

# User Agreement

This is a legal agreement between **you** as a natural person ("USER") and **trustwise.io ag** ("TRUSTWISE") stating the terms under which you can use TWEX. Please read this User Agreement ("this Agreement") carefully before switching/ticking the "Agree" toggle/checkbox below. By pressing "SIGN-UP" you are agreeing to be bound by the terms of this Agreement. If you do not agree to the terms of this Agreement leave the application.

## Definitions (sorted by topic)

<b>Distributed Ledger Technology</b>	A transactional database, which is replicated across many <b>independent</b> computers and which uses cryptographic means to prevent changes. A consensus protocol ensures that the databases of valid transactions are synchronised across the network. Both, the cryptographic means and the distribution across many computers provide users with a highly reliable and practically tamper-proof recording of transactions. As a drawback, an erroneous transaction cannot be simply reverted or corrected.
<b>Wallet</b>	A device, physical medium, program or a service which stores the <b>public and private keys</b> for blockchain transactions and for encrypting and/or signing information.
<b>Wallet type</b>	Defines who possesses the private key. Two types are distinguished – self managed and custodial wallets.
<b>Self-managed wallet</b>	A self-managed wallet is exclusively controlled by the user and stored on a device (here on the mobile phone) or encrypted on a server.
<b>Custodial wallet</b>	A custodial wallet is managed by a service provider on behalf of the user.
<b>HD Wallet</b>	A technique to create multiple private/public key pairs from a single seed which is derived from a recovery phrase. Each key pair is generated by providing the recovery phrase and a <b>derivation path</b> to a specified algorithm. The description of the algorithms used by TWEX can be found at <a href="https://github.com/bitcoin/bips/blob/master/bip-0032.mediawiki">https://github.com/bitcoin/bips/blob/master/bip-0032.mediawiki</a> and <a href="https://github.com/bitcoin/bips/blob/master/bip-0044.mediawiki">https://github.com/bitcoin/bips/blob/master/bip-0044.mediawiki</a> .

HD Wallets are used to better protect the real identity of a user on the blockchain while at the same time eliminating the need to store each private key. HD Wallet stands for "Hierarchical Deterministic Wallet" and is also called "Multi-address Wallet".

<b>Derivation path</b>	In TWEX, the derivation paths have a format such as m/44'/60'/0'/0/0, m/44'/60'/0'/0/1. The only part of the derivation path that changes is the last incremental number, which is called index.
<b>Recovery phrase</b>	A phrase with 12 words which must be entered correctly and in the right order to restore the seed.
<b>Public key</b>	The public part of a key pair.
<b>Blockchain address</b>	<p>Identifies a person or smart contract. The blockchain address is represented by 40 characters prefixed with "0x", e.g., 0x63FaC9201494f0bd17B9892B9fae4d52fe3BD377.</p> <p>The blockchain addresses are created by using the hash function "keccak256" on the public key. The details of the function are documented in <a href="https://ethereum.github.io/yellowpaper/paper.pdf">https://ethereum.github.io/yellowpaper/paper.pdf</a> (Appendix F).</p> <p>The blockchain address can be seen by anybody who has access to the blockchain database, i.e., all node operators.</p> <p>Addresses can "hold" tokens or can be the visible "owners" or "actors" of/on smart contracts. As they do not reveal the name of the natural person who owns a corresponding key pair, they are also referred to as "pseudonyms".</p>
<b>Smart Contract</b>	A piece of software stored on the blockchain that regulates contractual relationships between users and/or legal entities. A smart contract normally has an owner and optionally other users or legal entities who are entitled to perform defined actions on the smart contract, e.g., transfer tokens, change the status, enter confirmations.
<b>Smart contract address</b>	A blockchain address, identifying a smart contract.
<b>Identity (ID)</b>	A smart contract address that represents a user or legal entity. The right to execute transactions on a personal identity smart contract is granted to exactly one key pair of the user of its HD wallet. The corresponding derivation path for the key pair of one identity can be found under the identity tile in TWEX.

This set-up allows to grant power of attorney for selected identities to other users. For company identities the execution rights are derived from the identities of the signatories.

<b>Portfolio</b>	A smart contract which can hold assets (tokens) for a user or legal entity. In TWEX a portfolio is an identity. This user or legal entity is considered as the owner of the assets. The owner can grant power of attorney for his/her portfolio to other users with single or joint signatures.
<b>Transaction</b>	Any action that needs to be signed by the user with one of his private keys.
<b>TrustnetONE</b>	A permissioned blockchain.
<b>TETH</b>	The cryptocurrency of TrustnetONE.
<b>Validator</b>	A legal entity which validates transactions on the blockchain. It must maintain a full copy of the blockchain database and is responsible for consistent block generation and transaction verification according to the consensus algorithm.
<b>Node Operator</b>	A legal entity which maintains a copy of the TrustnetONE database.
<b>Token</b>	A representation of a value or voting right on the blockchain or a registered value right according to article 973d of the Swiss Code of Obligations (CO) by a smart contract on the blockchain.
<b>Swiss Trustnet International ("STI")</b>	A Swiss Association which governs TrustnetONE.
<b>TWEX</b>	Two native apps (for iOS and Android) and a Webapp to facilitate interaction with TrustnetONE, especially for Corporate Financing and Corporate Governance.
<b>WeSign</b>	A brand name representing a module integrated in TWEX that allows users to register documents on the blockchain (for proof of existence, proof of integrity and proof of authenticity) and to sign registered documents with advanced electronic signatures.
<b>TWEX Credits</b>	A unit of account with which TRUSTWISE services are paid by USER after he/she has used up his/her free transactions. One TWEX Credit equals CHF 1.00 plus VAT where applicable. USER can buy TWEX Credits by contacting TRUSTWISE.

**Block times** The time in which transactions are normally confirmed. TrustnetONE operates on block times of four seconds. The effective block time depends on the availability of the validating nodes.

## 1 LICENSE TO USE TWEX

TRUSTWISE hereby grants USER a non-exclusive, non-transferable, revocable right to use TWEX to access and sign transactions on TrustnetONE.

## 2 REGISTRATION AND PERSONAL DATA

### 2.1 SIGN-UP

To use TWEX, USER must sign up either with the TWEX mobile application or via the webapp.

By signing up, USER confirms the following:

- that he/she is a natural person and of legal age (at least 18 years old);
- that the legislation applicable to him/her does not prohibit him/her from using TWEX;
- that he/she will not use TWEX for illegal purposes.

### 2.2 USER IDENTIFICATION

After signing up, USER will be identified by an identity verification service provider.

The identification process includes a basic identification, which is mandatory for the use of services of TWEX. Advanced identifications are only required in certain cases.

Identifications will be stored together with the user data in a database and can be seen under Profile in TWEX.

#### 2.2.1 Basic Identification

Trustwise will provide a basic identification service that covers a comparison of the data and the material provided. Trustwise reserves the right to check the data provided against public databases or registries as well as databases for Politically Exposed Persons (PEP), criminal records or sanctions. USER agrees that issuers of value rights or payment tokens may also conduct background checks before transferring tokens. TRUSTWISE may transfer the identification service to third party providers. Any data protection obligation will be passed on to the provider.

## 2.2.2 Advanced Identifications

TRUSTWISE might ask USER for further identifications.

Advanced Identifications are needed, if USER wishes to enter into certain business agreements, such as using custodial wallets or buying and selling of certain tokens.

Advanced Identifications include an online identification and might include also the revelation of the source of funds or questions regarding the qualifications of an investor for certain financial investments ("Qualified investors status" according to the Swiss Federal Financial Services Act FIDLEG or the European Markets in Financial Instruments Directive MiFID II).

## 2.3 ACCURACY OF PERSONAL DATA

During Sign-Up and User Identification, USER must provide accurate data about his name, legal status, domicile, address, contact data and any other required information as well as digital copies of identity information.

USER is obliged to keep this information always up to date.

TRUSTWISE reserves the right to periodically request a confirmation of USER's data.

# 3 HD-WALLET, IDENTITIES AND RECOVERY PHRASE

## 3.1 HD-WALLET

During Sign-Up, USER chooses a wallet type and thus creates his/her HD-Wallet which consists of multiple private-public keypairs.

USER has one HD-Wallet with a corresponding master key. The master key can be recovered by using the recovery phrase, which is shown to USER during Sign-Up.

For the time being, TWEX offers only self-managed wallets and no custodial wallets.

## 3.2 IDENTITIES

### 3.2.1 Use of Identities

To better protect his/her privacy, USER is required to use different identities for different roles (e.g., for his/her portfolio, for board memberships, document signing, or as a signatory of a company).

All Identities are visible in the Identities tile within TWEX.

Per default, one portfolio identity is created per user. For other roles, new identities must be generated. Identities for company secretary or board memberships can be used once only per company.

As identities allow USER to execute his/her rights independent from the TWEX, USER must print out and store in a secure place all identities and their details (the smart contract address of the identity, the public key of the owner of the smart contract address and the index) as soon as a new identity is generated.

### 3.2.2 Visibility of Identities

To facilitate interaction, USER can set a privacy status on his/her identities. The chosen privacy status determines who will be able to view the real name linked to the identity when using the application.

The privacy statuses are as follows:

- **Private:** USER's name will never be displayed to any other user of TWEX **before** entering into a contractual relationship with another USER. In case USER wants to use an identity with status "Private", the identity must be communicated to the contracting USER outside TWEX.
- **Business Partners:** The name of your identity will be shown to all users of TWEX with whom you have agreed on a business partnership. Visit *Business Partners* section of the documentation to learn more about how business partners work in this application.
- **Public:** Your name will be visible to all other users of TWEX. This option is especially suited for service providers such as arbiters, notaries, accountants, and investment managers.

## 3.3 RECOVERY PHRASE

If USER creates a self-managed wallet during sign-up, USER must store the recovery phrase accurately and safely.

The recovery phrase must not be shared with anybody. If the recovery phrase is lost or stolen, USER loses his access to its assets. There is no way to recover the master key other than with the recovery phrase.

USER is fully and exclusively responsible for the proper management of the recovery phrase. TRUSTWISE is, under no title or circumstances, liable for any damage created by the loss or improper handling of the recovery phrase and USER hereby waives any and all claims he or she may have against TRUSTWISE in connection with the loss or improper handling of the recovery phrase.

# 4 SERVICES

## 4.1 SERVICES ON TWEX

TWEX provides USER services using TrustnetONE and Distributed Ledger Technology. The provided services may include:

- the possibility to receive and send tokens;
- the management of any kind of financial investments, especially private equity investments;
- the possibility to participate in corporate governance events;
- the possibility to sign documents with WeSign;
- the possibility to create multiple portfolios;
- the possibility to grant power of attorney for portfolios to other users with single or collective power of attorney.

USER understands and acknowledges:

- that TWEX functions as a platform for the aforementioned services. The content of the services (e.g., the transferable token), on the other hand, is provided by third parties. For this reason, TRUSTWISE assumes no responsibility and no liability for the content of the services;
- that TRUSTWISE is not a party to any transfer of any token;
- that TRUSTWISE is in no way an intermediary and does not process any transfers involving shares or other financial products. The risk of the transfer of tokens remains exclusively with the parties involved.

## 4.2 AGREEMENTS WITH BUSINESS PARTNERS

By using TWEX and its services, USER may enter into blockchain-secured agreements with business partners/third parties.

TRUSTWISE assumes no liability for the validity and content of such agreements (e.g., register value right agreements).

For agreements which are initiated by USER, he/she is exclusively responsible to ensure:

- that the content and/or the terms and conditions of documents signed or uploaded are legally permissible;
- that the contracts registered and signed with WeSign are suited for advanced electronic signatures; in this context, USER understands and acknowledges that WeSign is only an advanced electronic signature and not an authenticated electronic signature. For this reason, WeSign is not intended for legal acts that must be signed by hand by law (art. 14 CO);
- that transfers of tokens are sent to the correct identity of the business partner.

## 4.3 SIGNATORIES

If USER grants power of attorney for one of his/her portfolios to another user with single or joint signatures, TRUSTWISE will consider these signatures as valid and rejects any liability for any damages resulting from falsely granted power of attorney of signatory rights. Under no title or circumstances is TRUSTWISE responsible for any loss or damage or non-execution of transactions initiated by signatories who have been granted power of attorney and USER hereby waives any and all claims he or she may have

against TRUSTWISE in connection with such loss or damage or non-execution of transactions. As long as there are no pending transactions USER can remove such signatory rights at any time.

## 4.4 ADJUSTMENT OF SERVICES

TRUSTWISE is free to adjust the selection of services offered, in particular to offer new services, but also to discontinue existing services. TRUSTWISE will notify USER with a notice period of at least 90 days of the discontinuation of a service.

# 5 FEES

## 5.1 PRICING PLANS AND PRICING ITEMS

TRUSTWISE charges fees for its services, which must be paid by USER with TWEX Credits.

TWEX Credits can be charged per transaction or per time-period. The items for which TRUSTWISE levies fees are called pricing items and are organised in pricing plans. A pricing plan may include a number of free transactions. Some fees might also be borne by the issuer of tokens.

At sign-up USER receives the standard pricing plan and 25 TWEX Credits for free which he/she can use for his/her personal transactions.

The standard pricing plan for USER with the price list is available [here](#) and can be looked up together with the usage of TWEX Credits under the User Profile in TWEX.

TRUSTWISE reserves the right to change the pricing plan with a notice period of at least 90 days.

TWEX Credits are neither transferable nor redeemable.

## 5.2 TWEX CREDITS AND COST OF BLOCKCHAIN TRANSACTIONS

After using all its free transactions, USER has to buy credits from TRUSTWISE via bank transfer. TRUSTWISE plans and reserves the right to introduce further payment options so that USER will be able to choose between different options in this case.

If USER has enough credits, TRUSTWISE ensures that USER has always enough TETH to perform transactions on TrustnetONE.

# 6 NOTIFICATIONS

USER receives notifications about the status of transactions or invitations within TWEX under the notifications tile, with badges and via e-mail.

USER must check the application periodically for new notifications.

TRUSTWISE applies its best efforts to ensure that the notification system and all channels work properly.

However, TRUSTWISE assumes no responsibility for the correct functioning of the badges and e-mail notifications.

## 7 TERMINATION

This Agreement can be terminated by USER at any time within TWEX. TRUSTWISE can terminate this Agreement with a notice period of at least 90 days.

In the event of termination, USER will no longer have access to TWEX and is requested to download or print out all documents and identities prior to the termination.

After termination USER may request access to blockchain data through STI or, alternatively, through another service provider using TrustnetONE.

## 8 PRIVACY AND CONFIDENTIALITY

### 8.1 PRIVACY AND CONFIDENTIALITY WITH REGARD TO DISTRIBUTED LEDGER TECHNOLOGY AND TRUSTNETONE

TRUSTWISE applies its best effort to protect the privacy of USER.

TRUSTWISE processes readable personal data in a database and records and stores all transactions with public keys or smart contract addresses on TrustnetONE.

The link between the name of USER and its identities and public keys are kept within the TRUSTWISE database only.

In addition, STI puts contractual obligations on each Node Operator to respect the privacy of all users of TrustnetONE and refrain from any analysis of the blockchain database that could point to the identity behind the smart contract addresses and public keys, regardless of whether it is performed manually or with software (e.g., machine learning techniques).

### 8.2 IMPOSSIBILITY TO DELETE PSEUDONYMS ON TRUSTNETONE

All blockchain transactions of USER are stored with their identities (smart contract addresses) and the public keys of the owner, which function as the pseudonyms of USER.

USER takes note of and accepts that these pseudonyms cannot be deleted from the blockchain databases due to the nature of Distributed Ledger Technology.

However, after the expiry of the retention period required by law, USER can request TRUSTWISE to delete the link between the pseudonyms and the name in its databases.

## 9 DATA PROTECTION

### 9.1 USE OF DATA AND SALES OF DATA

TRUSTWISE will never use data for other purposes other than the services provided. In particular, TRUSTWISE will never sell any user data to third parties or make it publicly available.

Data will be only provided to third parties within the scope necessary to provide their services within TWEX.

TRUSTWISE will only provide data to authorities under Swiss law, if legally required to do so.

### 9.2 PASSING ON OF DATA

#### 9.2.1 Passing on to data processors

TRUSTWISE passes on personal data to service providers within and outside of Switzerland, who process this data in their capacity as data processors on our behalf and in accordance with our instructions.

This may comprise service providers in the following areas:

- **administrative services;**
- **advisory services;**
- **IT services.**

The data processors may be located in countries which do not possess the same levels of data protection as apply in the country in which USER is located. By selecting the data processors and by applying suitable measures TRUSTWISE does, however, make sure that data protection is ensured for the whole time during which USER's personal data is being processed, including any processing by the data processors.

The passing on of data to external data processors is based on article 6(1) sentence 1 lit. f and article 6(1) sentence 1 lit. b of the General Data Protection Regulation by the European Union (GDPR).

#### 9.2.2 For other purposes

Other than that, TRUSTWISE passes on USER's personal data within TRUSTWISE and/or to third parties only if:

- **USER has given his/her express consent in accordance with article 6(1) sentence 1 lit. a GDPR;**  
or
- **this is legally permitted and necessary for the performance of a contract with USER in accordance with article 6(1) sentence 1 lit. b GDPR; or**

- there is a legal obligation for the passing on of data in accordance with article 6(1) sentence 1 lit. c GDPR; or
- the passing on is necessary in accordance with article 6(1) sentence 1 lit. f GDPR for the establishment, exercise or defence of legal claims and there is no reason to believe that USER has an overriding legitimate interest in his/her data not being passed on.

## 10 DATA SECURITY

Subject to the terms and conditions of this Agreement, TRUSTWISE applies its best effort to protect USER from data loss, data breaches or hacking.

## 11 REPRESENTATIONS AND WARRANTIES

TRUSTWISE represents and warrants to the USER that:

- **TRUSTWISE has the legal right and authority to enter into this Agreement and to perform its obligations under this Agreement;**
- **that the use of TrustnetONE, when used by USER in accordance with this Agreement, will not infringe the intellectual property rights of any third party.**

Other than that, TRUSTWISE grants and licenses, and USER accepts the right to use TrustnetONE “as is”. TRUSTWISE provides no warranties as to the functioning or performance of TrustnetONE, the block times and the TWEX application, whether express, implied, or statutory, including, without limitation, any implied warranties of merchantability of fitness for practical purpose.

## 12 LIMITATION OF LIABILITY

TRUSTWISE’s liabilities to USER under any provision of this Agreement for damages shall be limited to the extent permitted by article 100 CO.

TRUSTWISE assumes no liability for incorrect data from any other user, corporate users or market data providers.

In no event TRUSTWISE shall be liable for indirect, incidental, special or consequential damages, including loss of use, loss of profits or interruption of business, however caused or based on any theory of liability.

## 13 MISCELLANEOUS

### 13.1 ACCESS TO TRUSTNETONE

TRUSTWISE provides USER access to TrustnetONE through TWEX.

USER acknowledges that TRUSTWISE imposes on issuers that all transfers of tokens issued through TWEX must be executed through TWEX as long as TRUSTWISE exists and the services on TWEX are not interrupted for more than one month.

Hence, USER must not make any token transfers directly to TrustnetONE as long as this Agreement has not been terminated.

If USER wishes to check his/her rights, TRUSTWISE shall ensure that STI will grant USER temporary access to the blockchain to validate transactions as required by Swiss Law. For such requests STI will provide a block explorer.

### 13.2 INSOLVENCY OR DISSOLVENT OF SERVICE PROVIDER

In case TRUSTWISE becomes unavailable (e.g., due to insolvency or liquidation), this Agreement shall be terminated automatically.

However, transactions and value rights data will remain accessible directly via STI provided that USER knows the recovery phrase and all details of his identities. USER may obtain TETH as well as instructions for restoring the HD wallets directly from STI.

### 13.3 NO ASSIGNMENT OF INTELLECTUAL PROPERTY RIGHTS

Intellectual property shall include without limitation all rights to and any interests in any patent, design, trademark, copyright, know-how, trade secret and any other proprietary right or form of intellectual property customer list, agreement, specification, drawing program, design, system, process, logo, mark or style ("Intellectual Property").

All Intellectual Property provided to USER by and/or on behalf of STI or TRUSTWISE, in any form whatsoever, which is owned by or licensed to STI or TRUSTWISE, shall remain the exclusive property of STI, TRUSTWISE or the third-party licensee, as the case may be. USER shall acquire no right, title or interest in the Intellectual Property of STI or TRUSTWISE as a result of the use of TWEX or TrustnetONE.

### 13.4 SALVATION CLAUSE

If any provision of this this agreement is held to be invalid or unenforceable for any reason it shall be adjusted rather than voided, if possible, in order to achieve the intent of the Parties to the fullest extent possible. In any event, all other provisions of this Agreement shall be deemed and remain valid and

enforceable to the fullest extent possible, unless such invalidity or unenforceability significantly restricts or changes the Parties' rights and obligations under this Agreement.

## **14 GOVERNING LAW AND JURISDICTION**

This Agreement shall be exclusively governed by and construed in accordance with the laws of Switzerland without regard to conflict of law principles. The application of the United Nations Convention on contracts for the international sale of goods ("CISG") is explicitly excluded.

All disputes arising out of or in connection with this Agreement shall be submitted to the exclusive jurisdiction of the courts of Basel, Switzerland.