

DENALI INCENTIVIZED TESTNET PROGRAM TERMS AND CONDITIONS

Thank you for choosing to be part of our community at AVA Labs, Inc. (“Company”, “we”, “us”, or “our”). We have established an incentivized testnet program to compensate validators who aid in testing the network in realistic conditions, with the goal of preparing a healthy, decentralized, and widely distributed mainnet launch (the “Incentivized Testnet Program”). We offer a reward for those who complete in the allotted time certain challenges that are expressly set forth on the Incentivized Testnet Program website at <https://www.avalabs.org/denali> (each a “Challenge” and collectively, “Challenges”). By clicking “Accept,” staking on our testnet, or participating in any Challenge, you agree to these Incentivized Testnet Program Terms and Conditions (these “Terms and Conditions”). If you are not in agreement with these Terms and Conditions you may not stake on our testnet or participate in any of our Challenges. These Terms and Conditions shall be used for staking on our testnet for the purposes of gaining rewards and is not used for any other services offered by the Company.

THESE TERMS AND CONDITIONS CONTAIN A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER. THEY AFFECT YOUR AND OUR RIGHTS CONCERNING THE RESOLUTION OF ANY DISPUTE BETWEEN YOU AND US.

We reserve the right, at our sole discretion, to change, modify, add or remove portions of these Terms and Conditions at any time. It is your responsibility to check these Terms and Conditions periodically for changes.

- 1. CHALLENGES AND REWARD PAYMENTS.** The Incentivized Testnet Program enables validators to perform certain tasks in order to be eligible for a reward, further details of which are set out in the Incentivized Testnet Program website. Rewards are determined by completion of certain Challenges in the allotted time, as laid out on the website. Reward payments made in AVA tokens will be subject to a 1-year unlocking schedule. The unlocking milestone will be on the first anniversary of the mainnet launch, in which 100% of the tokens will unlock. All rewards, and the amounts thereof, are at our sole discretion.
- 2. NOTIFICATION AND CHALLENGE CONDITIONS.** You must notify us of your intent to undertake a Challenge using the mechanism specified on the Incentivized Testnet Program website. You are responsible for any errors in your submissions and ensuring that any submission is complete and accurate. We have the right to accept or reject your participation in a Challenge. Participation and completion of all Challenges is contingent on you: (i) running a node and adding a validator to the default subnet, (ii) participating in any planned network upgrades by following all provided instructions, and (iii) maintaining your network healthy and operational for the entire period of the relevant Challenge.
- 3. PROHIBITED ACTIVITIES.** You must not disrupt, compromise, or otherwise damage data or property owned by other parties. This includes attacking any devices or accounts other than your own (or those for which you have explicit, written permission from their owners), and using phishing or social engineering techniques. You must not disrupt our services. Except as expressly permitted under this Agreement, you shall not, and shall not permit any third party to: (i) modify or create any derivative work of any part of our testnet, (ii) use our testnet for commercial time-sharing or service bureau use, or (iii) reverse engineer, decompile, disassemble or otherwise attempt to discover the source code, object code or underlying structure, ideas, know-how or algorithms relevant to our testnet. Immediately notify us as set forth in these Terms and Conditions before any of the following occur:
 - You access any accounts or data other than your own (or those for which you have explicit, written permission from their owners);

- You disrupt any of our services; or
 - You access a non-customer-facing Company system.
4. **LIMITATION ON REWARD PAYMENTS.** Reward payments may not be issued to you if you are (a) under 18 years of age or (b) in any U.S. embargoed countries or (c) on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Department of Commerce Denied Person's List or Entity List or any other restricted party lists.
 5. **TAXES.** You are responsible for the payment of all applicable taxes in connection with receipt of any Reward payments.
 6. **COMPLIANCE WITH LAWS.** You agree that to comply with all applicable laws, rules, regulations, and any generally accepted practices or guidelines in the relevant jurisdictions (including any laws regarding the export of data or software to and from the United States or other relevant countries and all applicable privacy and data collection laws and regulations). To the extent required by law, you are solely responsible for obtaining or filing any approval, clearance, registration, permit, or other regulatory authorization and shall comply with the requirements of such authorization.
 7. **INTELLECTUAL PROPERTY RIGHTS.** By staking on our testnet and participating in a Challenge you do not gain any rights thereto. All right, title, and interest in and to our testnet, including all modifications, improvements, and enhancements made thereto, and all proprietary rights therein, shall be and remain the Company's sole and exclusive property.
 8. **WARRANTY DISCLAIMER.** THE COMPANY MAKES NO, AND HEREBY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND WITH RESPECT TO OUR TESTNET. THE TESTNET IS PROVIDED "AS IS" AND WITH ALL FAULTS.

The Company has made no promises or guarantees with respect to delivery of any future features or functions. Any discussions of any future features or functions, either prior to or following the agreement to these Terms and Conditions, are for informational purposes only, and the Company has no obligation to provide any such features or functions. You acknowledge that you have not relied on any statement, promise, assurance, or warranty that is not set out in the Terms and Conditions.

9. **LIMITATION OF LIABILITY.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT WILL WE OR OUR SUPPLIERS OR LICENSORS BE LIABLE TO YOU OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES, OR FOR LOSS OF USE, LOST PROFITS, OR LOSS OF DATA ARISING OUT OF OR RELATED TO THESE TERMS AND CONDITIONS OR THE INCENTIVIZED TESTNET PROGRAM, HOWEVER CAUSED AND REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, EVEN IF WE OR OUR SUPPLIERS OR LICENSORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT WILL THE CUMULATIVE LIABILITY OF US, OUR SUPPLIERS, AND OUR LICENSORS FOR ANY CLAIMS ARISING OUT OF OR RELATED TO THESE TERMS AND CONDITIONS OR THE INCENTIVIZED TESTNET PROGRAM EXCEED FIVE HUNDRED DOLLARS (\$500). Some jurisdictions do not allow limitations of liability, so the foregoing limitation may not apply to you.
10. **INDEMNIFICATION.** You agree to indemnify and hold us and our affiliates, and their officers, directors, employees, agents, suppliers, and licensors harmless from and against any and all claims, damages, losses, liabilities, costs and expenses (including, but not limited to, court costs and reasonable attorneys' fees) arising out of or in connection with any breach of these Terms and Conditions by you or your participation in the Incentivized Testnet Program.

11. ASSIGNMENT. You may not sell, assign or transfer any of your rights, duties or obligations under these Terms and Conditions without our prior written consent. We reserve the right to assign or transfer these Terms and Conditions or any of its rights, duties and obligations hereunder to any third party.

12. FORUM AND VENUE.

THIS SECTION CONTAINS A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER. THEY AFFECT YOUR AND OUR RIGHTS CONCERNING THE RESOLUTION OF ANY DISPUTE BETWEEN YOU AND US.

These Terms and Conditions and performance by you and us hereunder shall be construed in accordance with the laws of the State of New York and applicable United States law, without giving effect to any conflict-of-laws principles that may provide for the application of the law of another jurisdiction. Any dispute or controversy arising from or relating to these Terms and Conditions or the enforcement of any provision of these Terms and Conditions must be arbitrated in New York, New York before a single arbitrator experienced in the software industry who is jointly selected and mutually approved by you and us or, if you and we are unable to or fail to agree on the selection of the arbitrator within fifteen (15) days of the demand for arbitration being served, who is appointed by Judicial Arbitration and Mediation Services (JAMS) in accordance with its rules. The arbitration will be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures (and in accordance with the expedited procedures in those rules). The arbitrator will require the non-prevailing party to pay for the costs of arbitration, including reasonable attorneys' fees incurred by the prevailing party in connection with the arbitration. The results of the arbitration procedure will be considered confidential information of you and us. Any arbitration decision rendered will be final and binding, and judgment thereon may be entered in any court of competent jurisdiction. You and we agree that any proceeding to resolve or litigate any dispute hereunder, whether in arbitration or in court, will be conducted solely on an individual basis, and neither you nor we will seek to have any dispute heard as a class action, a representative action, a collective action, a private attorney-general action, or in any proceeding in which either you or us acts or proposes to act in a representative capacity. You and we further agree that no arbitration or proceeding will be joined, consolidated, or combined with another arbitration or proceeding without the prior written consent of all parties to such other arbitration or proceeding.

13. CONFIDENTIALITY. You acknowledge that, in connection with your participation in the Incentivized Testnet Program, you may be exposed to data and information, including product, technology, business, and strategy information that is confidential and proprietary to us (collectively, "Confidential Information"). All Confidential Information shall be sole and exclusive property of the Company and may be used by you only for assisting us in resolving any security issue you have reported to us. You may not reveal, publish, or otherwise disclose the Confidential Information to any third party without the prior written consent of the Company, and shall protect the Confidential Information from disclosure using the same degree of care you use to protect your own confidential information of like kind, but in no event using less than reasonable care. For the avoidance of doubt, the issue and your report will not be considered our Confidential Information but may not be publicly disclosed until after we release a security advisory and update our software or service to resolve the issue reported.

14. GENERAL PROVISIONS. These Terms and Conditions do not create any relationship of association, partnership, joint venture or agency between us and you. Neither we nor you will have any right or authority to assume, create or incur any liability or obligation of any kind against or in the name of the other party. These Terms and Conditions set forth the entire agreement and understanding between us and you with respect to the subject matter in these Terms and Conditions. These Terms and Conditions merge all previous discussions and negotiations between us and you and supersede

and replace any and every other agreement, which may have existed between us and you with respect to the contents of these Terms and Conditions. The failure of either us or you to exercise any right granted under these Terms and Conditions, or to require the performance by the other party of any provision of these Terms and Conditions, or the waiver by either party of any breach of these Terms and Conditions, will not prevent a subsequent exercise or enforcement of such provisions or be deemed a waiver of any subsequent breach of the same or any other provision of these Terms and Conditions. If any provision of these Terms and Conditions shall be deemed unlawful, void or for any reason unenforceable, then that provision shall be deemed severable from these Terms and Conditions and shall not affect the validity and enforceability of any remaining provisions.