

Terms of Use for the eBTC User Interface

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PREAMBLE

Welcome to the frontend user interface for the eBTC protocol (“**User Interface**”). The User Interface is owned and operated by the Badger Association, an association established under the laws of Switzerland (“**Association**”).

The following terms of use (“**Terms**”) apply to all visitors of the User Interface (“**you**”, “**your**”) and are entered into by and between you and the Association (“**we**”, “**our**”). The Terms, together with any documents incorporated by reference herein, govern your access and use of the User Interface, including all related tools, web applications, smart contracts, and application programming interfaces (APIs) made available thereon. By visiting or using the User Interface, you signify your consent to these Terms.

The Association reserves the right to modify these Terms at any time at its sole discretion. In this case, the Association will provide notice by changing the “last updated” date above. By continuing to access or use the User Interface, you confirm that you accept these updated Terms and all documents incorporated therein by reference. If you do not agree with these Terms, please immediately cease all use of the User Interface.

1. Eligibility and Prohibited Jurisdictions

By accessing or using the User Interface, you represent and warrant that you:

- a) have the right, authority, and legal capacity to accept these Terms;
- b) will not use the User Interface if the laws of your countries of residency and/or citizenship prohibit you from doing so in accordance with these Terms,
- c) are not subject to personal sanctions issued by the UN, US, EU or Switzerland;
- d) only access or use the User Interface for your own personal use; and
- e) are not accessing the User Interface from one of the countries embargoed or restricted by the Swiss State Secretariat for Economic Affairs (SECO), including, but not limited to: Belarus, Burundi, Central African Republic, Congo, DPRK (North Korea), Guinea, Guinea-Bissau, Iran, Iraq, Lebanon, Libya, Mali, Myanmar (Burma), Republic of South Sudan, Russia, Somalia, Sudan, Syria, Ukraine, Venezuela, Yemen, or Zimbabwe (“**Prohibited Jurisdictions**”).

The Association reserves the right to technically restrict the access to the User Interface and the content provided thereon based on your geographical location.

2. eBTC Protocol

2.1 Overview

The eBTC Protocol (“**Protocol**”) is a blockchain protocol that is powered by non-custodial, immutable, and governance-minimized smart contracts. The Protocol allows anyone to use Lido’s Staked Ether (stETH) as collateral to borrow the synthetic Bitcoin asset eBTC, which aims to be the most trustless and censorship-resistant synthetic Bitcoin in DeFi.

2.2 Core Features

The Protocol enables users to open a collateralized debt position (“**CDP**”) and deposit a certain amount of stETH (“**Collateral**”) into it. Each CDP is owned by a single Ethereum address and is non-transferable. After adding Collateral to the CDP, the owner of the CDP can mint and borrow eBTC, provided that the minimum collateral ratio (“**MCR**”) of the CDP is not exceeded. The CDP owners have the freedom to make adjustments to their CDPs at any time by increasing or reducing their Collateral, borrowing more eBTC, or repaying a portion of the outstanding eBTC. If the MCR is ever exceeded, the outstanding eBTC can be repaid by any user (liquidator) in exchange for the Collateral.

2.3 The Protocol is Not Operated by the Association

The Protocol is not operated by the Association but collectively governed by the holders of the BADGER Token (BadgerDAO). The BadgerDAO has the ability to modify parameters surrounding fee competitiveness, peg stability, risk management, and economic and technical security of the Protocol. The Association does not own, maintain, operate, or control the Protocol, the individual CDPs created by the users, or the Collateral held in the CDPs. The Association does therefore not assume any responsibility or liability for the functioning of the Protocol or the individual CDPs.

3. User Interface Features

3.1 Overview

The User Interface serves as a graphical user interface that provides an easy way to access to and interact with the Protocol and individual CDPs as described herein. The Association reserves the right to remove features from the User Interface or to discontinue the operation of the User Interface in its entirety at any time without prior notice. Since the Protocol and the CDPs created by the users are running on the Ethereum blockchain, they could be accessed at any time via other user interfaces or by using smart contract framework such as Hardhat, Brownie or Truffle (“**Frameworks**”).

This means that their usability and accessibility does not depend on the Association or the availability of the User Interface.

3.2 Display of Network Information

When you visit the User Interface, the User Interface will display various publicly available information that is related to the Protocol, such as the following (“**Network Information**”):

- The current exchange rate between stETH and BTC;
- The current exchange rate between eBTC and USD;
- The minimum collateral ratio (MCR) that must be maintained to avoid liquidation;
- The percentage of the yield generated by the Collateral that is repurposed to incentivize the growth of the Protocol growth (Protocol Yield Share or PYS); and
- The total collateral ratio of the Protocol (TCR).

The Network Information is automatically sourced from validator nodes of the Ethereum blockchain via application programming interfaces (APIs) and displayed for informational purposes only. The Association does not assume any responsibility for the accuracy, completeness or actuality of the Network Information and shall not be liable for any claims or damages related to errors, inaccuracies, or delays in the display of the Network Information or any decisions, transaction, acts or omissions that you make in reliance thereon.

3.3 Protocol Interactions

3.3.1 Connecting Wallet to User Interface

In order to interact with the Protocol, you must first connect one of the third-party wallets listed under the “Connect” tab (“**Wallet**”) to the User Interface. Wallets store and manage the private keys to the blockchain addresses that were created with the Wallet or manually imported into the Wallet. As these Wallets store the private keys which are required to sign transactions on-chain, they can be used to execute transactions and publish them to the Ethereum blockchain.

When you connect a Wallet, the User Interface will ask for permission to send Sign Requests (as defined in Section 3.3.2 below) to the Wallet. During this process, your Wallet will show the blockchain addresses managed by the Wallet that can be connected to the User Interface. You can modify these permissions at any time in the settings of the Wallet. Please note that you can only interact with blockchain addresses that are both managed by the Wallet and connected to the User Interface.

The use of Wallets is subject to the terms and conditions of the respective provider. The Association has no control over the blockchain addresses that are managed by the Wallet and connected to the User Interface and no ability to access any assets that are held thereon. You are solely responsible for the security of the Wallet as well as the corresponding private keys and passwords. The Association does not assume any responsibility for the connected Wallets, regardless of whether or not they are used to effectuate transactions and shall not be liable for any damages arising out of or related to your use of the Wallets or your inability to connect or use the Wallets to execute transactions.

3.3.2 Sign Requests

Once you have connected a Wallet to the User Interface, you can use the User Interface to initiate transactions from your blockchain address by generating standardized transaction messages (“**Sign Requests**”). Sign Requests that are generated on the User Interface are sent to the connected Wallet for approval. To complete the transaction, you must approve the Sign Request by signing the transaction with the connected Wallet. The User Interface will then display whether the transaction was successful and inform you once it is finalized.

Transactions that are signed with a Wallet are executed on the Ethereum blockchain without any involvement of the Association. The User Interface does not execute transactions on your behalf and does not control the execution of transactions initiated by you. You are fully responsible for all inputs you make while using the User Interface.

3.3.3 Gas Fees

All interactions with the Protocol, regardless of whether they are initiated on the User Interface, require the payment of a transaction fee (“**Gas Fee**”) which is paid to the validators of the Ethereum blockchain. The Gas Fee required to execute a transaction depends on the activity on the Ethereum blockchain and is entirely outside of the control of the Association. By using the User Interface to initiate transactions and generate Sign Requests, you acknowledge and agree that Gas Fees are non-refundable under any circumstances.

4. Intellectual Property Rights

While the rights in the User Interface are held by the Association, the Association has published the source code of the User Interface (“**User Interface Code**”) on its public GitHub repository and released it under the GPLv3 open-source license. You are free to use the User Interface Code to create another User Interface for the Protocol or any other purpose.

5. Limited Warranty

The Association does not guarantee that the User Interface is free from defects, errors, bugs, and security vulnerabilities or that it will be available at any time. The access to and use of the User Interface is made at your own risk. You understand and agree that the User Interface is provided on an “as is” and “as available” basis and that the Association expressly disclaims all warranties or conditions of any kind, whether express, implied, statutory or otherwise.

6. Limitation of Liability

The liability of the Association is limited to direct damages arising out of acts of intent and gross negligence. Any liability for indirect damages or consequential damages, including loss of profit, and/or damages arising out of negligent conduct, is expressly excluded.

7. Miscellaneous

7.1 User Feedback

The Association appreciates and encourages you to provide feedback to the User Interface. If you provide feedback, you agree that the Association is free to use it and may permit others to use it without any restriction or compensation to you.

7.2 Tax Considerations

It is your sole responsibility to seek relevant tax advice to comply with any applicable tax obligations in whichever jurisdiction and to measure the tax impact of the use of the User Interface and the use of the features offered thereon.

7.3 Entire Agreement and Severability

These Terms contain the entire agreement between the Association and the Users regarding the subject matter hereof and supersedes all understandings and agreements whether written or oral. If any provision of these Terms is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision of these Terms or invalidate or render unenforceable such provision in any other jurisdiction. Upon such determination that any provision is invalid, illegal, or unenforceable, these Terms shall be modified to effectuate the original intent of the Parties as closely as possible.

7.4 Governing Law and Jurisdiction

These Terms shall be governed and construed in accordance with the substantive laws of Switzerland. The application of the United Nations Convention on Contracts for the

International Sale of Goods shall be excluded. Any dispute arising out of or in conjunction with these Terms shall be submitted to the exclusive jurisdiction of the ordinary courts of the city of Zug, Switzerland.

7.5 Class Action Waiver

To the fullest extent permitted by any applicable law, the User waives any right to participate in a class action lawsuit or a class-wide arbitration against the Association or any individual or entity involved in the operation of the User Interface.