

# Terms of Participation for the LAOS Chain Crowd Loan Campaign

## PREAMBLE

The following terms of participation (“**Terms**”) apply to all Participants of the LAOS Chain Crowd Loan Campaign and are entered into by and between you (“**you**” or “**Contributor**”) and the LAOS Chain Foundation, c/o Zuger Partners AG, Vorderberstrasse 26, 6318 Walchwil, Switzerland (“**Foundation**”). The Terms, together with any documents incorporated by reference herein, govern your participation in the LAOS Chain Crowd Loan Campaign Program, including all related tools, web applications and smart contracts. By participating in the LAOS Crowd Loan Campaign, you agree and accept to be legally bound by these Terms.

The Foundation reserves the right to change these Terms at any time in our sole discretion. In this case, the Foundation will provide notice by changing the “last updated” date above. All changes to the Terms are effective immediately when communicated on the following website <https://laosnetwork.io/>. Your continued participation in the LAOS Chain Crowd Loan Campaign after the date of the updated Terms will constitute your acceptance of the updated Terms.

You are aware of all market risks associated with the LAOS Chain Crowd Loan Campaign and with contributions towards this campaign. It is to state that these Terms have not been examined or approved by any regulatory authorities or any jurisdiction. If you do not agree with these Terms and any possible risks, please immediately cease all participation in the LAOS Chain Crowd Loan Campaign.

Your only recourse in the case of disagreement with these Terms is to stop participating in the LAOS Chain Crowd Loan Campaign.

## 1. Eligibility

By participating in the LAOS Chain Crowd Loan Campaign, you represent and warrant that:

- You are of legal age in the jurisdiction in which you reside to participate in the LAOS Chain Crowd Loan Campaign and have the legal capacity to consent and agree to be bound by these Terms;
- You have all technical knowledge necessary or advisable to understand and evaluate the risks of participating in the LAOS Chain Crowd Loan Campaign;
- You comply with all applicable laws, rules, and regulations in your relevant jurisdiction, and your participation in the LAOS Chain Crowd Loan Campaign is not prohibited by and does not otherwise violate or facilitate the violation of any applicable laws or regulations, or contribute to or facilitate any illegal activity;
- You are not located in, or a citizen, resident, national, or agent of any country or territory that is the subject of comprehensive country-wide, territory-wide, or regional economic sanctions imposed by the United Nations, US, UK, EU or

Switzerland or similar sanctions administered or imposed by any country of which you are a citizen of or reside in;

- You participate in the LAOS Chain Crowd Loan Campaign for your own personal use;
- You are (i) neither a resident of nor a citizen of or (if you are a corporate body) incorporated in or controlled by person(s) who are citizens of or resident in the following countries: Democratic Republic of Korea, Iran, Myanmar (Burma), Iraq, Zimbabwe, Sudan, Democratic Republic of Congo, Belarus, Lebanon, Somalia, Guinea, Libya, Syria, Guinea-Bissau, the Central African Republic, Russia, Yemen, Burundi, the Republic of South Sudan, the Republic of Mali, Venezuela, Nicaragua, Haiti, Moldova, China, Canada, USA, Belarus, Cuba, Lebanon, Ukraine, the Crimea, Donetsk, and Luhansk regions of Ukraine); and (ii) not an individual or corporate body included in the consolidated list published by the United Nations Security Council of individuals or entities subject to measures imposed by the United Nations Security Council accessible at <https://www.un.org/securitycouncil/content/un-sc-consolidated-list> as well as listed on the Swiss SECO's Overall List of Sanctioned Individuals, Entities and Organizations or the EU Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions.
- You did not make the Contributions towards the LAOS Chain Crowd Loan Campaign under any influence or coercion;
- You know that all activities available through the LAOS Chain Crowd Loan Campaign and any rewards provided are at the Foundation's sole discretion and that you do not have any right, claim, title or interest in or to any rewards;
- You are not currently subjected to any sanctions by OFAC or any other regulatory or governmental authority of the United States, UK, the EU or Switzerland. You are not on the "Specially Designated Person (SDN) or Blocked Person" list of OFAC or any similar regulatory or governmental authority;
- In case, if you are a body corporate, no legal proceeding, action, suit or arbitration is pending against you in relation to Anti-Money Laundering Laws and your operations at all times have been in compliance with the Anti-Money Laundering Laws of Switzerland and in all other jurisdictions, where such body corporate conducts business or operations;
- You are and/or any person or entity controlled by you or controlling you, or any person having beneficial interest in you as a privately held entity, or any person for whom you are acting as an agent is not a Senior Foreign Political Figure, or any Immediate Family member or Close Associate of a Senior Foreign Political Figure in relation to your participation in the LAOS Chain Crowd Loan Campaign;
- The digital wallet provided by you is valid, secure and fully operational and is eligible to receive rewards, if the Foundation shall provide any. The Digital Wallet is fully controlled and managed by you and, you only have the full control of the unique private key of the Digital Wallet and other credentials of the digital wallet. For avoiding any doubt, it should not be a blockchain address held, owned or controlled by any other person or a third party;
- All of the above representations and warranties made are true, complete and accurate in all respects and not misleading in nature post the acceptance and access of these Terms and LAOS Chain Crowd Loan Campaign;
- You agree that you will not violate the Foundation's policies and community guidelines.

- You are familiar with digital cryptographic tokens issued by crypto projects in the development stage and acknowledges that it is able to bear the economic risk of its purchase of Tokens, and has such knowledge and experience in financial, business, and software technology matters that it is capable of evaluating the merits and risks of this Agreement, the Tokens, and the Protocol, and of making an informed decision in respect thereto.
- You acknowledge and agree that the Tokens do not represent or constitute any ownership right or stake, debt instrument, share or security or equivalent right in or relating to the Foundation, the Protocol and/or any software or intellectual property rights thereto.
- You hereby represent that neither it nor any person or entity directly or indirectly controlling, controlled by or under common control with it is a person identified as a terrorist or terrorist organization on any relevant lists maintained by governmental authorities.
- You acknowledge and agree (i) that there is no guarantee that the Project will ever be activated and that in the absence of the occurrence of the Token Generating Event, the Foundation will not be able, and will have no obligation, to create any Tokens to be allocated under these Terms and you will have no right to receive any LAOS Tokens or any other rights relating to the Purchaser Tokens, and (ii) that, in any event, no market for Tokens may exist or be sustained.
- You have received information that it regards as sufficient to fully evaluate this Agreement, the Tokens, and the Protocol, and has been provided an opportunity to obtain any additional information concerning the foregoing to the extent the Foundation possesses such information or can acquire it without unreasonable effort or expense, and has been given the opportunity to ask questions of, and receive answers from the Foundation concerning the Tokens, including their intended features, functions, and limitations.

By participating in the LAOS Chain Crowd Loan Campaign, you acknowledge and agree that:

- You are solely responsible for any tax implications imposed by the applicable tax laws of your jurisdiction and you shall not hold the Foundation liable for any tax liability arising therefrom;
- All and any documents provided by you to the Foundation for participating in the LAOS Chain Crowd Loan Campaign are true, complete and accurate in all respects and there is no circumstance for the Foundation to believe that information provided by you to the Foundation is misleading or incomplete or that any relevant information has been omitted by you which is required to be shared with the Foundation;
- the process of locking up of the DOT tokens contributed towards the Auction Bid in the Network Controlled Token Account does not allow or entitle the Foundation to use it for its personal purpose or generate any return for the Foundation;
- The Foundation or any of its affiliate does not have a control either over the Network Controlled Token Account or DOT tokens contributed towards Network Controlled Token Account and does not have a role in releasing the same from the Network Controlled Token Account as the same is solely controlled and managed by the Network;

- The DOT tokens and LAOS tokens (together the “**Tokens**”) shall not be considered, interpreted or construed as a stock, share, debenture or security of any kind which is issued by any person or entity; any rights, options or derivatives in respect of such stocks, shares, debentures or security; unit of a collective business scheme, or a trust or derivatives thereof; any other form of security or investment, regulated or otherwise;
- The Foundation does not represent or warrant any information mentioned in these Terms or the websites <https://laosnetwork.io/> or any social media network of the Foundation in relation to the LAOS Chain Crowd Loan Campaign, the Network, the Network Tokens, the Network Parachain Auction, the Reward Programme and/or the Project or anything related to it;
- In case of change of any information provided to the Foundation for participating in the LAOS Chain Crowd Loan Campaign, you shall promptly notify the Foundation of any such change within 30 days of such information change.

The Foundation reserves the right to choose which markets and jurisdictions to conduct our business and may restrict or refuse, at our sole discretion, access to the Campaign in certain countries or regions. The Foundation also reserves the right to adapt and implement policies and community guidelines with which you have to comply with.

The Foundation has the right to exclude you from participation at our sole discretion and for any reason, such as violation of these Terms or attempted manipulation of the LAOS Chain Crowd Loan Campaign. The Foundation reserves the right to take action against you and to deny or reclaim any LAOS Rewards that have been distributed to such individuals.

## 2. **Polkadot Parachain Slot Auction explained**

The Foundation would like to secure a Parachain Slot on the heterogeneous multichain network with shared security and interoperability known as “Polkadot”, which is in detail described at <https://wiki.polkadot.network/docs/getting-started> (“**Network**”).

The Foundation intends to implement a Parachain on the Network using the services or resources of the Network. The Network will support a limited number of Parachains by releasing a fixed number of Parachain slots (“**Parachain Slots**”), each of which shall have a leasing duration of two (2) years (“**Slot Lease Duration**”). In case of a successful auction, the project of the Foundation as described at <https://laosnetwork.io/> (“**Project**”) will be onboarded on the Network.

The Network Parachain Auction is the online candle auction (an online variant of open auction more fully described at <https://wiki.polkadot.network/docs/learn-auction>) hosted and managed on the Network for the purposes of leasing out Parachain Slots to participating projects. The Foundation has placed a bid in support of the LAOS Chain Crowd Loan Campaign through the digital wallet in the “Network Controlled Token Account” (“**Auction Bid**”).

The Parachain Slots are competitive in nature, which means many projects including the Project may need to lock a large number of cryptographic tokens associated with the

Network (“**DOT tokens**”) to secure the slot lease when they’re auctioned off during the Campaign Duration.

In case you would like to participate in the LAOS Chain Crowd Loan Campaign you also agree to be bound by the terms and conditions of Polkadot at <https://polkadot.network/disclaimer/> to contribute a specified number of DOT tokens to the Network Controlled Token Account in connection with the LAOS Chain Crowdloan Campaign to support the Foundation’s Auction Bid(s).

You acknowledge and agree that your loan cannot be terminated. By participating in the LAOS Chain Crowd Loan Campaign you will become a “Contributor” of the LAOS Chain Crowd loan Campaign and your tokens will be locked on the Polkadot Network.

**The Foundation or any of its affiliate does not have a control either over the Polkadot Network or the DOT Tokens contributed towards the Crowdloan.**

The LAOS Chain Crowd Loan Campaign begins for the first time on April 20th, 2024 and ends on July 3<sup>rd</sup>, 2024 (“**End of the Campaign**”). In case the Foundation determines that it has received sufficient contribution for the Auction Bid, it can at its sole discretion cease the acceptance of any further contributions before the End of the LAOS Chain Campaign.

**Once a Contributor has contributed a minimum bid of DOT tokens in the Network Controlled Token Account, the DOT tokens will get locked in the Network and the Contributor will only be able to withdraw the Contribution according to the Terms and conditions of Polkadot.**

The Foundation may suspend, modify or terminate the LAOS Chain Crowd Loan Campaign at any time without prior notice and without providing any explanation. In this case, the Foundation may decide to not award any rewards to any Contributor.

No purchase or payment of any kind is necessary to enter and/or to participate in the LAOS Chain Crowd Loan Campaign.

### **3. Reward**

Conditional upon

- The occurrence of the Token Generating Event of the Project;
- The representations and warranties and acknowledgements in section 1 of these Terms are true and the Contributor is eligible to participate in the LAOS Chain Crowd Loan Campaign according to section 1 of these Terms;
- The Contributor has a valid Digital Wallet eligible to receive the rewards.
- The Foundation reserves the right to make the receipt of LAOS Tokens conditional upon the successful completion of an identity verification process (“Identity Check”) and the verification of your control over your Digital Wallet by any method determined by the Foundation in its sole discretion (“Whitelisting Process”). The

Foundation or a KYC service provider selected by the Foundation (“KYC Service Provider”) may carry out the Identity Check and the Whitelisting Wallet Process.

- The Contributor associates the EVM account to which he/she wants the LAOS tokens rewards to be transferred.
- The Contributor is the sole owner of the DOT account used to participate in the crowd loan and the provided EVM account that will receive the rewards.

and upon successful completion of the Candle Auction and the Slot Lease Duration, the Foundation may provide the Contributor with “LAOS Tokens” as a reward for each DOT Token contributed towards the Project through the Auction Bid. The Contributor may receive 100 LAOS Token for each contributed DOT from the Foundation as reward subject to the conditions defined in these Terms.

LAOS token rewards will be vested and transferred to the contributor’s designated EVM account following the Token Generation Event (TGE), once all technical requirements are met.

The LAOS token rewards are subject to a linear block by block basis vesting over the course of the lease (96 weeks) since TGE.

There will be a maximum of 50 Million LAOS tokens (5% of the total genesis supply) allocated to reward crowdloan contributors. When the limit of 500,000 DOT is reached, no more contributions will be accepted.

For the avoidance of doubt, the Foundation is under no obligation to distribute the rewards to the Contributor and has full discretion to decide to distribute or not to distribute the rewards at any time without prior notice and for any reason.

Participating in the LAOS Chain Crowd Loan Campaign does not grant you any contractual claim to receive rewards in LAOS tokens. The Contribution made by the Contributor on the Network shall in no way be considered a “consideration” in exchange for receipt of LAOS tokens and, by making the Contribution, a Contributor does not become eligible to receive rewards, and the Foundation shall not be in anyway, contractually, or otherwise be bound to issue rewards to the Contributor.

#### **4. Gas Fees**

All transactions that are executed on the Network, regardless of whether they are initiated in connection with the LAOS Chain Crowd Loan Campaign, require the payment of a transaction fee (“**Gas Fee**”) to the Network. The Gas Fee required to actually execute a transaction on the Network depends is entirely outside of the control of the Foundation. You acknowledge and agree that Gas Fees paid to the Network are non-refundable under any circumstances.

## **5. Third Party Links**

The LAOS Chain Crowd Loan Campaign may contain links to websites and content that is controlled or operated by third parties (“**Third Party Links**”). The Foundation is providing these Third Party Links to you only for convenience and the inclusion of any Third Party Links in the LAOS Chain Crowd Loan Campaign does not imply any endorsement by us of the Third Party Links and/or their operators. The Foundation is not responsible for any content contained in or associated with the Third Party Links.

## **6. Intellectual Property Rights**

The LAOS Chain Crowd Loan Campaign and its entire contents, features, and functionality (including but not limited to all information, software, text, displays, images, video, and audio, and the design, selection, and arrangement thereof), are owned by the Foundation, its licensors, or other providers of such material and are protected by Swiss and international copyright, trademark, patent, trade secret, and other intellectual property or proprietary rights laws. You may not reproduce, distribute, modify, create derivative works of, publicly display, publicly perform, republish, download, store, or transmit any of the material in the LAOS Chain Crowd Loan Campaign without our prior written consent. The Foundation name, the Foundation logo, and all associated names, logos, product and service names, designs, and slogans are trademarks of the Foundation or its affiliates or licensors. You may not use such marks without the prior written permission of the Foundation. All other names, logos, product and service names, designs, and slogans in the LAOS Chain Crowd Loan Campaign are the trademarks of their respective owners. Under no circumstances does your use of the LAOS Chain Crowd Loan Campaign grant you any ownership rights or other interest in any such marks or content in the LAOS Chain Crowd Loan Campaign.

## **7. Risks**

By entering and participating in the LAOS Chain Crowd Loan Campaign, you affirm that you understand the risks associated with the use of cryptographic and blockchain-based systems (for example complete failure of the Polkadot Network). Further, you affirm that you have a sound understanding of the use and complexities associated with digital assets. You further acknowledge the volatile nature of digital asset markets, which are influenced by factors such as adoption, speculation, technology, security and regulation.

You acknowledge and agree that you are aware of the risk of market decline which may also involve the DOT Tokens you contributed. The growth of the blockchain industry in general is subject to a high degree of uncertainty. The prices of blockchain assets have historically been subject to dramatic fluctuations and are highly volatile, and the market price of the Tokens may also be highly volatile. In addition, a decrease in the price of a single blockchain asset may cause volatility in the entire blockchain asset industry and may affect other blockchain assets including the DOT Tokens you contributed.

The Foundation does not guarantee any economic value of the LAOS Token nor facilitate the transfer or assignment of LAOS Tokens. The realm of crypto assets is subject to unforeseen risks, and Contributors are advised to engage only with what they can afford to lose. Decision-making regarding crypto assets rests entirely with you.

You understand and accept that if your private key file or password of your Wallet Address were to be lost or stolen, the DOT Tokens or possible LAOS Tokens associated with your Wallet Address would be unrecoverable and would be permanently lost. The Foundation has no control over any tokens; therefore, shall have no recourse to seek any refunds, recovery, or replacements from the Foundation in the event you lose possession of your Wallet Address through a loss, mismanagement or theft of access keys and/or passwords.

## **8. Disclaimer of Warranties**

The participation in the LAOS Chain Crowd Loan Campaign is made at your own risk. You understand and agree that the LAOS Chain Crowd Loan Campaign is provided on an “as is” and “as available” basis and that the Foundation expressly disclaims all warranties or conditions of any kind, whether express, implied, statutory or otherwise.

Neither the Foundation nor any person associated with the Foundation makes any warranty or representation with respect to the completeness, security, reliability, quality, accuracy, or availability of the LAOS Chain Crowd Loan Campaign. Without limiting the foregoing, neither the Foundation nor anyone associated with the Foundation shall be held liable for:

- Any failure in disclosing any information regarding your participation in the LAOS Chain Crowd Loan Campaign, the Network, the Network Tokens, the Network Parachain Auction, the rewards and/or the Project or anything related to it.
- Any delay or suspension of the LAOS Chain Crowd Loan Campaign, the Network Parachain Auction, the rewards and/or the Project or anything related to it.
- Any sort of virus, bug, error or malfunction which has the capability to adversely affect the LAOS Chain Crowd Loan Campaign, the Network Parachain Auction, the rewards and/or the Project or anything related to it.
- Any restrictions, prohibitions or regulation imposed by the Applicable Laws of any jurisdiction or the regulatory authority with respect to the LAOS Chain Crowd Loan Campaign, the Network Parachain Auction, the rewards and/or the Project or anything related to it.
- Any risk or loss associated with the LAOS Chain Crowd Loan Campaign, the Network Parachain Auction, the Reward Programme, the Project, the Network Controlled Token Account and the tokens, and/or the failure of any Contributor to withdraw the Contribution within the timeline prescribed by the Network.
- Any loss associated with the Digital Wallet or theft or destruction of the credentials including but not limited to the access to the unique private key.



- Any failure of the Contributor in keeping itself updated of any change in these Terms over the Website.
- All other incidental, direct or indirect and ancillary risks in relation to the LAOS Chain Crowd Loan Campaign, the Network Parachain Auction, the rewards and/or the Project, whether expressly stated here or not.

Based on the above, you should verify all information before relying on it, and all decisions based on all information contained in the LAOS Chain Crowd Loan Campaign are your sole responsibility and the Foundation shall not be liable for any such decisions.

## **9. Limitation of Liability**

To the fullest extent permitted by law, in no event shall the Foundation, its affiliates, or their licensors, service providers, employees, agents, officers, or directors be liable for damages of any kind, under any legal theory, arising out of or in connection with your access, use, inability to use, or participation in the LAOS Chain Crowd Loan Campaign, any websites linked to it, any content in the LAOS Chain Crowd Loan Campaign or such other websites, including any direct, indirect, special, incidental, consequential, or punitive damages, including but not limited to, personal injury, pain and suffering, emotional distress, loss of revenue, loss of profits, loss of business or anticipated savings, loss of use, loss of goodwill, loss of data, and whether caused by tort (including negligence), breach of contract, or otherwise, even if foreseeable.

## **10. Indemnity**

To the fullest extent permitted by law, you agree to indemnify and hold harmless the Foundation against all liabilities, damages, losses, and costs (including settlement costs and reasonable attorneys' fees) arising from any claims by third parties or the Foundation's personnel. This indemnification applies to claims resulting from your breach or alleged breach of these terms and any applicable laws, any misrepresentations made by you under these terms, your non-compliance with these terms, your participation in the LAOS Chain Crowd Loan Campaign, or direct actions or omissions attributable to you that cause damages. This includes, but is not limited to, misuse of the LAOS Chain Crowd Loan Campaign, unauthorized representations, infringement of these terms or applicable laws, and any other actions leading to third-party claims or damages to the Foundation or its personnel.

## **11. Privacy Policy**

Please see our Privacy Policy <https://laosnetwork.io/downloads/Privacy.pdf> to understand how the Foundation collect and use and disclose your personal data.

## **12. Miscellaneous**

### **12.1 No Assignment**

The Foundation may, at its sole and absolute discretion, assign its rights and/or delegate its duties under these Terms. You may not assign your rights or delegate Your duties, and any assignment or delegation without the written consent of the Foundation, which the Foundation may withhold at its sole and absolute discretion, shall be void. You shall not assign, trade or transfer, or attempt to assign, trade or transfer, Your right to any such claim. Any such assignment or transfer shall not impose any obligation or liability of the Foundation to the assignee or transferee.

### **12.2 Tax Considerations**

It is your sole responsibility to seek relevant tax advice to comply with any applicable tax obligations in whichever jurisdiction and to measure the tax impact of entering and participating in the LAOS Chain Crowd Loan Campaign.

You are solely responsible for all direct or indirect taxes, duties, charges, levies, contributions and withholdings or other fees of any kind payable under the laws of any relevant country, as well as all penalties, interest, surcharges and other costs related thereto, imposed on the LAOS Rewards.

### **12.3 Individual Contractors**

These Terms do not create a principal or agent, employer or employee partnership, joint venture, or any other relationship except that of independent contractors between the Parties. Nothing contained herein shall be construed to create or imply a joint venture, principal and agent, employer or employee, partnership, or any other relationship except that of independent contractors between you and the Foundation, and neither party shall have any right, power or authority to create any obligation, express or implied, on behalf of the other in connection with the performance hereunder.

### **12.4 Entire Agreement**

These Terms contain the entire agreement between Foundation and the Contributors regarding the subject matter hereof and supersedes all understandings and agreements whether written or oral.

### **12.5 Severability**

If any provision of these Terms is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision of these Terms or invalidate or render unenforceable such provision in any other jurisdiction. Upon such determination that any provision is invalid, illegal, or unenforceable, these Terms shall be modified to effectuate the original intent of the Parties as closely as possible.

## 12.6 **Class Action Waiver**

To the fullest extent permitted by applicable law, the Participant waved the right to participate in a class action lawsuit or a class-wide arbitration against the Foundation and its affiliates in that entity (bearing the majority of the voting rights attaching to all the shares in that entity or having the power to control by any means the composition of the board of directors of that entity) or any individual or entity involved in the operation of the LAOS Chain Crowd Loan Campaign.

## 12.7 **Governing Law and Jurisdiction**

These Terms shall be governed and construed in accordance with the substantive laws of Switzerland under the exclusion of the conflict of law rules (Federal Law on International Private Law "PILA") . The application of the United Nations Convention on Contracts for the International Sale of Goods ("CISG") shall be excluded.

Any dispute arising out of or in conjunction with these Terms shall be submitted to the exclusive jurisdiction of the ordinary courts of the city of Zug, Switzerland.