



General conditions of use of the 3Achain platform (PRO user)

A. PREMISES

1. This document establishes the contractual conditions of use by professional users of the *permissioned* distributed ledger called "3Achain" promoted by the Municipality of Lugano (hereinafter, the Platform).
2. The contract is concluded with the Municipality of Lugano, represented by the Municipal Secretary.

Contact: Municipality of Lugano, Municipal Chancellery, Piazza della Riforma 1, 6900 Lugano; Tel. +41 58 866 70 09; e-mail: cancelleria@lugano.ch

3. 3Achain uses a validator algorithm based on the so-called *Proof of Authority* (PoA), resulting in a rational use of energy resources and high scalability, being able to process thousands of transactions per second.
4. The physical infrastructure of 3Achain is made up of autonomous nodes, independent from the Municipality of Lugano, which have been selected on the basis of their reliability according to specific requirements made binding through a contract (see collaboration agreement for validator nodes).
5. For increased security, transactions registered in the 3Achain are globally reported on Ethereum every day at midnight.
6. The Municipality of Lugano intends to develop technical skills and businesses at local level in the field of distributed ledger technology (DLT), in which Switzerland has taken a leading role at global level, in particular by adopting a system based on the legal recognition of transactions carried out through distributed ledgers.

B. ADMISSION TO THE USE OF THE PLATFORM AND FEES

1. The Platform is open to any individual or legal entity, in particular in the field of research and development, who needs a DLT environment to test their projects (TEST Platform) or for internal corporate use, respectively to offer services to the public (MAIN Platform) (hereinafter, PRO User), who fulfils the admission and use requirements and successfully completes the identification procedure (KYC).
2. The admission requirements, the information required as part of the identification and verification process, as well as the documents to be provided are specified in the PRO User onboarding procedure, which can be found online at www.3achain.org.
3. There is a charge for using the Platform. The usage fee depends on various factors and is variable over time. By accessing and using the Platform, the PRO User accepts the fee conditions established at the discretion of the Municipality of Lugano and published exclusively online at www.3achain.org/sottoscrizioni in force at the time of the registration request for each transaction. It is therefore the responsibility of the PRO User to check the fee status before operating, either directly or through their END Users, on the Platform.
4. The new fee conditions shall be published online (www.3achain.org/sottoscrizioni) and shall be binding from the effective date indicated in the publication. In the event of any price increase, the Municipality shall notify the PRO User by e-mail to the address provided during registration, who shall have the right, in the event of disagreement, to terminate this agreement with effect from the scheduled effective date of the new fees.
5. Payments shall be made based on a monthly invoice. In case of delay in payment, the access of the PRO User and/or of its END Users may be suspended at any time and without notice, without any charge, expenses or other liability or penalty on the part of the Municipality of Lugano. The annual interest on arrears amounts to CHF 5% (legal rate) and for each written notice an amount of CHF 50.-- shall be charged as compensation for administrative costs. The right to compensation for enforcement and administrative costs, legal aid costs, as well as any other burden or damage is reserved.
6. The Municipality of Lugano undertakes to use part of the proceeds to purchase carbon offset certificates.

C. RIGHTS, OBLIGATIONS, WARRANTIES AND LIMITATIONS OF LIABILITY

1. Each User, whether PRO or END, must use the Platform (including related tools such as website, email, contact form, phone number, social media profiles, newsletters, etc.) in a lawful manner, respectful of the rights of others and in accordance with this agreement. In particular, the User must:

- a)** comply with the instructions and detailed guidelines published on the website (www.3achain.org/documentazione);
 - b)** refrain from dealing, directly or indirectly, with content that is misleading, unlawful, harassing, offensive, discriminatory, threatening, harmful, vulgar or otherwise inappropriate;
 - c)** refrain from processing, directly or indirectly, data or information relating to third parties without having obtained their express consent;
 - d)** refrain from using the Platform (and related resources) to carry out activities or acts that are unlawful, fraudulent or harmful to the rights of third parties, including copyright and personality rights; unlawfulness is to be assessed in consideration of Swiss law, as well as any foreign law applicable to the case;
 - e)** refrain from processing, directly or indirectly, personal data without the prior express consent of the persons concerned, after having informed them fully about the related processing of personal data (in particular from the point of view of the immutability of the ledger);
 - f)** inserts up-to-date and accurate data and information;
 - g)** ensure and guarantee that the computer devices used are secure and free of malicious elements (such as malware, viruses, trojan horses, etc.);
 - h)** refrain from using, directly or indirectly, means of any kind, including software, to interfere or attempt to interfere with the operation of the Platform and other online resources, as well as to hinder the use of the services by other users;
2. The PRO User is entitled to incorporate the Platform in its internal processes and services to the public, thus involving end users such as employees, customers and other users (END Users). The legal relationship existing between the PRO User and END Users does not concern the Municipality of Lugano, with which END Users do not enter into any contract.

The PRO User is liable without limitation for the actions not only of its bodies, employees, managers, and assistants, but also for the conduct of its END Users. It is therefore recommended to pass on the obligations under this agreement to END Users, to carefully select users and projects and to actively monitor their conduct.

The PRO User warrants under Article 111 of the Swiss Code of Obligations (CO) that all persons under its responsibility (including END Users) will act in full compliance with this agreement and in accordance with applicable law.

The PRO User assumes all consequences that may arise from the misuse of the Platform by its END Users, holding the Municipality harmless and indemnified from any obligation, cost, liability and/or damage (including legal assistance costs in Switzerland and abroad).

3. The role of the Municipality of Lugano is limited to establishing the requirements and rules for assuming and carrying out the independent function of validator nodes, as well as issuing and administering the Platform protocol, to the exclusion of any duty to supervise validator nodes. These rules and requirements are published

(www.3achain.org/documentazione), so it is up to the PRO User to assess whether or not the Platform fulfils the operational and legal needs of the PRO User and its END Users before using it.

The Municipality of Lugano does not provide any guarantee to PRO and/or END Users with respect to the Platform, in particular with respect to the security, reliability, immutability, continuity and quality of the infrastructure and the related ledger, as well as for the correct and prompt fulfilment by the operators of the validator nodes of the Collaboration Agreement applicable to them.

4. The Municipality of Lugano has the right to revoke the right of PRO and/or END Users to use the Platform at any time and with immediate effect in case of breach of this agreement, of the law applicable to the PRO and/or END User, including any foreign regulations that may be applicable, at the request of Swiss and foreign authorities and/or courts, as well as in the presence of a justified reason.

The Municipality of Lugano has the right to suspend as a precautionary measure the PRO and/or END User until the final clarification of any factual and/or legal issue concerning the admission to use the Platform without incurring any penalty, liability and/or charge.

5. The Municipality is expressly exempted from any obligation to supervise the PRO User and its staff, the network and/or the activity of the PRO and/or END Users.
6. Any liability of the Municipality of Lugano towards the PRO User for the conduct of other Users of the Platform and/or third parties is expressly excluded.
7. Any activity carried out using the credentials given to the PRO User, respectively issued by him to END Users or to third parties, will be attributable to the concerned PRO User. The latter assumes all the consequences that may arise from the abusive use of such credentials, keeping the Municipality free and harmless from any obligation, cost, liability and/or damages.
8. The PRO User undertakes to immediately notify the Municipality of Lugano of all computer and/or information security breaches of which he/she is aware, including internal breaches and attempted attacks, which are likely to affect the reliability and/or security, even only indirectly, of the PRO User, the validator nodes and/or the ledger, such as, for example, unauthorised access, coordinated malicious activity by the majority of validator nodes (50% + 1 attacks), security holes, node unavailability, hardware and software vulnerabilities, programming errors, malware infections, theft or loss of authentication credentials and/or private keys, entry of transactions in violation of this agreement, etc..
9. The PRO User undertakes to immediately notify the Municipality of Lugano of all violations by END Users of these general terms and conditions, of the existing cooperation

agreement with the validator nodes as well as of the applicable law (including foreign law) of which he/she is aware, including attempted or merely potential violations, such as, for example, illegal activities, criminal offences, usurpation of logos and trademarks, violation of intellectual property rights, violations of personality and of the rules protecting personal data, illegal financial activities, etc.

10. The PRO User established abroad (as opposed to Switzerland) must appoint a representative located in Switzerland with full power of representation (attorney).
11. The Municipality of Lugano may request, at any time, proof, notably by means of documents, inspection and/or expertise, that the obligations and requirements set out in this agreement for the PRO User and/or its END Users have been fulfilled. The PRO User, subject to any applicable confidentiality obligations, undertakes to grant access, on an adversarial basis, to any documents, devices and/or installations relating to the activity carried out through the Platform by the PRO User and its END Users in the context of the verification activities in question. In the event of denial of access, respectively during the verifications, the Municipality of Lugano may suspend the use of the Platform.
12. The requirements and conditions of use of the Platform are constantly updated and published online (www.3achain.org/documentazione) with an indication of the date of their entry into force, particularly in consideration of regulatory developments, changes in the protocol or the needs of users. Refusal or non-implementation of the requirements will result in the termination of this Agreement with effect from the date on which the new requirements are due to come into force.

D. FURTHER OBLIGATIONS AND CONTRACTUAL CONDITIONS

1. All communications provided for in this agreement must be in writing and will be considered validly and effectively executed upon receipt of the same, if made by ordinary mail, respectively at the time of sending confirmation of reading by the recipient, if made by e-mail.
2. 3Achain is a registered trademark of the Municipality of Lugano. The PRO and/or END User must refrain from any use of it without the prior written consent of the Municipality.
3. This agreement is concluded with immediate effect and for an indefinite period. The party that intends to terminate the contract must notify the other party in writing, observing a notice period of at least 1 (one) month with respect to the end of a month, reserving the rights of revocation and suspension of the Municipality of Lugano mentioned above.
4. The Municipality of Lugano, by giving written notice to the PRO User, may at any time transfer, in whole or in part, to one or more third parties, with final effect, its rights and/or obligations arising from the present contract (including the substitution of parts), in

particular if the management of the Platform is assumed by an association or an independent foundation.

5. This contractual relationship is governed by **Swiss substantive law**, excluding international private law (PILA) and international conventions. **Exclusive jurisdiction** lies with the court of **Lugano** (CH).
6. The validity of this agreement is subject to compliance with the **written form** (Art. 16 CO). This agreement must be signed by the representatives according to the signature rights registered in the Trade Register (TR). A qualified electronic signature with a qualified time stamp in accordance with the Electronic Signature Act (ZertES) is equivalent to a handwritten signature.
7. By signing this agreement, the signatories declare, under their own personal responsibility, that they have the powers to validly bind the validator node operator, without any further processes or requirements at the level of internal and statutory regulations.