just as for other Unstakings.

We will pay Staking Rewards at regular intervals. You will be able to consult the frequency of Staking Rewards on our website or in the App.

## 5. What fees will we be charging?

Please find all relevant information about the fees for buying and selling crypto on our [Fees Page](#). Please note that the Fees Page forms an integral part of these Special Terms.

We reserve the right to change these fees and costs at any time and with immediate effect. If we do so, we will always try to inform you in advance. The Fees Page published on the website and in the App always shows the current transaction fees and costs.

## 6. Risks

Please be aware that investing funds in Our Crypto Earn Pocket is subject to risks, and that the value of Your investments may decrease. If any part of these Special Terms, the Terms & Conditions and/or the Risk Disclosure Document is unclear, You should contact Our Customer Care team before starting to use Our Crypto Earn Pocket.

Staking crypto can potentially generate attractive and variable returns, known as Annual Percentage Yield (APY). However, crypto staking incurs risks that can lead to the partial or complete loss of the crypto you stake. Before you start staking, you should do your own research and be aware of the risks involved. We recommend you read the explanations below carefully. Although we endeavor to provide a broad and complete overview of the risks involved with staking, please note that the list below is not exhaustive.

You acknowledge and accept that we are not liable, and we will not indemnify you, for any loss you may experience as a consequence of changes one of the risks set out below materialising.

### 6.1. Protocol risk

Staking crypto depends and relies on the underlying blockchain protocols. There is a risk of technical errors, bugs, security vulnerabilities and unforeseen events that can impact the protocol. In general, a protocol malfunction can lead to a partial or complete loss of both the staked crypto and Staking Rewards. Vivid Digital has no control over the protocol itself, its performance, or its security. Although we carefully review the assets eligible for staking to mitigate such risks, protocol risk cannot be eliminated.

### 6.2. Slashing risk

Slashing refers to a penalty imposed by the blockchain protocol for violating the rules or engaging in suspicious activities on the network. Slashing penalties can lead to a (partial) loss of your staked crypto and can occur, for instance, for incorrect voting, validator downtime or double staking (when an asset is used on multiple validators simultaneously). Vivid Digital collaborates with carefully selected third party technical providers which mitigate the risk of slashing and, in some cases, provide insurance against slashing penalties (up to certain amounts). However, despite these mitigating measures, the risk of slashing remains and cannot be eliminated entirely.

### **6.3. Liquidity risk**

Every blockchain protocol has its own particularities and constraints regarding staking. For instance, some protocols impose activation periods, Lock-Up Periods, bonding periods, unbonding periods, and withdrawal periods that can last up to several weeks, which means that during that period you cannot react to market fluctuations. Vivid Digital endeavors to provide you with a high level of flexibility so that you can sell and withdraw your assets even when they are being staked. However, in spite of all measures in place to ensure such level of flexibility, in exceptional circumstances, there is a risk that Vivid Digital may impose certain temporary limits on Unstaking orders and/or Withdrawals until your staked crypto have been unstaked and withdrawn from the relevant blockchain protocols. This would mean that you may not always be able to sell or withdraw your staked crypto. In such case, Vivid Digital will inform you of such temporary limits as soon as possible.

### **6.4. Risk of fluctuating rewards**

Staking Rewards are dependent on each blockchain protocol and fluctuate over time. Vivid Digital has no influence on the rewards distributed by the various protocols. The current estimated staking rewards (APY) are indicated in our App and on our website and may change at any time without notice. Therefore, there is a risk that the Staking Rewards rates decrease after you have opened your Crypto Earn Pocket.

### **6.5. Use of third party staking provider**

Please be aware that, in order to enable our staking services we work with third party service providers. This entails that your funds will be transferred to such third parties. There is no guarantee that your funds may not be lost in case of an insolvency, error or otherwise by these third parties.

## **7. Termination**

Your Crypto Earn Pocket will be subject to the termination provisions in the Terms & Conditions of Vivid Digital.

**Please note that Staking Rewards will be paid out on a regular fixed basis. When you decide to close your Crypto Earn Pocket before you have closed all positions and collected all pending Staking Rewards, you may have to forfeit on these pending Staking Rewards. When you decide to close your Crypto Earn Pocket, we will inform you in the App or on the website of any pending Staking Rewards that may be forfeited if you proceed with such closure.**