# Token Event Handlings Disclosure

Gate.HK is committed to safeguarding the interests and security of our clients, specifically concerning the virtual assets held in custody on behalf of our clients. This disclosure outlines our approach to handling significant token actions such as governance voting, airdrops, and hard forks, ensuring our clients are well-informed about our practices and the measures wea take to protect their assets.

## Definitions

### Governance Votings

Governance voting allows token holders to participate in decision-making for a blockchain project. It is a key feature of decentralized systems, enabling token holders to vote on proposals affecting the project's direction, policies, and technical features, usually in proportion to their token holdings.

### Airdrops

An airdrop is a method by which blockchain projects distribute free tokens directly to users' wallets. It is used to promote new projects, reward loyalty, or incentivize participation. Recipients usually receive these tokens passively, without needing to conduct any transactions.

### Hard Forks

A hard fork is a major change to a blockchain's protocol that splits the blockchain into two separate paths, the original and a new version. This split requires nodes to upgrade to the new protocol or continue with the old, leading to two distinct blockchains. Hard forks are implemented for reasons such as adding new features, fixing security issues, or making significant protocol adjustments.

## Handlings

### Governance Votings

Unless specifically announced to clients through email(s) in relation to governance voting, Gate.HK does not participate in governance votings.

However, Gate.HK recognizes that certain situations may arise where our involvement is deemed necessary to protect the interests of our clients. Gate.HK evaluates governance voting opportunities on a case-by-case basis, considering factors such as the potential impact on our clients' holdings, alignment with their interests, and the overall significance of the voting event. Any decision to participate will be based on thorough research and analysis.

The factors of participating in governance voting as an exception, under Gate.HK's full discretion, include but are not limited to:

- Whether or not the governance vote directly or indirectly impacts the development continuity of the token;
- Whether or not the governance vote directly or indirectly impacts the eligibility of listing the token on Gate.HK;
- Whether or not the governance vote directly or indirectly impacts the technical feasibility of listing the token on Gate.HK; and/or
- Whether or not the participation (or the non-participation) of the governance vote imposes legal risk to Gate.HK.

## Airdrops

Unless specifically announced to clients through email(s) in relation to an airdrop, Gate.HK does not support any new virtual asset created as a result of airdrops.

Gate.HK understands that airdrops are distribution mechanisms employed by token projects. Token holders (Gate.HK in this case) are often passively received airdrops without a valid mechanism to refuse the airdrops. If Gate.HK does not recognize or support an airdrop, Gate.HK will not make a claim for or otherwise retain any assets or rights associated with such event for our own benefit.

Gate.HK evaluates airdrop opportunities on a case-by-case basis, considering factors such as the potential impact on our clients' holdings, alignment with their interests, and the overall significance of the airdrops. Any decision to participate will be based on thorough research and analysis.

The factors of participating in airdrops as an exception, under Gate.HK's full discretion, include but are not limited to:

- Whether or not the value or perceived value of the airdrop represents a significant portion of the value or perceived value of the token;
- Whether or not it is technically feasible to support the airdrops; and/or
- Whether or not there is legal risk to support the airdrops.

## Hard Forks

Unless specifically announced to clients through email(s) in relation to a hard fork, Gate.HK does not support any forked protocol as a result of such an event. If Gate.HK does not recognize or support a fork, Gate.HK will not make a claim for or otherwise retain any assets or rights associated with such event for our own benefit.

However, Gate.HK evaluates hard forking events on a case-by-case basis, considering factors such as the potential impact on our clients' holdings, alignment with their interests, and the overall significance of the forking event. Any decision to participate will be based on thorough research and analysis.

The factors of participating in forks as an exception, under Gate.HK's full discretion, include but are not limited to:

- Whether or not the value or perceived value of the forked asset presents a significant port of the value or perceived value of the token;
- Whether or not the fork is a result of major divergence of directions between project teams and/or token holders;
- Whether or not it is technically feasible to support the fork, in particular whether the fork provides replay protection and wipeout protection from the original fork; and/or
- Whether or not there is legal risk to support the forked protocol or the forked asset.

# Risk Disclosure

Clients should be informed about the inherent risks associated with the decisions to participate in, or abstain from, governance votings, airdrops, and hard forks involving virtual assets held in custody of Gate.HK on behalf of clients.

## Decision Impact

The decisions of Gate.HK regarding participation in governance votings, airdrops, and hard forks are made with the best interests of our clients in mind, considering the potential impact on the security, functionality, and value of assets under our custody. However, these decisions may lead to situations where certain rights or values associated with virtual assets could be forfeited. For instance, choosing not to participate in a beneficial airdrop or hard fork could result in the loss of potential value for the asset holders, while abstaining from governance voting could affect the future direction of the blockchain project in ways that might not align with the asset holder's preferences.

## Client Actions

Clients who wish to ensure their participation in such events (governance votings, airdrops, or hard forks) should take proactive steps to manage their assets accordingly. This includes allowing sufficient time to transfer the virtual assets in question from Gate.HK's custodial storage to a personal wallet or another platform that supports the desired event. It is crucial for clients to be aware of the timelines and technical requirements for participating in these events and to act well in advance to avoid potential disappointments or losses.

## Due Diligence

Clients are strongly encouraged to conduct their due diligence and stay informed about the projects in which they have invested. This includes monitoring official announcements from the project teams and Gate.HK about upcoming votings, airdrops, and hard forks.

## No Liability

Please note that Gate.HK assumes no liability for any loss of value or rights resulting from the decisions of Gate.HK regarding participation or non-participation in these events. Clients are responsible for making informed decisions about their virtual assets, including the management of risks associated with these token actions.

# Notifications

Any exceptional arrangement and handling of governance votings, airdrops, and hard forks will be communicated through email(s) at least one day before the occurrence of the event, if such event is scheduled in advance and made known to the public, or as soon as reasonably practicable, if such event occurs unscheduled or unannounced.

Under the discretion of Gate.HK, additional communications may be made through email(s) pertaining to a substantial token event Gate.HK decides against participating. These communications serve as a reminder that appropriate actions should be taken by the clients if they wish to participate in such events, including allowing sufficient time to transfer the virtual assets in question from Gate.HK's custodial storage to a personal wallet or another platform that supports the desired event. Due to the nature of these token events (as they can occur unscheduled or unannounced, and/or be conducted by a third-party not related to the project team of the token), such communications will be made on a best effort basis only.