

Palmetto Token™

Liquidity Policy

Purpose

This Liquidity Policy establishes the principles governing liquidity created, funded, or controlled by Palmetto Token™ and explains the distinction between project controlled liquidity and liquidity independently provided by PALMETTO holders or other market participants. Liquidity allows PALMETTO to be exchanged through decentralized markets without requiring Palmetto Token™ to serve as the direct counterparty to individual transactions. Adequate liquidity can improve market accessibility, reduce price impact, support price discovery, and provide infrastructure necessary for broader use of PALMETTO. The purpose of project controlled liquidity is to support functional markets for PALMETTO. Liquidity should not be created solely to increase the number of trading pairs, create an appearance of market activity, or imply a level of market depth that does not exist. The original PALMETTO market established by Palmetto Token™ is the PALMETTO/USDC Uniswap v2 liquidity pool on Base. The pool was initially funded with 73,000 PALMETTO and 149.942 USDC. The resulting UNI-V2 liquidity tokens were transferred to the Palmetto Token™ Liquidity Lock, removing that original liquidity position from discretionary withdrawal until the contract's established unlock

time. The Liquidity Lock protects only compatible liquidity tokens actually held by the contract. Future liquidity is not automatically locked merely because it is created by Palmetto Token™ or added to the original PALMETTO/USDC pool. Any newly created compatible UNI-V2 liquidity tokens must be transferred to the Liquidity Lock before they become subject to its restrictions. Additional compatible UNI-V2 liquidity tokens transferred to the existing Liquidity Lock become part of the balance controlled by that contract and remain restricted until its existing unlock time. Depositing additional liquidity tokens does not begin a new ten year lock period and does not extend the existing lock. Palmetto Token™ may increase liquidity, establish additional markets, or use different compatible liquidity infrastructure when legitimate project development or market conditions justify doing so. Such decisions should consider market depth, trading activity, paired asset requirements, security, technical compatibility, treasury resources, and the potential consequences of dividing liquidity among multiple markets. Independent holders remain free to provide or withdraw liquidity using PALMETTO they own according to the rules of the relevant decentralized exchange or protocol. Independently controlled liquidity does not become project controlled liquidity and is not subject to the Palmetto Token™ Liquidity Lock unless compatible liquidity tokens are voluntarily transferred into that contract. This policy does not establish a guaranteed level of liquidity, trading volume,

market value, exchange rate, or ability to execute transactions without price impact. Liquidity remains subject to market participation, asset values, decentralized exchange mechanics, independent liquidity providers, and other market conditions outside the control of Palmetto Token™. The objective of this policy is to establish a transparent framework under which project controlled liquidity can be developed deliberately while clearly distinguishing permanent contract restrictions from future liquidity management decisions.

Original PALMETTO/USDC Liquidity

The original market established by Palmetto Token™ is the PALMETTO/USDC liquidity pool created through Uniswap v2 on the Base network. This pool was established as the initial decentralized market through which PALMETTO could be exchanged against a dollar denominated digital asset. The pool was initially funded with 73,000 PALMETTO and 149.942 USDC. The 73,000 PALMETTO represented the complete initial release at deployment and 0.1 percent of the permanently fixed 73,000,000 PALMETTO supply. No additional PALMETTO from the Treasury Release Vault was used to establish the original liquidity position. The initial asset ratio established an opening pool price of approximately 0.002054 USDC per PALMETTO. This represented the initial mathematical relationship between the assets deposited into the pool and was not a guarantee,

valuation commitment, minimum price, or representation of the price at which PALMETTO would continue to trade. Uniswap v2 uses an automated market maker structure in which the relative quantities of the two assets within the pool change as swaps occur. Market participants purchasing PALMETTO from the pool increase the amount of USDC held by the pool while decreasing the amount of PALMETTO. Transactions in the opposite direction have the reverse effect. The resulting exchange rate is determined by the mechanics of the liquidity pool and market activity rather than by a price established or maintained by Palmetto Token™. The original liquidity provider received UNI-V2 liquidity tokens representing the liquidity position created from the deposited PALMETTO and USDC. Those liquidity tokens represent a proportional claim on the underlying pool reserves rather than a separate allocation of PALMETTO. Following creation of the original liquidity position, the UNI-V2 liquidity tokens were transferred to the Palmetto Token™ Liquidity Lock. The locker contract holds the liquidity tokens and prevents their release before the contract's established unlock time of August 28, 2036 at 23:08:53 UTC. The Liquidity Lock contains no mechanism allowing Palmetto Token™ to withdraw the locked liquidity tokens before the established unlock time. When release becomes available under the contract, the liquidity tokens held by the locker may be released only to the immutable beneficiary established when the contract was deployed. Locking the original liquidity position restricts the ability of

Palmetto Token™ to voluntarily remove that position during the lock period. It does not prevent changes to the underlying pool reserves resulting from ordinary trading activity, changes in the relative market value of PALMETTO and USDC, decentralized exchange mechanics, or other activity permitted by the Uniswap v2 contracts. Trading fees generated by the Uniswap v2 pool are incorporated economically into the pool reserves and the value represented by the liquidity position. They are not maintained as a separate balance that Palmetto Token™ can independently withdraw while leaving the locked liquidity position intact. The existence of locked project liquidity does not prevent independent holders from buying, selling, transferring, or providing their own liquidity for PALMETTO. It also does not guarantee that independent liquidity providers will maintain their positions or that a particular amount of total market liquidity will remain available. The original PALMETTO/USDC pool establishes the initial market foundation for PALMETTO while the Liquidity Lock provides independently verifiable restrictions over the project's original liquidity position.

Future Project Controlled Liquidity

Palmetto Token™ may provide additional project controlled liquidity when market conditions, trading activity, adoption, treasury resources, or other legitimate project requirements justify doing so. No predetermined schedule or required amount

of future liquidity is established by this policy. PALMETTO becoming available through the Treasury Release Vault does not automatically require any portion of that release to be contributed to liquidity. Released PALMETTO may remain within treasury reserve until additional liquidity serves a legitimate project purpose. When additional liquidity is considered, Palmetto Token™ should evaluate existing market depth, trading activity, price impact, available treasury PALMETTO, the amount and source of the required paired asset, and the expected benefit of the additional liquidity. Treasury resources should not be committed merely to increase the reported size of a liquidity position. Additional liquidity contributed to the original PALMETTO/USDC Uniswap v2 pool requires both PALMETTO and USDC. The quantities required will depend upon the pool conditions existing when the liquidity is added. The original deposit ratio does not establish a permanent price or fixed ratio for future liquidity contributions. When Palmetto Token™ contributes treasury assets to the original PALMETTO/USDC Uniswap v2 pool, the resulting compatible UNI-V2 liquidity tokens are intended to be transferred to the existing Palmetto Token™ Liquidity Lock. The transfer into the locker is a separate transaction from the addition of liquidity and must occur before the newly created liquidity tokens become subject to the lock. Compatible UNI-V2 liquidity tokens transferred into the existing Liquidity Lock become part of the liquidity token balance held by that contract. The locker does not

distinguish between the original liquidity tokens and compatible additional liquidity tokens subsequently transferred to it when determining the balance available for release. Additional liquidity tokens deposited into the existing Liquidity Lock inherit the locker's existing unlock time. They do not receive a new ten year lock beginning on the date of deposit, and their addition does not extend the lock period applicable to liquidity tokens already held by the contract. Because the remaining duration of the existing lock will decrease over time, Palmetto Token™ should consider the remaining lock period when deciding whether the existing Liquidity Lock remains appropriate for a future liquidity contribution. A contribution made substantially later in the project's development would receive a substantially shorter remaining restriction than liquidity deposited near the beginning of the project. Palmetto Token™ may determine in the future that a separate liquidity lock or another transparent liquidity management structure is appropriate for newly created project controlled liquidity. Such a decision may be made when a new liquidity position is incompatible with the existing locker, when a longer restriction period is considered beneficial, when a different decentralized exchange or liquidity structure is used, or when other legitimate circumstances justify a separate arrangement. Any new liquidity lock or management structure should be evaluated according to its actual terms rather than represented as equivalent to the original Liquidity Lock. Where project

controlled liquidity is subject to a lock, Palmetto Token™ should publicly identify the applicable contract, assets, restrictions, and expiration or release conditions so that those claims can be independently verified. Future project controlled liquidity should therefore be developed according to actual market and project requirements while maintaining clear public distinctions between liquidity that is locked, liquidity that remains under discretionary project control, and liquidity owned independently by third parties.

Additional PALMETTO Markets and Trading Pairs

The original PALMETTO/USDC Uniswap v2 pool is intended to serve as the primary decentralized market established by Palmetto Token™ during the early development of the project. The existence of this primary market does not prevent additional PALMETTO trading pairs from being created when legitimate demand, adoption, liquidity, or technical considerations support them. Palmetto Token™ may consider additional markets involving stablecoins, WETH, reputable tokenized Bitcoin assets available on Base, or other compatible digital assets. The identification of these potential paired assets does not constitute a commitment to create any particular market or provide project controlled liquidity to it. A new trading pair should provide a meaningful function beyond increasing the number of markets associated with PALMETTO. Potential considerations include user

demand, accessibility, available liquidity, trading activity, the reliability and market acceptance of the paired asset, technical compatibility, security, treasury requirements, and the relationship of the proposed market to the broader development of Palmetto Token™. During periods of limited market activity or available liquidity, concentrating liquidity within established markets may provide greater benefit than dividing project resources among numerous trading pairs. Fragmented liquidity can increase price impact, reduce market depth within individual pools, complicate price discovery, and make trading more difficult for market participants. Additional markets may develop without participation by Palmetto Token™. PALMETTO is transferable through its token contract, and independent holders or third parties may establish liquidity pools or other compatible markets using assets they control. The existence of such a market does not establish that the market was created, funded, approved, endorsed, or controlled by Palmetto Token™. Prices may differ between separate PALMETTO markets because each market can have different liquidity, trading activity, paired assets, fees, and market conditions. Independent market participants and arbitrage activity may reduce some price differences, but Palmetto Token™ does not establish or guarantee a uniform exchange rate across independent markets. When Palmetto Token™ creates or materially supports an additional market, the project should clearly identify the relevant network, decentralized exchange or

protocol, trading pair, and applicable contract or pool addresses when such information is available. If project controlled liquidity within that market is subject to a liquidity lock or another restriction, the applicable restriction should also be identified separately. The creation of an additional PALMETTO market does not alter the fixed supply of PALMETTO, the Treasury Release Vault schedule, the original PALMETTO/USDC liquidity position, or restrictions applicable to liquidity already held by the Palmetto Token™ Liquidity Lock. Decisions concerning additional markets should prioritize genuine utility, sufficient market depth, security, and accessibility rather than the appearance of broader market presence.

Independent Liquidity Providers

PALMETTO is an openly transferable digital asset, and independent holders may provide liquidity using PALMETTO they own without requiring authorization from Palmetto Token™. Independent liquidity may be added to an existing compatible market or used to establish another market according to the functionality and requirements of the applicable decentralized exchange or protocol. Liquidity provided using independently owned assets remains the property and responsibility of the liquidity provider. The resulting liquidity position does not become an asset of Palmetto Token™ merely because PALMETTO is

one of the assets represented by that position. Independent liquidity providers determine how their liquidity positions are managed subject to the rules of the applicable protocol. They may increase, decrease, transfer, hold, or withdraw their positions when permitted by the protocol and by any restrictions they voluntarily impose upon those positions. Independent liquidity is not subject to the Palmetto Token™ Liquidity Lock unless compatible liquidity tokens are intentionally transferred into that contract. Palmetto Token™ does not represent independently controlled liquidity as locked project liquidity and cannot guarantee that an independent provider will maintain liquidity for any particular period. Individuals involved in the development or management of Palmetto Token™ may also provide liquidity using PALMETTO and paired assets they personally own. Such a position should remain distinct from project controlled liquidity when no treasury or other project controlled assets were used to create it. Personal involvement with Palmetto Token™ does not automatically convert an independently funded liquidity position into a project asset. Independent liquidity providers bear the risks associated with their positions. These may include changes in the relative value of paired assets, market volatility, changes in pool composition, smart contract risk, protocol risk, transaction costs, limited trading activity, and other risks inherent to decentralized liquidity provision. Palmetto Token™ may publicly identify independently created markets when doing so is useful

to PALMETTO users, but identification of a market does not necessarily constitute endorsement of its liquidity provider, paired asset, protocol, security, or continued availability. Users remain responsible for verifying token and pool addresses before interacting with any market. The existence or withdrawal of independent liquidity does not modify the PALMETTO token contract, fixed supply, Treasury Release Vault, or project controlled liquidity already subject to the Palmetto Token™ Liquidity Lock. Project reporting should distinguish project controlled liquidity from independently controlled liquidity whenever that distinction is material. Total liquidity visible across PALMETTO markets may include positions over which Palmetto Token™ has no ownership or withdrawal authority. Open market participation allows anyone to contribute liquidity, but ownership and responsibility for each liquidity position remain with the party that controls it.

Liquidity Transparency and Verification

Liquidity associated with PALMETTO should be described in a manner that allows market participants to distinguish between project controlled liquidity, independently controlled liquidity, and liquidity subject to publicly verifiable restrictions. Palmetto Token™ should publicly identify markets that it creates or materially supports using sufficient information to distinguish those markets from unauthorized,

misleading, or unrelated pools. Where applicable, this information may include the blockchain network, decentralized exchange, paired assets, pool or pair contract address, liquidity token address, and any relevant liquidity lock contract. Claims concerning locked project liquidity should be supported by independently verifiable blockchain records. The existence of a liquidity lock should not be established solely by a statement from Palmetto Token™ when the applicable contract, liquidity token balance, beneficiary, and release conditions can be examined directly on chain. For the original PALMETTO/USDC Uniswap v2 market, the UNI-V2 liquidity tokens representing the original project controlled liquidity position are held by the Palmetto Token™ Liquidity Lock. The locker contract and its holdings can be independently examined on Base, including the applicable liquidity token, beneficiary, balance, and established unlock conditions. If additional compatible UNI-V2 liquidity tokens are transferred to the existing Liquidity Lock, the resulting increase in the contract's liquidity token balance should remain independently observable on chain. Palmetto Token™ should not describe future project liquidity as locked until the applicable liquidity tokens have actually been transferred into a lock or otherwise become subject to the stated restriction. If a separate liquidity lock or other restriction is established for a future project controlled liquidity position, that arrangement should be identified independently from the original Liquidity Lock.

Public documentation should make clear which liquidity position is subject to which restriction rather than combining separate arrangements under a generalized claim of locked liquidity. Liquidity figures published by Palmetto Token™ should be understood as measurements taken at a particular point in time. Pool reserves, asset prices, independent liquidity positions, and the value represented by liquidity tokens may change continuously as market activity occurs. Palmetto Token™ should avoid representing total market liquidity as entirely project controlled when independent liquidity providers contribute to the reported amount. When the distinction is material, project reporting should separately identify liquidity known to be controlled by Palmetto Token™, liquidity subject to project established locks, and liquidity controlled by independent participants. Official pool and contract addresses should remain an important part of public liquidity information. Users should verify addresses rather than relying solely upon token names, symbols, search results, wallet labels, or third party interface warnings and classifications. Transparency concerning liquidity does not guarantee the security, market value, trading activity, or continued availability of any market. Its purpose is to allow factual claims concerning project controlled liquidity and applicable restrictions to be independently examined. Palmetto Token™ should describe liquidity according to what can be verified on chain, not according to what the project would like market participants to assume.

Liquidity Risks and Limitations

Liquidity supports the ability to exchange PALMETTO, but the existence of liquidity does not eliminate the financial, technical, or operational risks associated with decentralized markets. Palmetto Token™ cannot guarantee that any liquidity pool will maintain a particular value, reserve balance, trading volume, exchange rate, or level of market participation. The amount of liquidity available within a market directly affects the potential price impact of transactions. Markets with limited liquidity may experience substantial price movement from transactions that would have relatively little effect in a deeper market. Users should not assume that a quoted market price means a large quantity of PALMETTO can be purchased or sold at that price. Liquidity pool reserves change as market participants conduct swaps and as liquidity is added or removed. Even when project controlled liquidity tokens are locked, the quantities of PALMETTO and the paired asset represented by the locked position can change through ordinary automated market maker activity. A liquidity lock restricts control of the liquidity tokens held by the locking contract according to its programmed conditions. It does not freeze the underlying pool reserves, prevent trading, guarantee the value of the assets represented by the liquidity position, prevent independent liquidity providers from withdrawing their own positions, or eliminate risks associated with the decentralized exchange.

Liquidity providers may experience changes in the composition and value of their positions as the relative market prices of the paired assets change. A liquidity position may produce a different economic result than holding the two assets separately. Trading fees may partially offset some effects of market activity, but they do not guarantee that liquidity provision will be profitable. Paired assets introduce risks independent of PALMETTO. USDC, WETH, tokenized Bitcoin, stablecoins, and other potential paired assets may be affected by market conditions, smart contract vulnerabilities, issuer or custody risks, bridge failures, loss of price stability, network disruptions, or other events outside the control of Palmetto Token™. Decentralized exchanges and other liquidity protocols also involve smart contract and infrastructure risk. A failure, exploit, vulnerability, interface error, network disruption, or other technical event affecting a third party protocol could impair access to or the value of a liquidity position even when the PALMETTO token contract itself continues to operate as intended. Separate PALMETTO markets may trade at different prices. Differences in liquidity, paired assets, fees, trading activity, and market conditions can create temporary or persistent differences between markets. Arbitrage may reduce some differences, but no mechanism controlled by Palmetto Token™ guarantees price equality among independent markets. Market participants are responsible for verifying the PALMETTO contract address, network, pool address, paired asset, transaction

details, and other relevant information before interacting with a liquidity pool. Tokens or pools using similar names or symbols may exist, and third party interfaces may display incomplete, delayed, incorrect, or automated information. Palmetto Token™ may increase, reduce, restructure, or discontinue discretionary project controlled liquidity when permitted by the applicable contracts and when legitimate project circumstances justify doing so. Liquidity already subject to a contract enforced lock remains governed by that contract and cannot be withdrawn merely because project policy or market conditions change. No statement concerning current or planned liquidity should be interpreted as a guarantee that PALMETTO can always be purchased or sold, that a market will remain active, that price volatility will remain limited, or that a liquidity provider or market participant will avoid financial loss. Liquidity provides market infrastructure. It does not provide a guarantee of market value, market stability, or financial outcome.

Closing Statement

Liquidity is an important part of the infrastructure supporting PALMETTO, but it is only one component of the broader Palmetto Token™ project. The purpose of project controlled liquidity is to provide functional markets where PALMETTO can be exchanged while preserving clear distinctions between project assets,

independently owned liquidity, and liquidity subject to contract enforced restrictions. The original PALMETTO/USDC Uniswap v2 pool established the first decentralized market for PALMETTO on Base. The liquidity tokens representing the original project controlled position were transferred to the Palmetto Token™ Liquidity Lock and remain subject to the restrictions established by that contract until its existing unlock time. Future project controlled liquidity will be considered according to actual market conditions and project requirements rather than a predetermined expansion schedule. Additional PALMETTO becoming available to the treasury does not create an obligation to contribute that PALMETTO to liquidity, and additional trading pairs will not be created merely to increase the number of markets associated with PALMETTO. When additional treasury liquidity is contributed to the original PALMETTO/USDC Uniswap v2 pool, Palmetto Token™ intends to transfer the resulting compatible UNI-V2 liquidity tokens to the existing Liquidity Lock when that structure remains appropriate. Any such liquidity tokens become restricted only after they are transferred to the locker and remain subject to its existing unlock time rather than beginning a new ten year lock period. As Palmetto Token™ develops, additional markets, liquidity structures, paired assets, or locking arrangements may become appropriate. Such decisions should be evaluated according to genuine market utility, available resources, security, market depth, accessibility, and the long term development of the

project. Independent holders remain free to provide liquidity using PALMETTO they own. Those positions remain separate from project controlled liquidity and should not be represented as controlled or guaranteed by Palmetto Token™. Public statements concerning liquidity should remain consistent with independently verifiable blockchain records. Project controlled liquidity, locked liquidity, discretionary liquidity, and independently controlled liquidity should be distinguished whenever those differences are material to understanding the market. No liquidity strategy can guarantee demand, price stability, trading activity, market value, or financial performance. The role of Palmetto Token™ is not to control the market price of PALMETTO, but to establish and support market infrastructure when doing so serves a legitimate project purpose. The liquidity framework established by this policy is therefore intended to remain deliberate, transparent, and adaptable while respecting all restrictions permanently established by deployed smart contracts. Liquidity should exist where it provides genuine utility, remain transparent where it is project controlled, and remain subject to the market where it is independently owned.