

LsSOL User Agreement

Last Revised: June 23, 2025

By obtaining a cryptographic receipt (“**LsSOL**”) that evidences ownership of your Solana tokens (“**SOL**”) staked via the Liquid Collective decentralized protocol (the “**Protocol**”), either through direct use of the Protocol or a subsequent transfer from the prior owner of the LsSOL, you agree to the terms of this LsSOL User Agreement (the “**User Agreement**”) by and between you and The Liquid Foundation, a Cayman Islands foundation (the “**Foundation**” or “**we**”). If you do not agree to all of the terms of this User Agreement, please immediately discontinue access to, and use of, LsSOL.

Section 1. LsSOL Specifications

- A. Solana allows network users to “stake” SOL to facilitate the validation of transactions on the network via its consensus mechanism. As compensation for contributing to the network’s consensus mechanism, and thereby securing the network, stakers are eligible to earn network rewards in the form of additional SOL (“**Network Rewards**”).
- B. The Protocol enables users to contribute to the security of the Solana network by programmatically allocating the users’ SOL to be staked by enterprise-grade validator node infrastructure providers (each a “**Validator**”) that are integrated with the Protocol. When a user allocates SOL to the Protocol, the Protocol programmatically generates LsSOL as a receipt that evidences the user’s ownership of staked SOL.
- C. LsSOL is a Solana network SPL token that evidences that the LsSOL holder is entitled to receive, control, hold, and dispose of a corresponding amount of staked SOL plus any accrued Network Rewards (net of Service Fees (as defined in Section 2.A below) and, if applicable, Slashing Penalties (as defined in Section 1.E below)). Once SOL is allocated by the Protocol, staked SOL is maintained as a fungible bulk and staked on behalf of the LsSOL holder.
- D. As the holder of LsSOL, you are the legal and beneficial owner of the corresponding SOL staked via the Protocol plus any accrued Network Rewards (net of Service Fees and, if applicable, Slashing Penalties). The Foundation will not have, and will not at any time acquire, legal and beneficial ownership of the staked SOL corresponding to your LsSOL.
- E. Subject to implementation of changes to the Solana network to impose a penalty (a “**Slashing Penalty**”) on SOL staked to Validators that fail to comply with Solana protocol rules, some or all of your SOL may be destroyed as a result of a Slashing Penalty. Accordingly, by staking SOL, you place your SOL at risk of any Slashing Penalties for which you may have no direct responsibility.
- F. LsSOL is freely transferable peer-to-peer and divisible into fractional units by up to 9 decimals. A transfer of ownership of LsSOL results in a corresponding transfer of ownership of the corresponding SOL staked via the Protocol as well as the benefits and burdens of the staked SOL (*i.e.*, Network Rewards and Slashing Penalties).
- G. You may redeem LsSOL for a corresponding amount of SOL by using an on-ramp infrastructure provider (each an “**Platform**”) to access the Protocol at any time, in your sole discretion, subject to the terms and conditions of the Platform and any Solana network or Protocol withdrawal restrictions and/or unbonding periods, as applicable. Each LsSOL is redeemable for the corresponding amount of SOL initially staked by the original holder of the LsSOL plus any Network Rewards that have accrued to that amount of staked SOL during the staking period, minus Service Fees and Slashing Penalties.

Section 2. Service Fees; Taxes

- A. As a holder of LsSOL, you are required to pay fees (“**Service Fees**”) to the Protocol in consideration for certain administrative services, including, among other things, those performed by Validators and Platforms. The Protocol will automatically deduct a percentage of the Network Rewards that you receive from the Solana network as Service Fees. The Service Fees in effect at a given time are set forth at <https://liquidcollective.io/service-fees/> and are subject to change at any time. Service Fees will automatically be deducted by the Protocol each time that you receive Network Rewards. Platforms and Validators receive a portion of the Service Fees as compensation for the services they provide to the Protocol.
- B. You are solely responsible for the payment of any and all taxes, levies, imposts, duties, charges, assessments or fees of any nature imposed by any tax authority with respect to your LsSOL, the corresponding staked SOL and all transactions thereof, including in connection with any Network Rewards and/or Slashing Penalties.

Section 3. Risks; Disclaimers

- A. You acknowledge that while LsSOL is intended to serve as a convenient way to participate in liquid staking, LsSOL incorporates experimental and novel technology and that the use of such technology involves a high degree of risk. For example, there are numerous reasons LsSOL and/or the Protocol could fail in an unexpected way, resulting in the total and absolute loss of your LsSOL or SOL. You hereby agree that you assume all risks in connection with your use of LsSOL and expressly waive and release the Foundation from any and all liability, claims, causes of actions or damages arising out of or in any way relating to you obtaining or using LsSOL.
- B. You will not be able to redeem LsSOL or access the Protocol without first satisfying, and remaining in compliance with, a Platform’s anti-money laundering/know-your-customer and sanctions screening program (“**Program**”). To the extent you no longer remain in compliance with a Platform’s Program, the Platform may freeze your custodial cryptoasset wallet, prevent you from accessing LsSOL and/or the Protocol and/or take any other action deemed reasonably necessary by the Platform.

- C. Except as expressly set forth herein, LsSOL will be issued by the Protocol on an “as-is” and “as available” basis and we do not make any warranties with respect to such “as-is” and “as available” basis or otherwise in connection with this User Agreement (except as expressly provided herein) and we hereby disclaim any and all express, implied or statutory warranties and conditions, including any warranties or conditions of non-infringement, merchantability, fitness for a particular purpose, availability, error-free or uninterrupted operation, and any warranties arising from a course of dealing, course of performance or usage of trade. To the extent that the Foundation may not, as a matter of applicable law, disclaim any implied warranty or condition, the scope and duration of such warranty or condition shall be applied to the minimum extent permitted under such applicable law.
- D. Without limiting the foregoing, we make no representations or warranties with regard to the potential market for or resale price of LsSOL or the amount of Networks Rewards that may be generated by your staked SOL pursuant to this User Agreement.
- E. We shall not be liable to you for any loss of LsSOL. Any presumption of conversion under applicable law shall not be applicable to a loss of LsSOL.
- F. For the avoidance of doubt, in no event shall we be liable to you for any consequential, indirect, incidental or special damages of any type or nature however arising, including, without limitation, exemplary or punitive damages, lost profits or revenues or diminution in value, arising out of or relating to you obtaining LsSOL or using LsSOL, whether or not the possibility of such damages has been disclosed to or could have been reasonably foreseen by you, regardless of the legal or equitable theory (contract, tort or otherwise) upon which the claim is based. In addition, under no circumstances shall the Foundation’s aggregate liability under this User Agreement exceed the lesser of: (i) the total amount of Service Fees paid by you in connection with your LsSOL; or (ii) \$10,000.

Section 5. Miscellaneous

- A. You agree that you will not use LsSOL to engage in or facilitate any activity that would violate, or assist in the violation of, any law, statute, ordinance, regulation or sanctions programs administered in any relevant country, including but not limited to the U.S. Department of Treasury’s Office of Foreign Assets Control, or which would involve proceeds of any unlawful activity.
- B. If any provision of this User Agreement is declared to be invalid, illegal or unenforceable by a court of competent jurisdiction, then the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby and the remainder of these provisions of this User Agreement shall remain valid, legal and enforceable to the fullest extent permitted by law.
- C. This User Agreement will be construed in accordance with the laws of the State of New York, as applied to contracts made and performed entirely therein, and without regard to conflicts of law principles. All disputes relating to this User Agreement shall be brought solely in the state or federal courts located in the Borough of Manhattan, New York, and you hereby consent to the exclusive jurisdiction of such state and federal courts and waive any defense of forum *non conveniens*. YOU HEREBY EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY OR AGAINST EITHER PARTY IN CONNECTION WITH THESE TERMS.
- D. This User Agreement does not, and shall not be construed to, create any partnership, joint venture or agency between you and us.
- E. You shall not assign any of your rights or obligations under this User Agreement, and any purported assignment or transfer shall be null and void. This User Agreement constitutes the entire agreement between you and the Foundation with respect to LsSOL, and supersedes any and all prior or contemporaneous written or oral agreements or understandings between you and the Foundation relating to LsSOL.
- F. This User Agreement may be modified or revised at any time, with or without prior notice to you, unless stated otherwise. The most current version of this User Agreement will be posted on <https://liquidcollective.io/user-agreements/> (the “Website”) with the “Last Revised” date at the top of the User Agreement changed. Any modifications or revisions will be effective immediately upon posting the modifications or revisions to the Website. You shall be responsible for reviewing and becoming familiar with any modifications or revisions. You waive any right you may have to receive specific notice of such modifications or revisions. Accessing or using LsSOL constitutes your acceptance of the User Agreement as modified or revised. If you do not agree to the User Agreement in effect, please immediately discontinue access to, and use of, LsSOL.
- G. This User Agreement shall become effective upon the date you first obtain LsSOL or access the Protocol, whichever is earlier, and shall continue in effect for as long as you hold any LsSOL.