

MININGDAO
TERMS OF SERVICE

1. General

- 1.1. Please read this document (the “**Terms of Service**” or “**TOS**”) and any documents referred to within it, together the “**Terms**”, as they set out the terms which apply to your relationship with us when you use the Services. These Terms form a legal agreement between:

You, as a Miner; and

MiningDAO, the trading name of the company identified in clause 2.1 below (or “**we**”, “**our**” or “**us**”).

- 1.2. Please ensure that you have read and understood these Terms before using or accessing the Website and/or the Platform Pool (together, the “**Services**”).
- 1.3. If you do not agree to these Terms or any subsequent amendments or updates to them pursuant to clause 10.4 of these TOS, please do not use the Services.

2. General

- 2.1. These Terms apply to users of the Services provided by Kolmogorov Labs Limited, trading as “MiningDAO”, a company incorporated in England and Wales under company number 13137983, whose registered address is 71-75 Shelton Street, Covent Garden, London, WC2H 9JQ (the “**Company**”).

- 2.2. All capitalised terms not immediately defined are defined in clause 15 of these TOS.

3. Eligibility

- 3.1. By registering to use the Services, you represent and warrant that you:

3.1.1. are 18 years of age or older;

3.1.2. have full legal capacity and authority to enter into these Terms and by entering into these terms, you will not be violating any other agreement which you are already a party to;

3.1.3. are an experienced cryptocurrency miner with adequate technical resources and knowledge of how to mine cryptocurrencies;

3.1.4. are able to acknowledge and accept the risks that come with using the Website, the Platform Pool and Cryptocurrency Mining in general, which includes, but is not limited to, the risks set out in clause 6 of these Terms;

3.1.5. are not undertaking, aiding or abetting any unlawful activity through your use of the Services;

3.1.6. will not use the Services if the laws in the country in which you are resident, located or from which you are operating your mining rig from, prohibit you from doing so. It is your responsibility to ensure that your activities and use of the Services are lawful; and

3.1.7. have not previously been prohibited by us from using the Services.

- 3.2. You acknowledge and agree that you have not relied upon any other statement or agreement, whether written or oral, with respect to your use of the Services.

4. Software

4.1.1. We will not provide our own software for your use of the Services. Miners must install the relevant third-party software on their own mining rig in order to use the Services.

4.1.2. Information regarding available software can be found on <https://miningdao.io/faq> but we make no representation or warranty regarding such software.

5. Terms of payment

- 5.1. The Platform Pool is a Mining Pool which utilises the PPLNS (Pay Per Last N Share) payout scheme (the “**PPLNS Scheme**”). The PPLNS Scheme is a rewards system whereby Miners are paid in proportion to the percentage of Shares they contribute to the total amount of Shares (N) contributed during a mining round. Once a block is found, a payout occurs to those Miners who contributed towards that particular mining round (subject to clauses 5.2, 5.3 and 5.5 below).
- 5.2. Payout takes place immediately after the minimum payout amount of 1 Ether has been reached (the “**Default Payment Threshold**”) i.e., the total amount of rewards accumulated by the Miner (either in one mining round or as an aggregate of several mining rounds) must be at least 1 Ether in order for that Miner to be eligible for payout.
- 5.3. However, Miners can customise their own payment threshold – the minimum threshold is 0.2 Ether, and the maximum is 10 Ether (the “**Customised Payment Threshold**”). The Default Payment Threshold can be disregarded if a Miner customises their own payment threshold.
- 5.4. There is no pool fee to be collected. However, any Gas Fees payable in connection with a Miner’s payout into the Blockchain will be deducted from a Miner’s reward on an Efficient Payout basis.
- 5.5. All undistributed Ether rewards in the Mining Pool (the “**Pool Rewards**”) will be held by us, and for as long as those rewards remain undistributed, the legal and beneficial ownership of the Pool Rewards will belong to us.
- 5.6. Once the Default Payment Threshold or the Customised Payment Threshold has been reached and the relevant reward is paid out to a Miner (as set out in clauses 5.2 and 5.3 of these Terms), the legal and beneficial ownership of that reward will belong to that Miner once the reward is transferred to their Wallet.
- 5.7. For the avoidance of doubt, Miners will have no legal and/or beneficial interest in any of the Pooled Rewards (in whole or in part).
- 5.8. We reserve the right, at our sole and absolute discretion, to pay out any unpaid balances for accounts that have not reached the payout threshold, default or customised.

6. Risk Disclosure

- 6.1. You are responsible for conducting your own due diligence and research on us and on Cryptocurrency Mining prior to using the Services.
- 6.2. You use the Services at your own risk. Below is a list of possible risks involved in using the Website, the Platform Pool and Cryptocurrency Mining in general. Please be advised that this list is non-exhaustive:

6.2.1. General risk and the nature of cryptocurrencies

Blockchain technology and cryptocurrencies are in their infancy and it is impossible to foresee all issues which may arise with the technology.

Additionally, cryptocurrencies are, by their nature, extremely volatile and they are prone to uncertainty, high transaction costs, regulatory restrictions, policy changes, security risks and lack of liquidity.

6.2.2. Legal and regulatory risks

There may be risks associated with regulation/legislation which may restrict, limit or prohibit certain aspects of Blockchain technology and cryptoassets, which may restrict, limit or prohibit your use of the Services.

6.2.3. Hacking

There is a risk that the Platform may be compromised by way of cyber-attacks and hacking, in an attempt to interfere with the Services eg., stealing pool funds.

6.2.4. Wallet risk

Since your Wallet is a cryptocurrency wallet, all funds held on it are held at your own risk. It is not the same as holding fiat funds in a bank account or other financial institutions, which are protected and/or insured.

6.3. If a Force Majeure Event occurs, we will not be obliged to continue to perform our obligations under these Terms, as set out in clause 10 below.

7. Warranties and Disclaimer of Warranties

7.1. Warranties

7.1.1. We warrant that we will supply the Services with reasonable care and skill.

7.1.2. If we do not comply with clause 7.1.1 above, we can, at our discretion, choose to remedy any issues, provided that you:

7.1.2.1. serve written notice to us by email at support@miningdao.io with the subject header "TOS Warranties" not later than 5 Business Days from performance. Additionally, please also set out the reason(s) why you believe we have not complied; and

7.1.2.2. provide us with a reasonable opportunity to examine your claim.

7.2. Disclaimer of Warranties

7.2.1. Except as set out in this clause 7:

7.2.1.1. We give no warranties and make no representations in relation to the Services; and

7.2.1.2. We will have no liability if we fail to comply with the warranty set out in clause 7.1.1

7.2.2. To the maximum extent permitted under Applicable Law, all warranties and conditions (whether express or implied by statute, common law or otherwise) are excluded.

7.3. With respect to the Website and/or Platform Pool, and other services related to the Website and/or Platform Pool which are provided by third parties, we expressly disclaim, and you waive, any and all other warranties of any kind, whether express or implied, including, without limitation:

7.3.1. warranties of merchantability, fitness for a particular purpose, title or non-infringement; and

7.3.2. warranties arising from course of performance, course of dealing or usage in trade.

7.4. We do not represent or warrant that the Website and/or the Platform Pool and other services related to the Website and/or Platform Pool which are provided by third parties:

7.4.1. will be uninterrupted, secure, not corrupt or damaged, complete, reliable, current, error-free or free of viruses or other harmful components; and/or

7.4.2. will be compatible or work with any other software required to use the Services, applications, systems or services

and that any errors or defects can or will be corrected.

- 7.5. You acknowledge and agree that we will not be liable for any loss or damages arising out of or relating to:
- 7.5.1. any damages which may occur to your mining rig, hardware or software whilst using the Services. You will be aware from your extensive due diligence that mining is energy intensive and is highly demanding on any equipment you use. In some instances, hardware may be destroyed in their entirety as a result of using the Cryptocurrency Mining, and it is possible for this to happen during your use of the Services.
 - 7.5.2. any loss or damage caused by any breach to any third-party cloud computing services' security systems. The Website and the Platform Pool will be hosted on our servers, which are in turn hosted on a broad range of cloud computing services, including AWS. However, whilst we will endeavour to ensure the security of the Website and the Platform Pool and endeavour to put in place robust protective mechanisms, we cannot guarantee that the Website and/or the Platform Pool will not be subject to cyber-attacks or other similar issues ('Hacking').
 - 7.5.3. any configuration, connection or communication failures, disruptions, errors, distortions or delays you may experience when using the Services, which are caused by external factors not within our direct control.
 - 7.5.4. any loss of funds, stored on or transferred from your Wallet, nor for any transactions made by mistake via your Wallet, particularly since your Wallet is supplied by an external provider. Additionally, we will not accept responsibility for any malfunction of your Wallet caused by you or your Wallet provider.
 - 7.5.5. your inability to use the Website and/or the Platform Pool, including without limitation as a result of any termination or suspension of your usage of the Website and/or the Platform Pool in accordance with these Terms;
 - 7.5.6. power outages, maintenance, defects, system failures, mistakes, omissions, errors, defects, viruses, delays in operation or transmission or any failure of performance;
 - 7.5.7. any expenditure or commitments in connection with your use of the Services;
 - 7.5.8. any Force Majeure Events, communications failure, theft or other interruptions; or
 - 7.5.9. any unauthorised access, alteration, deletion, destruction, damage, loss or failure to store any data, including records, private keys or other credentials associated with your Wallet.
- with respect to your use of the Website and/or Platform Pool, and any other services related to the Website and/or Platform Pool which are provided by third parties.
- 7.6. Should any Hacking occur, we will not be obliged to compensate any losses as a result of stolen balances from the Platform Pool or any temporary unavailability of the Platform Pool. Additionally, we reserve the right to close the Platform Pool for maintenance reasons whenever necessary.
- 7.7. By using the Services, you acknowledge and agree that you have thoroughly assessed and agree to bear the risk associated with Cryptocurrency Mining and use of the Services.
- 7.8. We may provide the Services at our sole and absolute discretion and you have no automatic right to use the Services.
- 7.9. We accept no responsibility for any loss or damage incurred or suffered by you as a result of using the Services except as expressly set out in these Terms.
- 7.10. You must not use the Services if prohibited from doing so by Applicable Law.

8. Limitation of Liability

- 8.1. The extent of the Parties' liability pursuant to these Terms (regardless of whether that liability arises in tort, contract or in any other way and whether or not caused by negligence or misrepresentation) is set out in this clause.
- 8.2. Subject to clause 8.3, our total liability will not exceed the total amount of rewards owed to a Miner in accordance with clause 5.
- 8.3. Regardless of other provisions in these Terms, the liability of the Parties will not be limited in any way in respect of the following:
 - 8.3.1. death or personal injury caused by negligence;
 - 8.3.2. fraud or fraudulent misrepresentation; and/or
 - 8.3.3. any other losses which cannot be excluded or limited by Applicable Law.

9. Indemnity

- 9.1. You will indemnify, and keep indemnified, the Company from and against any losses, damages, liability, costs (including legal fees) and expenses incurred as a result of or in connection with:
 - 9.1.1. your breach of any of your obligations under these Terms;
 - 9.1.2. any third-party claim in connection with these Terms;
 - 9.1.3. your use of, or conduct, in connection with the Website and/or the Platform Pool; and
 - 9.1.4. your violation of any rights of any other person or entity.

10. Force Majeure

- 10.1. Where a Force Majeure takes place, or is reasonably likely to take place, we will not be liable to the extent that we are delayed in or prevented from performing our obligations under these Terms due to Force Majeure, and our obligations will be suspended for the duration of the Force Majeure, provided that we:
 - 10.1.1. immediately notify you of the Force Majeure event and how long it is expected to last;
 - 10.1.2. do what we reasonably can to minimise the effects of the event of Force Majeure; and
 - 10.1.3. keep you informed of the status of the event and how it will impact on the performance of these Terms.
- 10.2. If, due to Force Majeure, we:
 - 10.2.1. are or are likely to be unable to perform any of our obligations pursuant to these Terms;
or
 - 10.2.2. are or are likely to be delayed in or prevented from performing our obligations for a continuous period of more than 5 Business Days,you may terminate this agreement on written notice to us.

11. Your details

- 11.1. Please see our [Privacy Policy](#) for further details of how we handle your information.

12. Block Withholding Attacks

- 12.1. If our monitoring systems detect malicious activity from certain Miners, for example a Block Withholding Attack, we reserve the right to:

- 12.1.1. move the Miner into a dedicated PPLNS Pool, where their Shares are counted only towards their own block rewards, akin to Solo Mining.
- 12.1.2. pay out the remaining balance of any reward due to that Miner in accordance with clause 5 and permanently ban that Miner from accessing the Services in the future.

13. Rights and Obligations

- 13.1. You are responsible for keeping your MiningDAO account secure. If you feel that your account has been compromised, you must inform us by email at support@miningdao.io with the subject header "Account Security Breach". After alerting us, please submit a request for new access/log-in details to avoid any misuse of the compromised account.
- 13.2. You are responsible for keeping your external Wallet secure. If you think your Wallet has been compromised, please contact your Wallet provider.
- 13.3. Certain cryptocurrencies, including Ethereum, may be subject to tax in your jurisdiction. You are responsible for paying any tax due on any cryptocurrency you are paid by us or which you hold in your Wallet. You should seek professional advice if you are unsure about whether you need to pay any tax and/or how much tax you need to pay. We will not be responsible to you for any amounts you are required to pay in tax or any penalties you face in connection with the cryptocurrency rewards you receive as a result of using the Services.
- 13.4. When accessing the Services, you warrant and agree that you:
 - 13.4.1. will not use the Services for any purpose that is unlawful or prohibited by these Terms;
 - 13.4.2. will not violate any law in any jurisdiction or other third-party right;
 - 13.4.3. are solely responsible for your conduct while accessing and using the Services;
 - 13.4.4. will not perform or attempt to perform any kind of malicious attacks on blockchains with the use of the Services, including without limitation one intended to maliciously gain control of more than 50% of a network's mining hash rate; and
 - 13.4.5. will not use the Services for any kind of market manipulation or market disruption.
- 13.5. At any time, we reserve the right at our sole and absolute discretion to:
 - 13.5.1. change or improve the services, information and products available through the Website;
 - 13.5.2. close the Website and/or the Platform Pool for maintenance reasons; or
 - 13.5.3. to make any changes or amendments to these Terms.
- 13.6. We may, at our sole and absolute discretion, at any time, for any or no reason and without liability to you, with prior notice:
 - 13.6.1. terminate all rights and obligations between you and us derived from these Terms;
 - 13.6.2. suspend your access to all or a portion of the Services;
 - 13.6.3. modify, suspend or discontinue, temporarily or permanently, any portion of the Services for maintenance or otherwise;
 - 13.6.4. provide enhancements or improvements to the features and functionality of the Services, which may include patches, bug fixes, updates, upgrades and other modifications. Any such change may modify or delete certain portions, features or functionalities of the Websites and/or the Platform Pool.
 - 13.6.5. You agree that we have no obligation to:

13.6.5.1. provide any updates; or

13.6.5.2. continue to provide or enable any particular features or functionalities of the Website and/or the Platform Pool to you.

13.6.6. In the event of your breach of these Terms, including but not limited to, for instance, anti-money laundering and know your client regulation and procedures or any other relevant applicable regulation, you will be given 7 Business Days to cure the breach immediately after you have been notified of such breach. If you fail to comply within 7 Business Days, or if the nature of your breach means that it is impossible for you to comply, all your rights derived from these Terms terminate automatically.

14. Governing Law and Jurisdiction

14.1. These Terms and any dispute or claim arising out of, or in connection with, it, its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with English law.

14.2. The Parties agree that the courts of England and Wales will have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, these Terms, its subject matter or formation (including non-contractual disputes or claims).

15. Definitions

Applicable Law means all applicable laws, legislation, statutory instruments, regulations and governmental guidance having binding force whether local or national or international in any relevant jurisdiction.

AWS means Amazon Web Services.

Blockchain means a time-stamped series of immutable records of data that is managed by a cluster of computers not owned by any single entity. Each of these blocks of data (ie., block) is secured and bound to each other using cryptographic principles (ie., chain).¹

Block Withholding Attack means occurrences where a Miner in a Mining Pool intentionally does not submit any blocks they find to the pool. The intent of the attack is to cause the profitability of the mining pool to drop.²

Business Day means a day other than a Saturday, Sunday or public holiday in England and Wales.

Cryptocurrency Mining means the process in which transactions between users are verified and added to a blockchain ledger. The process of mining is also responsible for introducing new coins into the existing circulating supply.³

Default Payment Threshold means 1 Ether.

Efficient Payout means the Platform's ability to reduce Gas Fees by way of bundling all payouts to different Miners under one singular smart contract instruction on the Ethereum platform.

Ether means Ethereum's native currency.

Ethereum means the open-source, decentralised software platform known as Ethereum, where anyone can build their own projects by creating distributed apps (or "Dapps") through the use of smart contracts. It is also possible to exchange Ether on the Ethereum platform.⁴

¹ <https://blockgeeks.com/guides/what-is-blockchain-technology/>

² https://golden.com/wiki/Block_Withholding_Attack

³ <https://academy.binance.com/en/articles/what-is-cryptocurrency-mining>

⁴ <https://ethereum.org/en/what-is-ethereum/>

Force Majeure Event means any event or sequence of events beyond a party's reasonable control and that could not have been reasonably anticipated or avoided and which prevents it from, or delays it in, performing its obligations under these Terms including, but not limited to:

- (a) An act of God, fire, flood, drought, earthquake, windstorm or other natural disaster;
- (b) An act of any sovereign including war (or threat of, or preparation for war), armed conflict (or threat of, or preparation for, armed conflict), invasion, act of foreign enemies, hostilities (whether war be declared or not), rebellion, revolution, insurrection, military or usurped power of confiscation;
- (c) Acts of terrorism, civil war, civil commotion or riot (or the threat of, or preparation for, acts of terrorism, civil war, civil commotion or riot);
- (d) Civil emergency (whether an emergency be declared or not);
- (e) Fire or explosion (other than, in each case, one caused by breach of contract by, or with the assistance of, the party seeking to rely on it as a force majeure event by a member of the same group as such party);
- (f) Adverse weather conditions;
- (g) Nationalisation, requisition, destruction or damage to property by or under the order of any government or public or local authority;
- (h) Embargo, blockade, imposition of sanctions or breaking off of diplomatic relations or similar actions;
- (i) Radioactive, nuclear, chemical or biological contamination or sonic boom, pressure waves caused by aircraft travelling at sonic or supersonic speeds;
- (j) Law or governmental order, rule, regulation or direction, judgment, order or decree;
- (k) Epidemic or pandemic;
- (l) Labour dispute including, but not limited to, strikes, industrial action, lockouts or boycott other than by a member of the same group as the party seeking to rely on it as a force majeure event;
- (m) Interruption or failure of utility service including to electric power, gas, water, internet or telephone service;
- (n) Collapse of building structures;
- (o) Failure of the transportation of any personnel, equipment, machinery supply or material required by a party for performance of these Terms;
- (p) Failure of plant machinery, machinery, computers or vehicles;
- (q) Non-performance by suppliers or sub-contractors;
- (r) Malicious or negligent damage or other act (other than, in each case, by the party seeking to rely on it as a force majeure event or by a member of the same group as such party);
- (s) Any action taken by a government or public authority, including, but not limited to, a failure to grant a necessary license or consent or the imposition of an export restriction, import restriction, quota or other restriction or prohibition;
- (t) Accidental damage or other act,

but not including, without limitation, over-commitment, market circumstances or other circumstances that may make these Terms unattractive to a party.

Gas Fee means the unit that measures the amount of fees that need to be paid to the Ethereum network in order to execute smart contract instructions.⁵

Miner(s) means the user(s) of the Platform.

Mining Pool means the pooling of resources by Miners, who share their processing power over a network, to split the rewards of mining among everyone in the pool, according to the amount of work they contribute to the probability of finding a block.⁶

Party/ies means you and us.

PPLNS (or Pay Per Last N Shares) means the calculation method for the amount of reward paid to a Miner during a mining round eg., one round may be timed to last for one hour. If a block has been found by the pool during that round, the reward is distributed according to the number and difficulty of shares submitted during that round. Payout will take place immediately after the Default Payment Threshold has been reached.

Platform Pool means the Mining Pool located on the Platform and operated by the Company as set out in clause 2.1 of this TOS.

PPLNS Pool means a segregated pool (away from the Platform Pool).

Share means the proportion of shares a miner contributes towards finding a block in any one mining round.

Solo Mining means where a Miner carries out Cryptocurrency Mining activities outside of a Mining Pool.⁷

Wallet means the external Ethereum wallet used to store any earnings from a Miner's activities on the Platform.⁸

Website means the website located at the following web address: <https://miningdao.io> or any other website we may stipulate.

⁵ <https://blockgeeks.com/guides/ethereum-gas/>

⁶ <https://academy.binance.com/en/articles/what-is-cryptocurrency-mining>

⁷ <https://www.blockchain-council.org/blockchain/solo-mining-works/>

⁸ <https://ethereum.org/en/wallets/>