

# figment networks

## **DELEGATION AGREEMENT**

This Delegation Agreement, including any Additional Terms (as defined below) (collectively, this “Agreement”), constitutes a legal agreement between you (“Delegator” or “you”) and Figment Networks Inc. (“Figment” or “we”). This Agreement specifies the terms under which you may delegate your Tokens and earn a share of Net Rewards (as defined below). Please read this Agreement carefully before delegating your Tokens, because by doing so or otherwise manifesting assent to this Agreement, Delegator agrees to be bound by the terms of this Agreement. If Delegator does not agree to (or cannot comply with) all of the terms of this Agreement, do not delegate your Tokens. If Delegator is executing this Agreement on behalf of a company, Delegator represents that he or she is an authorized representative of the company capable of binding the company to this Agreement, and the company shall be deemed the Delegator for the purposes of this Agreement.

**1. DEFINITIONS.** The definitions for some of the defined terms used in this Agreement are set forth below. The definitions for other defined terms are set forth elsewhere in this Agreement.

**1.1** “Additional Terms” means any terms that are specific to a particular Supported Blockchain. We may incorporate Additional Terms into this Agreement at any time on written notice to you. The Additional Terms in effect as of the Effective Date are set forth in Schedule A, attached hereto and incorporated herein.

**1.2** “Affiliate” means, with respect to any entity, any other entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise.

**1.3** “Applicable Law” means any applicable national, provincial, international, federal, state, county, and local statute, law, ordinance, regulation, rule, code, and order.

**1.4** “Confidential Information” means: (i) with respect to Figment, the Platform, the Website, and any and all source code relating thereto and any other non-public information or material regarding our legal or business affairs, financing, customers, properties, pricing, or data; and (ii) with respect to you, any non-public information or material regarding your legal or business affairs, financing, customers, properties, or data. Notwithstanding any of the foregoing, Confidential Information does not include information which: (a) is or becomes public knowledge without any action by, or involvement of, the Party to which the Confidential Information is disclosed (the “Receiving Party”); (b) is documented as being known to the Receiving Party prior to its disclosure by the other Party (the “Disclosing Party”); (c) is independently developed by the Receiving Party without reference or access to the Confidential Information of the Disclosing Party and is so documented; or (d) is obtained by the Receiving Party without restrictions on use or disclosure from a third party.

**1.5** “Effective Date” means the date that you accept this Agreement.

**1.6** “Net Rewards” means Rewards minus any Slashing Penalties. See the Additional Terms for details related to Net Rewards for each Supported Blockchain.

1.7 “Party” means you or us, as applicable, and “Parties” means you and us collectively.

1.8 “Platform” means our proprietary platform that we use to perform the Service and in order to generate Rewards.

1.9 “Prohibited Content” means content that: (i) is illegal under applicable law; (ii) violates any third party’s intellectual property rights, including, without limitation, copyrights, trademarks, patents, and trade secrets; (iii) contains indecent or obscene material; (iv) contains libelous, slanderous, or defamatory material, or material constituting an invasion of privacy or misappropriation of publicity rights; (v) promotes unlawful or illegal goods, services, or activities; (vi) contains false, misleading, or deceptive statements, depictions, or sales practices; or (vii) contains viruses, Trojan horses, worms, or any other harmful, malicious, or hidden procedures, routines, mechanisms, or code.

1.10 “Rewards” means any rewards that we actually receive in exchange for the Service, including, without limitation, block rewards, endorser rewards, and transaction fees.

1.11 “Service” means our provision of validation services to Supported Blockchains, including, without limitation, producing and validating new blocks, endorsing, processing transactions, and securing the network.

1.12 “Slashing Penalties” means any penalty assessed by the Supported Blockchain for our failure to perform the Service.

1.13 “Supported Blockchain” means any blockchain for which our Platform is able to perform the Service. The list of Supported Blockchains is available on the Website. Service details for each Supported Blockchain can be found in the Additional Terms.

1.14 “Token” means any tokens that you have delegated properly to us, as described on the Website.

1.15 “Website” means <https://figment.network>.

## 2. **OBLIGATIONS.**

2.1 **Our Obligations.** During the Term (as defined below), we shall: (i) perform the Service in a professional and workmanlike manner; (ii) remit to you your share of Net Rewards as set forth in Section 3; and (iii) provide you reports that show the calculation of your share of Net Rewards.

2.2 **Your Obligations.** During the Term, you shall delegate your Tokens, as you elect from time and time, and you shall pay your taxes as set forth in Section 3.2. Unless otherwise set forth in the Applicable Terms: (i) there are no minimum or maximum number of Tokens you may delegate to us; and (ii) you may delegate or withdraw your Tokens at any time; provided, however, if you withdraw your Tokens during a period within which we have staked your Tokens in order to perform the Service, you will not receive any share of the Net Rewards with respect to such prematurely withdrawn Tokens.

## 3. **ECONOMIC TERMS.**

3.1 **Remittance of Net Rewards.** We shall remit to you a percentage of Net Rewards directly attributable to your Tokens. The percentage and timing of such remittances: (i) are posted on the Website; (ii) vary by Supported Blockchain; (iii) change periodically; and (iv) are governed by the information posted on the Website on the date a remittance to you is due (not the date on which you delegated the Tokens to us). Unless otherwise set forth in the Additional Terms or agreed to in writing by the Parties, all remittances to you shall be in the same cryptocurrency in which the Tokens are

denominated.

**3.2 Taxes.** You are solely responsible for the payment of any applicable taxes with respect to your share of Net Rewards and for any other taxes resulting from the transactions contemplated herein. The Parties agree not to treat this Agreement as giving rise to a partnership for U.S. federal income tax purposes. You hereby agree to defend, indemnify, and hold harmless us and our officers, directors, managers, employees, and agents from any and all liabilities, costs, and expenses (including reasonable attorneys' fees) in connection with any such taxes and related costs, interest, and penalties. The characterization of the transactions contemplated by this Agreement for U.S. federal income tax purposes is unclear, and accordingly the U.S. federal income tax consequences of delegating Tokens and the sharing of Net Rewards is uncertain. Neither Figment nor any of its agents shall provide any advice or guidance with respect to the tax obligations of the Delegator. You are strongly encouraged to seek advice from your own tax advisor to discuss the potential tax consequences of entering into this Agreement and the receipt of any Net Rewards.

**3.3 Rewards Transfer.** Any transfer of Net Rewards to you shall be made to the wallet from which you delegated the Tokens to us.

#### **4. TERM, TERMINATION, AND SUSPENSION.**

**4.1 Term.** The term of this Agreement (the "Term") commences on the Effective Date and shall continue in effect until terminated in accordance with Section 4.2.

**4.2 Termination.** Either Party may terminate this Agreement on written notice to the other Party at any time for any reason or no reason.

**4.3 Effect of Termination.** Upon termination of this Agreement: (i) you will cease delegating Tokens to us; and (ii) we will promptly remit to you any Net Rewards that are currently due and owing. Upon written request and subject to Section 6.4, each Party shall either return to the other Party (or, at such other Party's instruction, destroy and provide such other Party with written certification of the destruction of) all documents, computer files, and other materials containing any of such other Party's Confidential Information that are in its possession or control.

**4.4 Survival.** The following provisions will survive expiration or termination of this Agreement: Section 1 ("Definitions"); Section 3.2 ("Taxes"); Section 4.3 ("Effect of Termination"); Section 5 ("Confidentiality"); Section 6 ("Intellectual Property"); Section 8.4 ("Disclaimer"); Section 9 ("Limitation of Liability"); Section 10 ("Indemnification"); Section 11 ("General Provisions"), and this Section 4.4 ("Survival").

**5. CONFIDENTIALITY.** The Receiving Party will: (i) protect the confidentiality of the Disclosing Party's Confidential Information using the same degree of care that it uses with its own confidential information of similar nature, but with no less than reasonable care; (ii) not use any of the Disclosing Party's Confidential Information for any purpose outside the scope of this Agreement; and (iii) not disclose the Disclosing Party's Confidential Information to any party other than its employees, contractors, advisors, and agents, who are bound by obligations of confidentiality as restrictive as those set forth in this Agreement. If the Receiving Party is legally compelled to disclose any of the disclosing Party's Confidential Information, the Receiving Party will provide the Disclosing Party prompt prior written notice of such requirement so that the Disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Section. If such protective order or other remedy is not obtained or the Disclosing Party waives compliance with the provisions of this Section, the Receiving Party may furnish only that portion of the Confidential Information which it is advised by counsel is legally required to be disclosed, and will use commercially reasonable efforts to insure that confidential treatment shall be afforded such disclosed portion of the Confidential Information.

**6. INTELLECTUAL PROPERTY.** All right, title, and interest in and to the Platform and the Website, including all modifications, improvements, adaptations, enhancements, or translations made thereto, and all proprietary rights therein, shall be and remain our sole and exclusive property.

**7. LIMITATIONS OF USE.** Your access to, and usage of, the Website is governed by our Terms of Service and Privacy Policy contained therein. Our Privacy Policy also governs any data that we collect from you under this Agreement. Without limiting your obligations under this documents, you agree that you will not (and will not authorize, permit, or encourage any third party to): (i) reverse engineer, decompile, disassemble, or otherwise attempt to discern the source code or interface protocols of the Platform or the Website; (ii) modify, adapt, or translate the Platform or the Website; (iii) make any copies of the Platform or the Website; (iv) resell, distribute, or sublicense the Platform or the Website; (v) remove or modify any proprietary marking or restrictive legends placed on the Platform or the Website; (vi) use the Platform or Website in violation of any applicable law or regulation, in order to build a competitive product or service, or for any purpose not specifically permitted in this Agreement; or (vii) introduce, post, upload, transmit, or otherwise make available to or from the Platform or the Website any Prohibited Content.

**8. REPRESENTATIONS AND WARRANTIES; DISCLAIMER.**

**8.1 Mutual Representations and Warranties.** Each Party represents and warrants that: (i) this Agreement constitutes its valid and binding obligation and is enforceable against it in accordance with the terms of this Agreement; and (ii) the execution and delivery of this Agreement by it and the performance of its obligations and exercise of its rights hereunder: (a) will not conflict with or violate in any material manner, any Applicable Law; or (b) are not in violation or breach of, and will not conflict with or constitute a default under, any contract, agreement, or commitment binding upon it.

**8.2 Additional Representations and Warranties of Figment.** In addition to the representations and warranties set forth in Section 8.1, we represent and warrant to you that we shall perform the Service in a professional and workmanlike manner.

**8.3 Your Additional Representations and Warranties.** In addition to the representations and warranties set forth in Section 8.1, you represent and warrant that: (i) Delegator (and, if Delegator is an entity, Delegator's officers, directors, employees, and agents (collectively, the "Representatives")) are in compliance with the Foreign Corrupt Practices Act of 1977, as amended, and any rules and regulations thereunder, and similar laws of foreign jurisdictions or other anti-money laundering obligations under the

law of Delegator's jurisdiction or otherwise applicable to Representatives; (ii) Delegator is (and, if Delegator is an entity, Delegator's Representatives are) in compliance with anti-money laundering obligations; (iii) Delegator has not (and, if Delegator is an entity, Delegator's Representatives have not) been convicted of, or have agreed to enter into a pretrial diversion or similar program in connection with the prosecution of, a criminal offense involving theft, dishonesty, breach of trust, money laundering, the illegal manufacture, sale, distribution of or trafficking in controlled substances, or substantially equivalent activity in a domestic, military, or foreign court; and (iv) Delegator is not (and, if Delegator is an entity, Delegator's Representatives are not) (a) a Person described or designated in the Specifically Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section I of the Anti-Terrorism Order; and (b) engaged in any dealings or transactions with any such Person.

**8.4 Disclaimer.** EXCEPT AS EXPRESSLY SET FORTH IN SECTION 8.1, SECTION 8.2, AND SECTION 8.3, THE SERVICE, THE PLATFORM, THE WEBSITE, THEIR COMPONENTS, AND ANY OTHER MATERIALS PROVIDED HEREUNDER ARE PROVIDED "AS IS" AND "AS AVAILABLE," AND NEITHER PARTY MAKES ANY WARRANTIES WITH RESPECT TO THE SAME OR OTHERWISE IN CONNECTION WITH THIS AGREEMENT AND HEREBY DISCLAIMS ANY AND ALL EXPRESS, IMPLIED, OR STATUTORY WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES 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 EITHER PARTY MAY NOT AS A MATTER OF APPLICABLE LAW DISCLAIM ANY IMPLIED WARRANTY, THE SCOPE AND DURATION OF SUCH WARRANTY WILL BE THE MINIMUM PERMITTED UNDER SUCH LAW. WITHOUT LIMITING THE FOREGOING, FIGMENT MAKES NO REPRESENTATIONS OR WARRANTIES WITH REGARD TO THE POTENTIAL MARKET FOR THE SERVICE OR THE AMOUNT OF NET REWARDS THAT MAY BE GENERATED HEREUNDER.

**9. LIMITATION OF LIABILITY.** EXCEPT IN CONNECTION WITH YOUR BREACH OF SECTION 7, OUR FAILURE TO REMIT ANY UNDISPUTED AMOUNTS DUE AND OWING, AND A PARTY'S INDEMNIFICATION OBLIGATIONS HEREUNDER: (I) IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY OTHER PARTY FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES OF ANY KIND (INCLUDING, BUT NOT LIMITED TO, LOST REWARDS, REVENUES OR PROFITS) ARISING FROM OR RELATING TO THIS AGREEMENT, REGARDLESS OF WHETHER SUCH PARTY WAS ADVISED, HAD OTHER REASON TO KNOW, OR IN FACT KNEW OF THE POSSIBILITY THEREOF; AND (II) EACH PARTY'S AGGREGATE LIABILITY FOR DIRECT DAMAGES UNDER THIS AGREEMENT WILL NOT EXCEED THE NET REWARDS OR REVENUE PAID TO YOU HEREUNDER DURING THE PERIOD SIX (6) MONTHS PRIOR TO THE EVENT GIVING RISE TO THE CLAIM.

**10. INDEMNIFICATION.** Each Party (in such capacity, the “Indemnifying Party”) shall defend, indemnify, and hold harmless the other Party and the other Party’s officers, directors, managers, and employees from any and all liabilities, damages, costs, and expenses (including reasonable attorneys’ fees) incurred by such indemnified parties in connection with any third-party action, claim, or proceeding (each, a “Claim”) arising from the Indemnifying Party’s breach of its representations and warranties in Section 8; provided, however, that the foregoing obligations shall be subject to the indemnified Party: (i) promptly notifying the Indemnifying Party in writing of the Claim; (ii) providing the Indemnifying Party, at its expense, with reasonable cooperation in the defense of the Claim; and (iii) providing the Indemnifying Party with sole control over the defense and negotiations for a settlement or compromise.

**11. GENERAL PROVISIONS.**

**11.1 Assignment.** Neither Party may assign or otherwise transfer any of its rights or obligations under this Agreement without the prior, written consent of the other Party; provided, however, that a Party may, upon written notice to the other Party and without the consent of the other Party, assign or otherwise transfer this Agreement: (i) to any of its Affiliates; or (ii) in connection with a change of control transaction (whether by merger, consolidation, sale of equity interests, sale of all or substantially all assets, or otherwise), provided that in all cases, the assignee agrees in writing to be bound by the terms and conditions of this Agreement. Any assignment or other transfer in violation of this Section will be null and void. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of the Parties hereto and their permitted successors and assigns.

**11.2 Waiver.** No failure or delay by either Party in exercising any right or remedy under this Agreement shall operate or be deemed as a waiver of any such right or remedy.

**11.3 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, without regard for choice of law provisions thereof.

**11.4 Exclusive Forum.** If any claim, dispute, or controversy occurs between the Parties relating to the interpretation or implementation of any of the provisions of this Agreement, such dispute shall be resolved by private, confidential and binding arbitration. Such arbitration shall be conducted by a single arbitrator. The arbitrator shall be appointed by agreement of the Parties or, in the absence of an agreement, such arbitrator shall be appointed by a judge upon the application of either Party. Arbitration shall be held in the Province of Ontario, unless otherwise agreed by the Parties. The arbitration procedure to be followed shall be agreed by the Parties or, in absence of an agreement, determined by the arbitrator. The arbitration shall proceed in accordance with the provisions of the Arbitration Act, 1991, SO 1991, c 17. Subject to any right of appeal, the decision arrived at by the arbitrator shall be final and binding. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

**11.5 Modifications.** Any modification to this Agreement must be in a writing signed by both Parties; provided, however, that we may modify this Agreement at any time by posting such modification on the Website and providing you notice of such update, and any such modification shall automatically go into effect thirty (30) days after it is so posted.

**11.6 Notices.** All notices required under this Agreement (other than routine operational communications) must be in writing in one of the following forms. Notices shall be effective upon: (i) actual delivery to the other Party, if delivered in person, or by e-mail, or by national overnight courier; or (ii) five (5) business days after being mailed via postal service, postage prepaid.

**11.7 Independent Contractors.** The Parties are independent contractors. Neither Party shall be deemed to be an employee, agent, partner, joint venturer, or legal representative of the other for any

purpose, and neither shall have any right, power, or authority to create any obligation or responsibility on behalf of the other.

**11.8 Severability.** If any provision of this Agreement is found invalid or unenforceable by a court of competent jurisdiction, that provision shall be amended to achieve as nearly as possible the same economic effect as the original provision, and the remainder of this Agreement shall remain in full force and effect. Any provision of this Agreement, which is unenforceable in any jurisdiction, shall be ineffective only as to that jurisdiction, and only to the extent of such unenforceability, without invalidating the remaining provisions hereof.

**11.9 Force Majeure.** Neither Party shall be deemed to be in breach of this Agreement for any failure or delay in performance to the extent caused by reasons beyond its reasonable control, including, but not limited to, acts of God, earthquakes, strikes, or shortages of materials or resources (“Force Majeure Events”).

**11.10 Third-Party Beneficiaries.** Except as set forth in Section 10, there are no other third-party beneficiaries under this Agreement.

**11.11 Complete Understanding.** This Agreement constitutes the final and complete agreement between the Parties regarding the subject matter hereof, and supersedes any prior or contemporaneous communications, representations, or agreements between the Parties, whether oral or written, including, without limitation, any confidentiality or non-disclosure agreements. No term included in any confirmation, acceptance, or any other similar document from you in connection with this Agreement will apply to this Agreement or have any force or effect.

**DELEGATOR ACKNOWLEDGES THAT DELEGATOR HAS READ THIS AGREEMENT,  
UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.**

I AGREE

I DISAGREE

**SCHEDULE A – ADDITIONAL TERMS FOR TEZOS (XTZ) BAKER DELEGATION SERVICE**

1. You are not subject to Slashing Penalties when delegating Tokens hereunder.
2. There are no minimum or maximum number of Tokens you may delegate hereunder.
3. We never take custody or control of your Tokens.
4. You can transfer or withdraw your delegated Tokens at any time.
5. We agree to compensate you for missed Net Rewards to the extent arising from our failure to perform the Service in a workman like fashion, excluding, for the avoidance of doubt, missed Net Rewards to the extent arising from your acts or omissions, scheduled Figment or Tezos network maintenance, software bugs native to Tezos, acts by a hacker or other malicious actor, or Force Majeure Events. We shall remit any missed Net Rewards due to you within ninety (90) days of the missed Net Reward.