

Palmetto Token™

Treasury Release and Management Policy

Purpose

This Treasury Release and Management Policy establishes the principles governing PALMETTO held or received by the Palmetto Token™ treasury. It is intended to provide a clear distinction between treasury restrictions enforced by smart contract and management decisions concerning PALMETTO that has become available for project use. At deployment, 72,927,000 PALMETTO were placed within the Treasury Release Vault. These tokens represent 99.9 percent of the permanently fixed 73,000,000 PALMETTO supply and are governed by a predetermined ten year release schedule. The vault releases 1,823,175 PALMETTO at each of 40 scheduled intervals occurring every 91 days and 6 hours. The Treasury Release Vault determines when PALMETTO may become available to the treasury. It does not determine when those tokens must be spent, distributed, sold, contributed to liquidity, or otherwise introduced into circulation. Once PALMETTO has been released to the treasury, management of those available tokens becomes subject to this policy. The treasury is intended to support the long term development and operation of Palmetto Token™ while avoiding unnecessary distribution of PALMETTO merely because tokens have become available. Treasury resources may be retained when no legitimate project purpose

requires their use and may be deployed when doing so reasonably supports liquidity, adoption, infrastructure, operations, development, or another legitimate objective of Palmetto Token™. Treasury management will distinguish between PALMETTO remaining restricted within the Treasury Release Vault, PALMETTO released but retained as treasury reserve, and PALMETTO subsequently distributed or committed to a project purpose. These distinctions allow treasury availability and actual market circulation to be evaluated separately. This policy does not modify the PALMETTO token contract, Treasury Release Vault, Liquidity Lock, or any other deployed smart contract. Where a provision of this policy concerns a characteristic permanently enforced by a deployed contract, the blockchain contract controls. Where management discretion remains available, this policy establishes the principles under which that discretion is intended to be exercised.

Treasury Authority and Limitations

Management of PALMETTO held within the Palmetto Token™ treasury begins only after tokens have become available under the Treasury Release Vault schedule. Treasury authority does not extend to PALMETTO that remains restricted within the vault, and no management decision can accelerate the release of those tokens or otherwise make them available before the conditions established by the vault contract have been satisfied. Once

PALMETTO has been released to the treasury, Palmetto Token™ retains discretion concerning whether those tokens should remain in reserve or be used for a legitimate project purpose. Treasury authority may include holding PALMETTO for future needs, providing market liquidity, supporting merchant or payment adoption, compensating legitimate project services, supporting technical infrastructure or development, conducting community or promotional initiatives, and addressing other operational needs that may arise as the project develops. Treasury authority does not include the ability to create additional PALMETTO. The maximum supply remains permanently fixed at 73,000,000 PALMETTO regardless of treasury resources, project expenses, market conditions, or future development. Exhaustion of available treasury PALMETTO does not provide a basis for creating additional tokens. Treasury management also cannot alter the Treasury Release Vault schedule, increase the amount of an individual scheduled release, redirect vault releases to another beneficiary, or withdraw PALMETTO remaining within the vault ahead of schedule. These limitations exist independently of this policy and are enforced by the deployed Treasury Release Vault contract. The treasury does not possess administrative authority over PALMETTO held by independent users. Treasury management cannot freeze holder balances, reverse independent transfers, blacklist addresses, impose a token level transfer tax, or prevent a holder from transferring PALMETTO through the functionality of the token contract.

Treasury authority applies to project controlled assets and does not create authority over independently owned PALMETTO.

Treasury management may establish internal procedures concerning project controlled assets, including decisions regarding custody, transaction approval, reserve management, liquidity, documentation, and distribution. Such procedures may evolve as the value, complexity, and operational requirements of Palmetto Token™ change. Internal treasury procedures cannot override restrictions established by deployed smart contracts. Treasury authority should be exercised according to the needs of Palmetto Token™ rather than according to the quantity of PALMETTO available for use. The existence of a treasury balance does not create a requirement to spend it. Likewise, the occurrence of a scheduled release does not create a presumption that additional PALMETTO should immediately enter circulation. The fundamental limitation on treasury authority is therefore straightforward. Palmetto Token™ may determine how PALMETTO already available to the treasury is managed, but it cannot use treasury management to change the permanent monetary characteristics of PALMETTO or obtain control over assets and restrictions that remain outside its authority.

Treasury Reserve Management

PALMETTO released from the Treasury Release Vault does not automatically become circulating supply. When a scheduled

release occurs, the released PALMETTO becomes available to the Palmetto Token™ treasury and may remain there as treasury reserve until a legitimate project purpose justifies its use. Treasury reserve may accumulate across multiple scheduled releases. Palmetto Token™ is under no obligation to distribute, sell, spend, or otherwise deploy PALMETTO during the same quarter in which it becomes available. If project requirements do not justify the use of treasury assets, PALMETTO may remain in reserve for an indefinite period. The treasury reserve is intended to provide Palmetto Token™ with resources that may support future development without requiring unnecessary distribution solely to maintain a predetermined spending schedule. The Treasury Release Vault establishes the maximum rate at which PALMETTO becomes available to the treasury. It does not establish a minimum rate at which PALMETTO must leave the treasury. Released PALMETTO retained within project controlled treasury addresses should be distinguished from PALMETTO that has entered public circulation. A token becoming available for treasury use is not the same as that token being transferred to an independent holder, exchanged through a market, committed to liquidity, or otherwise introduced into the broader PALMETTO economy. Treasury reserve may be preserved for future liquidity requirements, merchant adoption, payment infrastructure, development, operational expenses, community initiatives, technical integrations, or other legitimate needs of Palmetto Token™. The existence of these potential uses does

not require treasury assets to be allocated to any particular category in advance. Treasury management should consider the amount of PALMETTO already in circulation, available market liquidity, existing treasury reserves, anticipated project requirements, and the potential market effect of a proposed distribution before introducing additional treasury PALMETTO into circulation. Particular consideration should be given to market depth when the amount under consideration is significant relative to existing liquidity. Treasury PALMETTO should not be treated as inventory that must be sold. The purpose of the treasury reserve is to preserve optionality for the project while maintaining the supply restrictions established at deployment. PALMETTO may therefore remain in treasury reserve even when substantial quantities have become available under the release schedule. For transparency purposes, Palmetto Token™ may separately identify PALMETTO remaining within the Treasury Release Vault, PALMETTO held as available treasury reserve, and PALMETTO known to have been distributed or committed to project purposes. Because public circulation can also be affected by independent holder activity and third party reporting methodologies, treasury records should not represent an internally calculated circulating supply figure as universally authoritative. The treasury reserve therefore serves as an intermediate stage between contractual release and actual distribution. Treasury Release Vault → Treasury Reserve → Project Use or Circulation.

A scheduled release makes PALMETTO available. It does not create an obligation to use it.

Treasury Uses and Distribution Standards

PALMETTO held by the Palmetto Token™ treasury may be used when a legitimate project purpose justifies the expenditure or distribution. Treasury resources are intended to support the development, operation, adoption, liquidity, infrastructure, and long term objectives of Palmetto Token™ rather than to create a predetermined schedule of market distribution. Before treasury PALMETTO is used, the purpose of the proposed transaction should be considered together with the amount required, available treasury reserves, existing circulating supply, market liquidity, and the potential effect of the transaction on the PALMETTO market. The fact that PALMETTO is available within the treasury does not by itself justify its use. Treasury PALMETTO may be used to support liquidity, merchant and payment adoption, technical development, infrastructure, services provided to the project, integrations, community initiatives, promotional activities, and other legitimate project requirements. These potential uses are not intended to establish mandatory spending categories or predetermined allocations. PALMETTO should not automatically be used as the method of payment for every project expense. When an expense can reasonably be paid using another asset or traditional currency, Palmetto Token™ may determine

that preserving PALMETTO within the treasury is preferable. Conversely, circumstances may arise in which payment or distribution in PALMETTO directly supports adoption or serves another legitimate project objective. The method of payment should therefore be determined according to the circumstances rather than by a requirement to spend PALMETTO. Treasury distributions should also consider the likely actions of the recipient. PALMETTO transferred as compensation, payment, promotion, or another distribution becomes subject to the independent decisions of that recipient and may subsequently be held, transferred, exchanged, or sold. When a proposed distribution is significant relative to existing market liquidity, the potential effect of subsequent recipient activity should be considered before the distribution is made. Treasury PALMETTO may also be used to provide liquidity. A treasury contribution to liquidity is distinct from an ordinary market sale because both PALMETTO and a paired asset are contributed to a liquidity pool in exchange for a liquidity position. Treasury liquidity decisions should consider the amount of paired assets required, existing market depth, the usefulness of the proposed market, and whether the contribution strengthens existing liquidity or unnecessarily fragments it. When Palmetto Token™ adds treasury liquidity to the original PALMETTO/USDC Uniswap v2 pool and receives compatible UNI-V2 liquidity tokens, the project intends to transfer those liquidity tokens to the existing Palmetto Token™ Liquidity Lock. Any additional

compatible liquidity tokens transferred to that contract become subject to its existing unlock time and do not begin a new ten year lock period. Treasury distributions should not provide preferential access to PALMETTO based solely upon wealth, institutional status, influence, or similar considerations. Palmetto Token™ may enter legitimate commercial arrangements when they serve a project purpose, but such arrangements should not create special ownership rights, governance authority, guaranteed returns, or preferential control over PALMETTO. Significant treasury transactions should remain verifiable through public blockchain records whenever possible. Palmetto Token™ may provide additional public context for material treasury activity when doing so improves transparency and understanding. Legitimate operational confidentiality may be maintained when necessary, provided that confidentiality is not used to misrepresent treasury balances, distributions, or other material project activity. No treasury expenditure, distribution, commercial arrangement, or management decision may override the fixed supply of PALMETTO, accelerate the Treasury Release Vault, alter the Liquidity Lock, or create administrative authority that does not otherwise exist within the deployed Palmetto Token™ contracts.

Treasury Liquidity Management

Liquidity is an essential component of an open market for PALMETTO because it allows independent participants to exchange PALMETTO with other assets without requiring Palmetto Token™ to act as a direct counterparty to each transaction. Treasury liquidity decisions should therefore be directed toward developing functional and sustainable markets rather than creating liquidity positions solely for promotional purposes or increasing the number of markets in which PALMETTO appears. The original PALMETTO/USDC Uniswap v2 pool serves as the primary market established by Palmetto Token™ during the initial stage of the project. The pool was created using the entire initial release of 73,000 PALMETTO together with 149.942 USDC. The resulting liquidity position was transferred to the Palmetto Token™ Liquidity Lock and is restricted by that contract until its established unlock time. As additional PALMETTO becomes available to the treasury under the Treasury Release Vault schedule, Palmetto Token™ may determine that additional liquidity is appropriate. The availability of treasury PALMETTO does not itself create a requirement to increase liquidity. Any decision to do so should consider existing market depth, trading activity, available paired assets, expected usefulness, project development, and the amount of PALMETTO already circulating. Providing additional liquidity requires both PALMETTO and the corresponding paired asset. Treasury management should

therefore consider the cost and source of the paired asset in addition to the amount of PALMETTO being committed. PALMETTO should not be added to a liquidity position merely because it is available if the resulting use of other treasury resources is not justified. When additional treasury liquidity is added 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. Once transferred to that contract, those additional liquidity tokens become subject to the locker's existing unlock time. Their transfer does not create a separate ten year lock and does not extend the existing lock period. The Liquidity Lock does not automatically receive future liquidity positions. Any compatible UNI-V2 liquidity tokens created through a future treasury contribution must be transferred to the Liquidity Lock before they become subject to its restrictions. Until that transfer occurs, the liquidity tokens remain under the control of the address that received them. Palmetto Token™ may consider establishing additional PALMETTO markets when sufficient demand, liquidity, adoption, or another legitimate purpose supports doing so. Potential paired assets may include other stablecoins, WETH, reputable tokenized Bitcoin assets available on Base, or other compatible assets. The identification of potential markets within this policy does not represent a commitment to create them. Market liquidity should generally be concentrated where doing so improves market depth and

transaction efficiency. Creating numerous shallow liquidity pools can divide available liquidity, increase price impact, complicate price discovery, and create unnecessary complexity for users. During the early development of Palmetto Token™, strengthening useful existing markets should generally take priority over increasing the number of available trading pairs. Independent holders remain free to provide liquidity using PALMETTO they own. Such liquidity positions are separate from treasury controlled liquidity and are not subject to the Palmetto Token™ Liquidity Lock unless the owner voluntarily transfers compatible liquidity tokens to that contract. Palmetto Token™ does not control the duration, withdrawal, management, or disposition of independently owned liquidity positions. Liquidity provided by Palmetto Token™ should not be represented as guaranteeing market stability, a minimum PALMETTO price, continuous trading activity, or the ability to execute transactions of any particular size without price impact. Market conditions remain determined by available liquidity, independent market participation, supply and demand, and activity occurring through decentralized markets. Treasury liquidity management is intended to support functional markets while preserving treasury resources and avoiding unnecessary market fragmentation. The objective is not to create the appearance of liquidity, but to develop liquidity where it provides genuine utility to the Palmetto Token™ ecosystem.

Treasury Transaction and Recordkeeping Standards

Treasury activity should be maintained in a manner that allows significant movements of PALMETTO and other project controlled digital assets to be verified and understood. Because transactions conducted on Base are recorded publicly on the blockchain, Palmetto Token™ will use on chain records as the primary source for verifying treasury transactions whenever applicable. Blockchain records establish that a transaction occurred, but they do not necessarily explain why it occurred. For significant treasury activity, Palmetto Token™ may maintain or publish additional records identifying the general purpose of the transaction, the assets involved, the relevant addresses, and other information reasonably necessary to provide context. Treasury records should distinguish between transfers that represent actual distributions, transfers between project controlled addresses, contributions to liquidity, receipt or movement of liquidity tokens, operational payments, and other material treasury activity. A movement between project controlled addresses should not be represented as a public distribution merely because an on chain transfer occurred. Transactions involving the Treasury Release Vault should likewise distinguish between PALMETTO becoming available to the treasury and PALMETTO subsequently entering public circulation. Scheduled vault releases are independently verifiable on chain and should not be characterized as market sales or distributions

when the released PALMETTO remains within project controlled treasury reserves. When treasury PALMETTO is used to provide liquidity, records should identify the relevant liquidity pool and, when applicable, the disposition of liquidity tokens received in exchange for the contributed assets. If compatible UNI-V2 liquidity tokens from additional treasury liquidity in the original PALMETTO/USDC pool are transferred to the existing Palmetto Token™ Liquidity Lock, the transfer into the locker should remain publicly verifiable. Palmetto Token™ does not establish a requirement to publish a separate report for every routine or insignificant treasury transaction. The level of documentation should be proportional to the significance of the activity. Material transactions, unusual movements, substantial distributions, significant liquidity changes, or activity likely to affect public understanding of the treasury should receive greater documentation than ordinary operational transactions. Treasury records may include transaction hashes, blockchain addresses, dates, asset quantities, stated purposes, supporting documents, or other appropriate information. Where practical, important public records may also be preserved through decentralized or independently verifiable methods in addition to ordinary project communications. Public reporting should be accurate as of the date or blockchain reference identified. Treasury balances and market conditions can change continuously, and a previously published balance should not be represented as a current balance without appropriate verification.

Legitimate commercial or operational information may remain confidential when disclosure is unnecessary or inappropriate. Transparency does not require publication of private personal information, security sensitive information, confidential business information, or every internal operational detail. Any confidentiality maintained by Palmetto Token™ should not be used to conceal or materially misrepresent significant treasury activity. The objective of treasury recordkeeping is not to create unnecessary administrative burden. It is to preserve a reliable history of significant treasury activity so that statements made by Palmetto Token™ can be compared with independently verifiable blockchain records. The blockchain establishes what occurred. Project records provide the context necessary to understand why it occurred.

Treasury Security and Custody

PALMETTO and other digital assets controlled by the Palmetto Token™ treasury should be maintained using security practices appropriate to the value, purpose, and operational requirements of the assets under management. Treasury security should evolve as the project develops and as the value or complexity of treasury holdings changes. Access to treasury controlled wallets should be limited to authorized persons with a legitimate operational need. Private keys, recovery phrases, authentication credentials, and other information capable of

providing access to treasury assets should not be publicly disclosed or included within public project documentation. Public identification of a treasury blockchain address does not require disclosure of the security methods used to control that address. Palmetto Token™ may publicly identify treasury addresses for transparency while maintaining confidentiality regarding private keys, recovery procedures, devices, authentication methods, and other security sensitive information. Treasury assets should not be unnecessarily exposed to smart contracts, decentralized applications, bridges, exchanges, or other third party systems. Interaction with external protocols should be limited to circumstances in which the interaction serves a legitimate project purpose and the associated risks have been reasonably considered. As treasury holdings increase, Palmetto Token™ may adopt additional custody protections appropriate to the circumstances. These may include changes in wallet architecture, transaction authorization procedures, hardware based security, multiple authorization mechanisms, segregation of assets, or other protective measures. Adoption of additional security procedures does not alter the monetary characteristics of PALMETTO or the restrictions imposed by deployed smart contracts. Treasury assets may be separated among multiple project controlled addresses when doing so improves security, accounting, operational efficiency, or risk management. Transfers between project controlled addresses remain internal treasury movements unless the assets are

subsequently distributed, sold, committed to liquidity, or otherwise transferred outside project control. Security procedures should also account for the possibility of human error, compromised credentials, malicious software, unauthorized access, loss of access, and failures involving third party services. No custody method can eliminate every risk associated with digital assets, and security practices should be reviewed as technology, project requirements, and identified risks change. Operational convenience should not take priority over reasonable protection of treasury assets. At the same time, security procedures should remain practical enough to permit legitimate treasury activity when required. Palmetto Token™ may modify its internal custody and security procedures without amending this policy when those modifications do not alter the principles established herein. Specific security procedures may remain confidential when disclosure could increase the risk of unauthorized access or compromise. Treasury transparency requires visibility into project controlled assets and significant transactions. It does not require disclosure of information that could compromise the security of those assets.

Conflicts of Interest and Related Party Transactions

Treasury decisions should be made for the benefit and legitimate operation of Palmetto Token™ rather than for the improper personal benefit of any individual responsible for managing

project assets. The existence of a personal, family, business, or other relationship with a proposed recipient does not automatically prohibit a transaction, but the relationship should not substitute for a legitimate project purpose. Palmetto Token™ may conduct business with founders, project participants, contractors, service providers, affiliated businesses, or other parties who have an existing relationship with project management when the transaction provides a legitimate product, service, resource, or other benefit to the project. Related party transactions should be evaluated according to their actual purpose and terms rather than prohibited solely because a relationship exists. Compensation for legitimate work performed on behalf of Palmetto Token™ is not prohibited by this policy. Individuals who contribute time, services, resources, intellectual property, infrastructure, capital, or other value to the project may receive reasonable compensation when appropriate. The existence of zero founder allocation at genesis does not require the founder or other project participants to provide future labor, services, or resources without compensation. Treasury assets should not be transferred to project management or related parties merely because those assets are available. A related party transaction should have an identifiable project purpose, and the amount or terms should be reasonably related to the product, service, expense, contribution, or obligation involved. Personal ownership of PALMETTO by individuals involved with Palmetto

Token™ should remain separate from treasury ownership. PALMETTO acquired personally through open market purchases or other legitimate independent transactions is the property of the individual holder and should not be represented as treasury assets. Likewise, treasury PALMETTO should not be represented as personally owned merely because an individual has authority to access or manage a treasury wallet. When a significant treasury transaction involves a related party, Palmetto Token™ should maintain sufficient records to identify the project purpose of the transaction. When appropriate, the existence of the relationship may also be disclosed as part of the project's transparency records if that relationship would reasonably be material to understanding the transaction. No related party transaction may be used to circumvent the Treasury Release Vault, create an undisclosed founder allocation, provide preferential ownership or control rights, guarantee financial returns, or otherwise accomplish indirectly what the permanent structure or published policies of Palmetto Token™ prohibit directly. This policy is not intended to prevent legitimate business relationships or reasonable compensation. Its purpose is to maintain a clear separation between legitimate project expenditures and the personal use of treasury assets. Treasury authority creates a responsibility to manage project assets for project purposes. It does not convert those assets into the personal property of the individuals entrusted with their management.

Treasury Decision Making and Policy Review

Treasury decisions should be made according to the circumstances existing at the time a decision is required. Palmetto Token™ is expected to develop over time, and treasury requirements that exist during the early stages of the project may differ substantially from those that arise as liquidity, adoption, infrastructure, market participation, and project operations expand. Authority to manage treasury assets includes discretion to determine whether available PALMETTO should remain in reserve or be used for a legitimate project purpose. This discretion should be exercised consistently with the principles established by this policy and with consideration for treasury reserves, market liquidity, circulating supply, project requirements, potential market impact, and the long term interests of Palmetto Token™. Treasury management should not be governed by predetermined spending requirements when circumstances do not justify them. A decision that is appropriate during one stage of the project may not be appropriate during another. Maintaining flexibility allows Palmetto Token™ to respond to changing conditions without creating unnecessary distributions or committing treasury resources to purposes that no longer serve the project. Palmetto Token™ may establish additional internal procedures for approving or executing treasury transactions as the project develops. These procedures may include transaction limits, additional review requirements,

multiple authorization methods, segregation of responsibilities, or other controls appropriate to the size and complexity of treasury operations. This Treasury Release and Management Policy may be revised when experience, project development, operational requirements, regulatory considerations, security practices, or other circumstances demonstrate that a policy change is appropriate. Material revisions should be documented through a new version of the policy so that previous versions can remain available as part of the historical project record. A revision to this policy cannot modify a restriction permanently established by a deployed smart contract. Changes to treasury procedures cannot increase the fixed supply of PALMETTO, create minting authority, accelerate the Treasury Release Vault, change the immutable destination of scheduled vault releases, remove restrictions from liquidity already held by the Liquidity Lock, or create administrative powers absent from the deployed contracts. This distinction allows management practices to evolve without presenting operational policy as immutable. Palmetto Token™ may change how available resources are managed when legitimate circumstances require it, while contract enforced restrictions continue to operate according to the code deployed on Base. When a material policy change affects the management, distribution, custody, or intended use of treasury assets, Palmetto Token™ should provide sufficient public documentation to explain the change. Historical versions should be preserved when practical so that changes in treasury

policy can be reviewed over time. Treasury management should therefore remain adaptable where discretion is necessary and constrained where permanent restrictions have already been established. Management policy may evolve with Palmetto Token™. Contract enforced restrictions remain governed by the deployed code.

Treasury Risk Management

Management of treasury assets involves financial, technical, operational, and market risks that cannot be eliminated entirely. Palmetto Token™ should consider these risks when determining whether treasury assets should be held, transferred, exchanged, contributed to liquidity, or otherwise used for project purposes. PALMETTO may experience substantial changes in market value. The value of treasury holdings measured in dollars, stablecoins, or other assets may therefore increase or decrease without any corresponding treasury transaction. Treasury decisions should not assume that a current market price, valuation, or level of liquidity will remain available in the future. Market liquidity should be considered before significant treasury distributions or transactions are executed. A transaction that is small relative to a deep market may have substantially different consequences in a market with limited liquidity. Treasury management should consider potential price impact and available market depth rather than relying solely

upon the quoted market value of PALMETTO. Liquidity positions expose treasury assets to risks different from simply holding PALMETTO. Changes in the relative value of PALMETTO and a paired asset can alter the composition of assets represented by a liquidity position. Trading activity, market volatility, smart contract behavior, and changes in available liquidity may also affect the economic value of a liquidity position. Assets paired with PALMETTO introduce their own risks. Stablecoins may experience loss of value or other disruptions, and WETH, tokenized Bitcoin, or other digital assets may experience market, technical, custody, bridge, issuer, or smart contract risks. The existence of a widely used paired asset does not eliminate these risks. Interaction with decentralized exchanges, bridges, smart contracts, wallets, exchanges, custody systems, or other third party infrastructure may expose treasury assets to vulnerabilities or failures outside the direct control of Palmetto Token™. Treasury assets should not be exposed to additional protocols or services without a legitimate reason for doing so. Treasury management should also consider concentration risk. Maintaining all available project assets within a single asset, wallet, protocol, liquidity position, or third party service may create unnecessary exposure to a single point of failure. Where appropriate, project assets may be separated or managed differently according to their intended purpose and associated risks. Security risk remains present even when blockchain transactions and smart contracts function

as intended. Loss or compromise of private keys, incorrect transaction details, malicious software, unauthorized access, fraudulent applications, phishing, or human error can result in irreversible loss of digital assets. Appropriate custody practices should therefore remain part of treasury risk management. Regulatory and legal conditions affecting digital assets may also change over time. Palmetto Token™ may modify treasury practices when reasonably necessary to address changes in applicable law, regulation, reporting requirements, taxation, or other legal obligations, provided that such changes remain within the limitations of the deployed contracts. Risk management does not require the elimination of all risk before treasury assets can be used. Such a standard would make legitimate operation impossible. Instead, treasury decisions should identify material risks that can reasonably be anticipated, consider those risks in relation to the intended project benefit, and avoid unnecessary exposure where a reasonable alternative exists. No treasury policy, security procedure, liquidity strategy, or management decision can guarantee preservation of asset value or prevent losses under all circumstances. Treasury risk management is intended to support informed decision making and responsible management of project resources, not to guarantee a particular financial outcome. Treasury resources should be exposed to risk only when the potential project purpose reasonably justifies that exposure.

Treasury Transparency and Public Verification

Transparency concerning treasury assets is intended to allow holders, market participants, and other interested parties to independently verify significant aspects of Palmetto Token™ treasury activity. Public blockchain records provide the primary mechanism for this verification. Official project controlled addresses may be publicly identified so that balances, transfers, scheduled vault releases, liquidity activity, and other onchain transactions can be independently examined through Base blockchain explorers and other compatible blockchain tools. Palmetto Token™ should maintain a clear distinction between information that can be independently verified onchain and explanatory information provided by the project. Blockchain records can establish addresses, balances, transaction quantities, transaction times, contract interactions, and asset movements. Project documentation may provide additional context concerning the purpose or significance of those transactions. Significant treasury activity may be accompanied by public documentation when additional explanation would materially improve understanding of the transaction. The appropriate level of documentation should depend upon the nature and significance of the activity rather than an arbitrary reporting requirement. Important Palmetto Token™ documents may also be preserved using publicly verifiable or decentralized methods. Where appropriate, document versions,

cryptographic hashes, IPFS references, blockchain records, or similar methods may be used to establish that a particular version of a document existed and was publicly associated with Palmetto Token™ at a particular point in the project's history. Such verification establishes the existence or integrity of the referenced information. It should not be represented as independent proof that every statement contained within a document is accurate. Transparency requires both verifiable records and accurate explanations of what those records demonstrate. Palmetto Token™ may maintain a public transparency record containing official contract addresses, treasury addresses, liquidity information, important project documents, and other information considered useful for independent verification. This record may evolve as additional infrastructure, markets, documents, and project activities are established. Transparency does not require disclosure of private keys, recovery information, security procedures, protected personal information, confidential business information, or other information whose disclosure could create unnecessary security or operational risk. The objective of public verification is to reduce unnecessary dependence upon trust in statements made by Palmetto Token™ when the underlying information can instead be independently verified. Where verification is reasonably possible, Palmetto Token™ should provide the information necessary for people to verify rather than simply ask them to trust.

Closing Statement

The Palmetto Token™ treasury exists to support the long term development, operation, liquidity, adoption, and sustainability of the project within the permanent monetary boundaries established at deployment. Of the fixed 73,000,000 PALMETTO supply, 72,927,000 PALMETTO were placed within the Treasury Release Vault and made subject to a predetermined ten year release schedule. That schedule controls when PALMETTO becomes available to the treasury. It does not require the treasury to distribute those tokens or introduce them into circulation. PALMETTO released from the vault may remain within treasury reserve for as long as appropriate. Treasury resources should be used when a legitimate project purpose justifies their use and preserved when no such purpose exists. The amount available to the treasury should never, by itself, determine the amount that is spent or distributed. Treasury management may adapt as Palmetto Token™ develops. Liquidity requirements, merchant adoption, infrastructure, operational needs, market conditions, technology, security practices, and regulatory circumstances may change substantially over the life of the project. This policy preserves sufficient management discretion to respond to those changes while maintaining the permanent restrictions established by the deployed contracts. That discretion does not include the ability to create additional PALMETTO, accelerate the Treasury Release Vault, alter the fixed supply, obtain control over

independently owned PALMETTO, remove restrictions from liquidity already held within the Liquidity Lock, or create administrative powers that were intentionally excluded from the token's design. Treasury management should remain deliberate rather than automatic. Significant decisions should consider project purpose, available reserves, market liquidity, potential market impact, security, risk, and the long term interests of Palmetto Token™. Where significant treasury activity can be independently verified, public blockchain records should remain an important part of the project's transparency framework. The treasury is not intended to function as a mechanism for routine token distribution or as an inventory of PALMETTO that must eventually be sold. It is a reserve of finite project resources made available gradually under contract enforced restrictions and managed according to the needs of Palmetto Token™. The effectiveness of this policy will ultimately depend upon both the permanent restrictions established in code and the responsible exercise of the discretion that remains outside those restrictions. The contracts establish the boundaries. This policy establishes the principles for operating responsibly within them. PALMETTO is finite. Treasury availability is controlled. Treasury use is deliberate. Public verification provides accountability.