

# SOCIOS.COM WALLET TERMS

Nov 18, 2024

These Terms of Use govern the use of the Socios.com Wallet accessible through the following interfaces provided by Socios Services Baltics UAB:

- (i) The website [www.socios.com](https://www.socios.com) and/or any sub-website and/or associated domains (and/or sub-domains) of <https://www.socios.com> ("**Web App**");
- (ii) All apps published by Socios, including but not limited to the Socios.com App, whether for tablets, mobile devices, smart TVs or other platforms, including web app ("**Apps**"), unless otherwise indicated in the app.

The Web App and Apps shall collectively be referred to as the "**Interface**".

## Preamble

In certain geographical areas, Socios Services Baltics UAB, a private limited liability company incorporated in Lithuania with company registry number 306098470 and registered office address at Gedimino pr. 20, Vilnius, Lithuania ("**Socios**", "**We**", "**Us**", "**Our**"), makes the Socios.com Interface available to you ("**User**", "**You**", "**Your**"). Although the Interface is intended to be available to a large number of Users across various jurisdictions, We reserve the right to block the access and the use of the Interface to any Prohibited Users, Users in Excluded Jurisdictions or to any other Users as We deem fit to ensure the integrity of the Interface and to comply with applicable laws and regulations. If You are within the geographical areas We cover, You may access and use the Interface and the Socios.com Wallet accessible in accordance with the following Socios.com Wallet Terms ("**Terms**").

These Terms solely govern the conditions under which You are able to access and use the Socios.com Wallet, and shall be read, interpreted and understood as an extension of the Global Terms of Use of Socios Platform (the "**Global Terms of Use**"). The Global Terms of Use remain fully applicable when accessing and using the Socios.com Wallet. By accessing the Interface and creating a Socios.com Wallet, You agree to be bound by these Terms and all other terms that are hereby incorporated by reference.

Socios operates the Interface through which You may access the Socios.com Wallet which is provided via a backend-only application operated by Dfns, a company registered under the laws of France with company registration number 888 176 575 and whose registered office is located at 142 rue de Rivoli, Paris 75001, France (“**Dfns**”, “**Provider**”). By accepting these Terms and using the Interface, the User understands and acknowledges that these Terms are binding between the User and Socios only and that the Provider is not a party to these Terms. Furthermore, the User hereby acknowledges, understands and agrees that since the Socios.com Wallet is a non-custodial wallet as described below, Socios is solely responsible for operating the Interface, and does not in any manner whatsoever operate the Socios.com Wallet or its use thereof.

## 1. DEFINITIONS

1.1. **Affiliate** means any entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with Socios.

1.2. **API** or **Application Programming Interface** means a set of rules and protocols that allows different software applications to communicate with each other.

1.3. **Chiliz Chain** means a Layer-1, public, permissionless, decentralised, blockchain infrastructure using Proof-of-Stake-Authority consensus (PoSA). Launched by Socios’ Affiliate, initially it was specifically designed for the sports and entertainment industries and has since been increasingly decentralised. It enables the creation, trading, and management of digital assets, supports engagement, and drives traffic within these sectors.

1.4. **Passkey** means a cryptographic authentication technology that relies on an asymmetric key pair (a public and a private key) to enable secure access to applications.

1.5. **Platform** or **Socios Platform** means the digital fan engagement platform, ‘Socios.com’ accessible through the Interface, managed by Socios, operating on the basis of blockchain technology and smart contracts for the purpose of offering a tokenized voting platform where fans can execute voting rights related to their favourite Partners and benefit from extra benefits through Fan Tokens as well as other services and Features as explained herein.

1.6. **Private Key(s)** means secure, alphanumeric codes used to control access to digital assets stored through Distributed Ledger Technology (DLT), including the Chiliz Chain. A Private Key is generated and exclusively associated with each Socios.com Wallet.

1.7. **Recovery Kit** means a set of instructions, backup codes, or tools that help the User regain access to the Socios.com Wallet if they lose their primary credentials, provided by Dfns.

1.8. **Recovery Code** means a one-time code unique to the User Socios.com Wallet, generated when the Recovery Kit is created and that serves as a backup access credential to recover access to the Socios.com Wallet .

1.9. **Recovery Kit ID** means a unique identifier associated with the specific recovery kit generated for the User Socios.com Wallet and which serves to differentiate between various kits or versions.

1.10. **Socios Account** means the account created and managed by the User within the Socios Platform, which is strictly personal to the User and associated with the User's Socios.com Wallet.

1.11. **Socios.com Wallet** means a non-custodial digital wallet in which the User is responsible for storing and managing their private keys and recovery methods, thereby giving the User control over their digital assets and allowing them to access digital assets compatible with the Chiliz Chain. The Socios.com Wallet can be accessed by the Users through the Interface.

Any capitalised terms that are not defined herein shall have the meaning given to them in the Global Terms of Use.

## 2. NON-CUSTODIAL WALLET

The Socios.com Wallet is a non-custodial wallet solution developed by Dfns that enables the User to hold Chiliz Tokens (\$CHZ), Pepper Tokens (\$PEPPER), Fan Tokens, Digital Collectibles, and any other supported digital asset issued on the Chiliz Chain. When using the Socios.com Wallet, the User accepts and acknowledges that they remain in control of their digital assets and no custody services are provided by Socios, Socios' Affiliates or the Provider in relation to the assets the User holds within the Socios.com Wallet.

Socios and the Provider do not have any control over the assets a User may hold or transfer into the Socios.com Wallet. The User accepts and acknowledges that Socios and the Provider have no ability to access or transfer the digital assets stored on the Socios.com Wallet. The User remains solely responsible for ensuring no third-party gains access and transfers the digital assets they hold within the Socios.com Wallet.

Any assets transferred to or held in Your Socios.com Wallet will not be held in custody by Socios or by any other third party, and only You can access and control Your assets held thereon. You can freely transfer Your assets from Your Socios.com Wallet to another wallet at any time. In relation to the Socios.com Wallet, Socios (nor any other third party) shall neither provide any virtual asset services or financial services, nor does it act as a custodian or financial intermediary of Your assets.

Socios (nor any third party) does not manage, have control over or have access to any of the information connected to Your Socios.com Wallet, including but not limited to passkeys, private keys, recovery codes or assets held thereon. Socios only has access to information that has been processed in relation to Your Socios Account or that is publicly available on the blockchain.

Socios (nor any third party) cannot interfere with any of Your digital assets and transactions taking place on Your Socios.com Wallet in any case.

## 3. WALLET CREATION

### 3.1. Socios.com Account

A User can only create the Socios.com Wallet if the User has successfully created a Socios Account. All actions that are taken by the User on the Platform are subject to the terms and conditions laid down in the Global Terms of Use. The Socios.com Wallet can only be created within the Platform, and remains associated with the User's Socios Account. The User's ability to create a Socios.com Wallet therefore depends on the User's ability to access the Platform and successfully create a Socios Account.

### 3.2. Passkey and Recovery Kit

When setting up the Socios.com Wallet within the Platform, the User will be prompted to set up a Passkey to protect the access to the Socios.com Wallet. The Passkey may be

set up using diverse authentication methods, including FaceID (or similar technology), fingerprint and screen lock. The User is solely responsible for ensuring the safety and storage of the Passkey, and acknowledges that the loss of the Passkey may lead to the irreversible loss of all digital assets stored in the Socios.com Wallet.

When setting up the Socios.com Wallet, the User will also be provided with a Recovery Kit which consists of a Recovery Code and a Recovery Kit ID. The User has the ability to download the Recovery Kit and must confirm that the Recovery Kit was saved in a safe location before proceeding and accessing the Socios.com Wallet. The User is solely responsible for ensuring the safety and storage of the Recovery Kit, and acknowledges that the loss of the Recovery Kit may lead to the irreversible loss of all digital assets stored in the Socios.com Wallet.

In any case, the Passkey and the Recovery Kit are the two main means of access to the Socios.com Wallet. The loss of both the Passkey and the Recovery Kit will lead to the complete and definitive loss of all digital assets stored on the Socios.com Wallet.

### 3.3. Seed Phrase and Private Key

When setting up the Socios.com Wallet within the Platform, the User accepts and acknowledges that no Seed Phrase will be generated and associated with the User Wallet. A “Seed Phrase” is a recovery method consisting of a set of 12 to 24 randomly generated words that acts as a backup to access a cryptocurrency wallet. The User accepts and acknowledges that this recovery method is an add-on feature, and that the absence of such add-on feature has no effect on the classification of the Socios.com Wallet as a non-custodial wallet.

The User also accepts and acknowledges that as a security measure implemented by the Provider to avoid the Private Key being replicated or disclosed to unauthorised third parties, the Private Key associated with the Socios.com Wallet will not be disclosed to the User upon the creation of the Socios.com Wallet. The User acknowledges and accepts that throughout the Socios.com Wallet lifecycle, the Private Key associated with the Socios.com Wallet will never be disclosed to or known by Socios, the Provider or any other third-party.

## 4. WALLET INTEGRATION

Users may access and use their Socios.com Wallet by importing the Recovery Kit on any unauthorised third party interfaces integrating the Application Programming Interface provided by Dfns (**“Dfns API”**) or by WalletConnect (**“WalletConnect API”**). WalletConnect is an external open-source protocol that enables third party applications to connect and interact with cryptocurrency wallets without exposing the User’s Private Key.

By accepting these Terms, the User acknowledges and accepts that they can only connect their Socios.com Wallet to third-party interfaces and applications that have integrated the Dfns API or the WalletConnect API and that Socios does not guarantee that any third party will integrate, or continue to integrate, the Dfns API or the WalletConnect API into their interface or application.

By connecting their Socios.com Wallet to unauthorised third party interfaces through the Dfns API or the WalletConnect API, the User may interact with decentralised applications (**“dApps”**) outside of the Interface. The User accepts and acknowledges that unauthorised third party interfaces and dApps to which they may connect their Socios.com Wallet may involve risks that are solely and fully assumed by the User.

The User is solely responsible for conducting their own research and diligence on any unauthorised third-party interfaces and dApps to which they connect their Socios.com Wallet, including on whether such third-party interfaces or dApps comply with applicable laws under their relevant jurisdictions. Socios cannot be held liable in any manner whatsoever and under any circumstances for any loss of the User’s assets resulting from connecting the Socios.com Wallet to unauthorised third-party interfaces and applications.

## 5. SIGNATURE

The Socios.com Wallet offers the User enhanced security and control over their digital assets through Dfns’s technology and infrastructure. By accepting these Terms, the User acknowledges the provision of the technical infrastructure provided by Dfns and implemented into the Socios.com Wallet as per Dfns’s security documentation available [HERE](#).

The description of Dfns technology and security features hereunder is provided by Socios and aims to provide the User with a clear and comprehensive description of the

features implemented within the Socios.com Wallet. The User acknowledges and accepts that the features described herein are exclusively built, developed, and implemented by Dfns, that Socios has no control over the inbuilt security features implemented within the Socios.com Wallet, and that the description of such features is only educational and cannot be construed as a binding agreement between the User and Socios or the Provider.

## 5.1. Private Key Generation

The User acknowledges that the Dfns Socios.com Wallet infrastructure enhances the security of digital assets by preventing the disclosure of the Private Key associated with the User's Socios.com Wallet upon creation of the Wallet, including during the generation of the Wallet Private Key.

The User acknowledges and accepts that Socios does not have control over the technical solution provided by Dfns, and that neither Dfns nor Socios have access to the User Socios.com Wallet Private Key or digital assets at any point in time through the Wallet lifecycle.

## 5.2. Key Shards and Multi-Party Computation

Upon creation of the Socios.com Wallet, the Private Key associated with the Socios.com Wallet (referred to as the “**Master Private Key**”) is split into different “shards” created via Distributed Key Generation (DKG) technology. Each shard alone cannot access the associated Socios.com Wallet or the digital assets it contains, but when combined, they can reconstruct the Master Private Key. Each shard of the Private Key is encrypted and stored within Dfns's decentralised signer network.

This sharding process is part of the Multi-Party Computation (MPC) technology offered by the Provider and implemented by Socios. The MPC technology is open source, and rests on a threshold signature scheme (TSS) mechanism, ensuring that participants engaged in signing can keep their inputs confidential without disclosing them. When the User requires a signature, MPC technology ensures these fragments can generate a valid signature without being assembled in full through Zero-Knowledge Proofs (ZKP). This technology is provided by Dfns and referred to as “**Delegated Signing**”.

The User acknowledges and accepts that no individual party within the quorum possesses full access to, or control over the stored assets. Additionally, the User is

solely responsible for calling the Dfns API and requesting transaction signing through Delegated Signing as described thereon in this Terms. The User also acknowledges and accepts that the Master Private Key will never appear and is not required to appear through the signing process, which means that You are the only one that can authorise transactions, and that such interaction does not expose Your Private Key.

### 5.3. Signing Secret

The User acknowledges and agrees that only the User can request transaction signing by calling the Dfns API integrated within the Platform, and transactions can only be executed via the Dfns API. All requests to the Dfns API must be signed by a Signing Secret only known by the User which is generated and persists on the User's device. The User Signing Secret - which can also be referred to as API credentials - is a private cryptographic key used by the User to generate secure digital signatures when interacting with Dfns API. This Signing Secret is never shared with Dfns.

To handle these API calls via the User's signing secret, Dfns has integrated the WebAuthn 3.0 passwordless open protocol. WebAuthn is natively integrated into all major browsers and mobile operating systems, allowing the User to establish signing credentials via a Passkey using biometric authentication to call the Dfns API. The User acknowledges and agrees that when requesting transactions from their Socios.com Wallet, the User will be required to complete the biometric authentication, and such authentication acts as transaction signature in Dfns back-end systems.

The User acknowledges and agrees that Socios and the Provider do not have any access to the Signing Secret used by the User to sign transactions through Passkey and stored on the User device. The User also acknowledges that unlike the Private Key, the User Signing Secret is not immutable and can be revoked if stolen or re-established if lost. The Signing Secret is not stored within any electronic systems managed by Socios or the Provider, but remains exclusively associated with the User device. If the User loses access to the device where the Passkey is stored, or is unable to regain access to the Passkey through which the User Signing Secret is contained, the User must immediately inform Socios' customer support.



## 6. SUPPORTED NETWORKS

The Socios.com Wallet integrates the Chiliz Chain ("**Supported Network**"), a layer-1 blockchain developed by Chiliz and which uses its own token standard called CAP-20. The Socios.com Wallet displays a blockchain address associated with the User's Socios.com Wallet that can only be used by the User to receive digital assets on the Chiliz Chain. The User acknowledges and agrees that any blockchain network other than the Chiliz Chain, such as Bitcoin or Ethereum, is not supported on the Socios.com Wallet ("**Unsupported Networks**").

The User acknowledges and agrees that Socios bears no responsibility and is not liable for any digital assets transferred to the Socios.com Wallet through Unsupported Networks, including but not limited to, the loss of any such digital assets.

## 7. SUPPORTED TOKENS

The Socios.com Wallet enables the User to hold Chiliz Tokens (\$CHZ), Pepper Tokens (\$PEPPER), Fan Tokens, Digital Collectibles, and any other digital assets compatible with the Chiliz Chain ("**Supported Digital Assets**"). You acknowledge that the transfer of Supported Digital Assets cannot be cancelled, reversed or refunded once it has been broadcast to the Supported Network, although it may be in a pending status, and designated accordingly, while the transfer is processed by network operators. Notwithstanding compatibility with any Supported Digital Asset issued on the Chiliz Chain, such assets may not be accessible through the Interface, as solely decided by Socios.

The Socios.com Wallet does not enable the User to hold other blockchain-based assets, such as Bitcoin or Ethereum, that were not issued on the Chiliz Chain under the CAP-20 token standard ("**Unsupported Digital Assets**").

Under no circumstances should a User attempt to use the Socios.com Wallet to store, send, request or receive Unsupported Digital Assets. Socios and its Affiliates assume no responsibility or liability in connection with any attempt of a User to use the Socios.com Wallet for Unsupported Assets. The User acknowledges and agrees that Socios and its Affiliates bear no responsibility and are not liable for any Unsupported Digital Asset that is sent to the Socios.com Wallet, including but not limited to, the loss of any such Unsupported Digital Assets.

## 8. FEES

### 8.1. Incoming Transfers (to Socios.com Wallet)

The Socios.com Wallet allows the User to receive Supported Digital Assets through Supported Networks from external or third-party wallet addresses. Although Socios does not charge any fees related to incoming transfers from external or third-party wallets, third-party wallet providers may. The User shall be exclusively responsible to bear any costs incurred during such transactions as charged by third-party wallet providers.

Socios shall not be responsible or liable for any losses You incur due to transaction fees or losses that occur due to incorrectly set transaction fees from external or third-party wallets.

### 8.2. Outgoing Transfers (from Socios.com Wallet)

The Socios.com Wallet allows the User to send Supported Digital Assets through Supported Networks to external or third-party wallet addresses. Any fees related to such outgoing transactions shall be exclusively borne by the User, including network fees and slippage.

Network fees (or gas fees) are charges required to execute Your transaction on the blockchain. They can fluctuate depending on network traffic and transaction type. Network fees are not particular to the Chiliz Chain and are not charged by Socios or any other third-party. When signing an outgoing transaction, the Socios.com Wallet enables the User to see the estimated amount of network fees for the requested transaction to be executed on the Supported Network.

Slippage is the difference between the expected price and the actual price of a trade due to market changes, and is expressed in percentage. The User acknowledges that a default slippage of 0.5% will apply for outgoing transactions from the User's Socios.com Wallet, unless otherwise set up from the User. If the final price exceeds this percentage difference, the transaction will fail and the digital assets will not be transferred out of the User's Socios.com Wallet. If the trade is successful, any unused slippage will be returned to the User.

Slippage does not constitute a fee and is not charged by Socios or any third-party. The User shall be exclusively responsible for setting up the slippage within which they

accept to execute the requested transaction. Socios shall not be responsible or liable for any losses You incur due to slippage or losses that occur due to incorrectly set slippage by the User.

All outgoing transactions from the User's Socios.com Wallet must be requested and signed by the User as per these Terms. Signature of the transaction request from the User equals to approval of the network fees and slippage associated with such transaction and displayed on the transaction interface within the Socios.com Wallet.

## 9. SECURITY

Socios is committed to maintain the security of the Socios.com Wallet to safeguard the digital assets that are held thereon and has implemented industry standard protection for this purpose. However, the User is fully responsible for the security and the safekeeping of the access credentials that are required to get access to the Socios Account and hence the Socios.com Wallet, including the User Passkey, as well as the personal devices on which such credentials are stored and from which the Socios.com Wallet is accessible.

The User acknowledges and accepts that all actions taken in relation to the Socios.com Wallet will be deemed as actions that are performed by the User. Socios assumes no responsibility or liability for any loss or damages caused by the authorised or unauthorised use of the access credentials or personal devices of the User as outlined in the foregoing, unless the security of the access credentials is compromised due to the willful misconduct or gross negligence of Socios.

If the User loses a personal device or is concerned that the Socios Account has been compromised, the User shall immediately notify Socios via [reports@chiliz.com](mailto:reports@chiliz.com).

As outlined hereunder these Terms, the User has the ability to access the digital assets stored in the Socios.com Wallet through unauthorised third-party interfaces and platforms that have integrated Dfns API or WalletConnect API. If the User loses access to the Socios Account associated with the User's Socios.com Wallet, it remains possible to access and manage the digital assets stored in the Socios.com Wallet through the Recovery Kit set up upon the creation of the Socios.com Wallet.

It is not possible for Socios or any third-party to recover access to the Socios.com Wallet. The User shall remain solely responsible for the safekeeping of any passcodes required to access their Socios.com Wallet and for backing up the Recovery Kit in order to restore access to the User's Socios.com Wallet. The User shall be solely responsible

for storing and safekeeping the Recovery Kit upon creation of the Socios.com Wallet. If the User loses the Recovery Kit, the User acknowledges and agrees that any digital assets they hold in the Socios.com Wallet will become permanently inaccessible.

## 10. RISKS

There are various risks in connection with provision of the Socios.com Wallet. The User should carefully consider and evaluate each of the following risk factors and all other information related thereto which are contained in these Terms before deciding to utilise the Socios.com Wallet. By accepting these Terms, the User understands and acknowledges in particular the following risks:

- **Third-Party Risks:** Socios collaborates with third parties in order to provide the User with access to the Socios.com Wallet through the Interface. The User understands and acknowledges that there is no guarantee that any third-party will continue to provide Socios with the necessary third-party services required to do so.
- **Risk of Software Weaknesses:** The User understands and acknowledges that complex software such as the Socios.com Wallet are never entirely free from defects, errors, bugs, and security vulnerabilities, and that Socios therefore does not warrant that the Socios.com Wallet, or access thereto, will be free from defects, errors, and bugs.
- **Risk of Attacks:** The User understands and acknowledges that, as with other blockchain networks, the Chiliz Chain is susceptible to attacks, including but not limited to, denial of service attacks, exploits of consensus nodes, and byzantine attacks on the consensus nodes. Any successful attack presents a risk to the digital assets stored on the chain, expected proper execution and sequencing of transactions, and expected proper execution and sequencing of contract computations.
- **Digital Assets Risks:** Tokens on blockchain platforms face multiple risks including software errors, network connectivity disruptions, hardware failures, security threats from hacking or unauthorised access, and changes in consensus rules. Additionally, forks, validator penalties, and fluctuations in token stability and value can affect tokens adversely. These issues can lead to token loss or negatively impact their value.
- **Networks Risk:** Socios does not own or control the Supported Networks which govern the operations of the Supported Digital Assets. You acknowledge and agree that (a) the Services and the Supported Digital Assets are subject to changes in Supported Network rules; (b) Socios is not responsible for operation

of the Supported Networks and makes no guarantee of their functionality, security or availability; (c) Socios may decide not to support the new changed networks entirely.

- **Regulatory Risk:** The User understands and acknowledges that blockchain technology allows for new forms of interaction and that certain jurisdictions may apply existing regulations or introduce new regulations that may result in a termination of provision of the Socios.com Wallet. You further agree that (a) Socios is not responsible for the regulatory status or treatment in any jurisdiction of any Supported Digital Assets that you may access or transact using the Socios.com Wallet; and (b) Socios or any third-party partner may refuse, limit, condition, or suspend any support for any Supported Digital Asset if Socios or any third-party partner is required to do so under law or under the direction of a regulatory authority.
- **Risk of Transaction Verification:** The User understands and acknowledges that the transfer of Supported Digital Assets may be delayed or not be executed due to the transaction volume on the relevant blockchain, mining attacks, and/or similar events.

The User understands and acknowledges that the risks listed above are not exhaustive, that they are borne exclusively by the User, that the User cannot pass on the consequences of a realisation of these risks to Socios or any other third-party, and that the purchase price or the value of the digital assets held in the Socios.com Wallet will not be refunded or reimbursed to the User if any of these risks are realised.

## 11. LIMITATION OF LIABILITY

In addition to general limitation of liability defined in the Global Terms of Use, to the maximum extent permitted by applicable laws, regulations, and rules, and except as otherwise provided in these Terms, Socios hereby expressly disclaims its liability and shall in no case, unless the damage was caused by Socios intentionally or as a result of gross negligence, be liable to any person, including but not limited to, for:

- any loss or theft of digital assets from the Socios.com Wallet as a result of phishing, pharming, vishing, smishing or any other method;
- any transfer of any digital assets from the Socios.com Wallet to any person at any time;
- any failure, malfunction, or disruption of the Socios.com Wallet (or access thereto through the Interface) or any technology on which Socios relies on, due to occupancies of hacks, cyber-attacks, distributed denials of service attacks,

errors, vulnerabilities, defects, flaws in programming, or source code or otherwise;

- losses, whether direct or indirect, that the User may incur as a result of Socios's compliance with applicable laws and regulations or any writ of attachment, lien, levy, subpoena, warrant, or other legal order;
- losses relating to Unsupported Assets.

The User understands and acknowledges that:

- All transactions are executed by, and at the sole risk of the User. If the User enters the incorrect wallet address, both for an outgoing or an incoming transaction, the digital assets transferred within this transaction will be irrevocably lost. Socios does not guarantee the identity of any receiver, requestee or other third party and Socios will have no liability or responsibility for ensuring that the information the User provides is accurate and complete. Socios shall not be responsible for incorrectly provided addresses and any damages or losses sustained by the User as a consequence thereof.
- Socios.com Wallet (or access thereto through the Interface) is provided on an "as is" basis and that there is no warranty whatsoever on the Socios.com Wallet, expressed or implied, to the extent permitted by law. Any use of the Socios.com Wallet is at the sole risk of the User.
- By using the Socios.com Wallet, Users acknowledge and agree that any reliance on third-party services, including those provided by the Provider, is undertaken at their own risk.