

## Paradigm CTF Competition OFFICIAL RULES

**THESE OFFICIAL RULES CONTAIN AN ARBITRATION AGREEMENT, WHICH WILL, WITH LIMITED EXCEPTION, REQUIRE YOU TO SUBMIT CLAIMS YOU HAVE AGAINST SPONSOR TO BINDING AND FINAL ARBITRATION. UNDER THE ARBITRATION AGREEMENT, (1) YOU WILL ONLY BE PERMITTED TO PURSUE CLAIMS AGAINST SPONSOR ON AN INDIVIDUAL BASIS, NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION OR PROCEEDING, AND (2) YOU WILL ONLY BE PERMITTED TO SEEK RELIEF (INCLUDING MONETARY, INJUNCTIVE, AND DECLARATORY RELIEF) ON AN INDIVIDUAL BASIS.**

The Paradigm CTF Competition (the “Competition”) begins on Saturday, October 28, 2023 at 00:00 AM UTC (the “Competition Start Date”) and ends at 00:00 AM UTC on Monday, October 30, 2023 (the “Competition End Date”) (such period referred to herein as the “Competition Period”). The Competition is sponsored by Paradigm Operations LP (the “Sponsor”).

**1. HOW TO ENTER: NO PURCHASE NECESSARY TO ENTER OR CLAIM PRIZE. A PURCHASE WILL NOT INCREASE YOUR CHANCES OF WINNING.** Participation in the Competition is voluntary. All entries are subject to Sponsor’s privacy policy located at <https://ctf.paradigm.xyz/docs/privacy.pdf>.

Individuals or teams may participate in the Competition. At any time during the Competition Period, Individual or team participants (each a “Participant”) may enter the Competition by completing all required steps in the sign-up process located at <https://ctf.paradigm.xyz> (the “Website”), including without limitation providing the Participant’s name, email address, the names of the other team members (if applicable) and the team name (if applicable). After the Participants complete the sign-up process, they will receive access to the CTF dashboard (the “Dashboard”), which is where the Challenges (as defined below) are made available and where Participants can submit their solutions for each Challenge.

For teams participating in the Competition, each team must be represented by one (1) team leader (the “Team Leader”). The Team Leader is the sole contact person for purposes of the Competition and is responsible for submitting the sign-up form, generating a team token to distribute to the other team members so that they can join the team and also access the Dashboard, and submitting the solutions to each puzzle.

During the Competition Period, the Participants will complete a series of software puzzle challenges (each, a “Challenge,” and collectively, the “Challenges”) in which the Participant is challenged to solve such puzzles. Participants will receive points for each Challenge that they correctly solve or achieve the highest score prior to the end of the Challenge Period. Each Challenge is worth a maximum of 500 points per Participant. Other than for the king-of-the-hill Challenges, the awarded points are reduced logarithmically for every Participant beyond the first one that solves the Challenge, using this formula  $(100 + 400 / (1 + 0.01 * num\_solves * \log(num\_solves)))$ . For example, if one Participant solves a Challenge, that Participant will be awarded 500 points. If seven (7) Participants solve a Challenge, each Participant will receive 452.05 points. For the king-of-the-hill Challenge, points will be awarded based on the Elo rating system. The number of points to be awarded to each Participant who correctly solves a Challenge will not be known until the end of the Challenge Period. The Dashboard will indicate the points awarded for each Challenge. No illegible, incomplete, forged or altered entries will be accepted. All entries become the property of Sponsor and will not be returned. One (1) entry per individual is permitted. An individual may not enter in both their individual capacity and as a member of a team.

## 2. SELECTION OF WINNERS; PRIZE:

Participants will be ranked in terms of total cumulative points awarded at the end of the Challenge Period. In the event of a tie between two or more Participants, the Participant who completed the Challenges fastest will be deemed the winner. The top three (3) Participants based on total cumulative points will be eligible to receive a prize to be paid in cryptocurrency: (a) the first place Participant will receive cryptocurrency valued at \$8,192 USD, (b) the second place Participant will receive cryptocurrency valued at \$4,096 USD, and (c) the third place Participant will receive cryptocurrency valued at \$2,048 USD (collectively, the “Winners”). The prize will be paid in Ethereum (ETH), USD Coin (USDC) or Dai (DAI) cryptocurrency at the Winners’ option. The amount of ETH, USDC or DAI to be awarded to the Winners will be calculated using the currency exchange rate of the United States Dollar to ETH, USDC or DAI, as applicable, as of 5:00 pm EST on the Due Date, defined below. To receive the applicable prize, (i) each potential Winner must select ETH, USDC, or DAI, and have communicated a wallet address that will allow the Winner to receive ETH, USDC or DAI, (ii) each potential Winner must provide the Sponsor or make public a writeup of how it solved the top three Challenges by points to be reviewed; and (iii) each potential Winner must submit information sufficient to verify identity for purposes of determining eligibility, including without limitation name, address, date of birth, and government ID, all of which must be submitted within 2 weeks of their receiving the notice in Section 5 (such date, the “Due Date”).

In addition to the prizes for the Winners, all Participants who were awarded points during the Challenge Period, including the Winners, may redeem the points awarded for certain merchandise made available at <https://ctf.paradigm.xyz/merch>. Each Participant’s points will be automatically programmed into such website and once the Participant’s identity is verified through such website the points can be redeemed. Redemption of points for merchandise will be subject to any terms and conditions set forth on such website. The approximate retail value (ARV) of each point is \$0.01 USD. The total ARV in connection with the redeemable points is equal to the product of (i) \$0.01, (ii) 500 and (iii) the number of Challenges. Points are not redeemable for cash, ETH, USDC or DAI. Once the Participant receives its redeemed merchandise, it will not be eligible for returns or exchanges.

**In the case of a Participant that is a team, the prize(s) will only be awarded to the Team Leader.** The Team Leader is solely responsible for complying with all requirements applicable to receipt of such prize. The Team Leader is also solely liable and responsible for sharing the prize with the other members of its team, in the Team Leader’s sole discretion. Sponsor will not be liable for any action or omission by any Team Leader, including without limitation any Team Leader’s failure to share a prize with the other team members.

Allow 3-4 weeks after validation of eligibility for receipt of prize. Odds of winning are affected by the number of eligible entries received by the Competition End Date. The Winners and Participants who earn points will be solely responsible for all other expenses not specifically set forth herein. The Sponsor reserves the right to substitute prizes of equal or greater value. No other substitution or transfer of prizes permitted. To receive a prize, the Participants may be required to provide proof of identification, including name, age, address and date of birth, and agree to provide any other information reasonably requested by Sponsor in order to deliver the prize. In order to receive the cryptocurrency prize, Winners are required to provide any information reasonably requested by Sponsor in order to fulfill and deliver the prize including their ETH, USDC or DAI wallet address (as applicable), name, date of birth and a copy of their passport or other valid proof of identity. All federal, state, and local or other taxes on any prize, including income and/or sales taxes, are the sole responsibility of the Winner. Any Participant who receives a prize with a value of \$600 or greater will be issued an IRS Form Misc-1099 for the actual value of the prize, and are advised to seek independent counsel regarding the tax implications of the prize winnings; provided, however, Sponsor may elect to gross up the prize to cover the Winner’s and/or Participant’s taxes for such prize.

### **3. ELIGIBILITY:**

*Participant Eligibility.* The Competition is only open to individuals who are (i) over eighteen (18) years of age at the time of entry and (ii) reside in a jurisdiction other than any jurisdiction comprehensively sanctioned by the United States Office of Foreign Asset Control (“OFAC”) at the time the entry is submitted (the list of sanctions programs administered by OFAC is available at <https://www.treasury.gov/resource-center/sanctions/programs/pages/programs.aspx>) and whom is not otherwise subject to OFAC sanctions. In addition, in order to be eligible to receive a prize, each potential winner must comply with the requirements set forth in Section 2. By participating in the Competition, each Participant accepts the conditions stated in these Official Rules, agrees to be bound by the decisions of Sponsor and warrants that she/he is eligible to participate in the Competition. Employees, independent contractors, interns, officers, and directors of Sponsor, affiliates, subsidiaries, advertising, Competition, and fulfillment agencies, and legal advisors, and their immediate family members and persons living in the same household, are not eligible to participate in the Competition. THE COMPETITION IS VOID WHERE PROHIBITED OR RESTRICTED BY LAW and is subject to applicable international, federal, state and local laws and regulations.

**4. USE OF CONTENT/SUBMISSIONS.** By submitting solutions to the Challenges (“Submissions”) to Sponsor in connection with this Competition, you automatically represent and warrant that you have the right to grant, and do hereby grant, to Sponsor the paid-up, royalty-free, perpetual, irrevocable, sublicensable, non-exclusive right and license to (a) use, reproduce, modify, adapt, publish, translate, create derivative works from, distribute, perform and display any such Submissions (in whole or in part) worldwide and/or to incorporate all or any portion of it in other works in any form, media or technology now known or later developed for the full term of any patent, trademark, trade secret, copyright or other proprietary rights of any party that may exist in such Submissions; and (b) use the Submissions, including without limitation, the right and license to make, use, sell, offer for sale, and import any products and/or services which practice or embody, or are configured for use in practicing, all or any portion of the Submissions and the right to practice. BY SUBMITTING AN ENTRY, EACH PARTICIPANT ACKNOWLEDGES THAT HIS/HER ENTRY MAY BE POSTED ON SPONSOR’S WEBSITE, SOCIAL MEDIA CHANNELS AND OTHER CHANNELS, AND EDITED, IN SPONSOR’S DISCRETION. Inclusion of Submissions on Sponsor’s website, social media channels or other channels will include attribution to the photographer and you hereby grant Sponsor the paid-up, royalty-free, perpetual, irrevocable, sublicensable, non-exclusive right and license to use your name and other likeness for such purpose. Under no circumstances will Sponsor be required to treat any Submissions as confidential. Sponsor will be entitled to use the Submissions for any purpose whatsoever without compensation to you or any other person. For the avoidance of doubt, Sponsor will not be liable to you or any other person for any ideas for Sponsor’s business (including, without limitation, product designs or ideas) derived from the Submissions and will not incur any liability as a result of any similarities to the Submissions that may appear in any future products or services of Sponsor. You warrant that the content in the Submission has not been copied from any third party and its use by Sponsor will not infringe or involve the misappropriation of any third party rights and agree to indemnify and hold harmless Sponsor and all other third parties licensed above from and against any breach of this warranty.

### **5. NOTIFICATION OF WINNERS:**

The Winners will be notified by email using the information provided when the Participant entered the Competition, within approximately thirty (30) days of the Competition End Date. Such notification to the Winners shall include instructions for proper acceptance of the prize by such Winner. In the event a Winner does not accept a prize, a Winner is ineligible, or the prize or prize notification is not deliverable, an alternate Winner may be selected. Sponsor is not responsible for and shall not be liable for late, lost, misdirected or unsuccessful efforts to notify a Winner. Each Participant agrees to Sponsor’s use of their name, address, likeness, and/or prize information for promotional purposes in any medium without additional compensation to the extent permitted by law. Where lawful, each Winner may be required to sign and return an Affidavit of

Eligibility, Release of Liability, and Publicity Release. All Participants will be notified of the points they earn from each Challenge (if any) through the Dashboard.

The Sponsor is not responsible for notifying or distributing the prize or redeemed merchandise amongst the other team members.

**6. WINNERS LIST:** The Winners List will be posted on the Sponsor’s website and social media accounts within approximately 5 days of the Competition End Date.

**7. CONDITIONS:** Sponsor and its respective agents, directors, officers, shareholders, employees, insurers, servants, parents, subsidiaries, divisions, affiliates, predecessors, successors, representatives, advertising, Competition, and fulfillment agencies, and legal advisors (the “Released Entities”), are not responsible for, shall not be liable for, and hereby disclaim all liability arising from or relating to: (i) late, lost, delayed, damaged, misdirected, misaddressed, incomplete, or unintelligible entries; (ii) telephone, electronic, hardware or software program, network, Internet, computer or other malfunctions, failures, or difficulties of any kind, whether human or technical; (iii) failed, incomplete, garbled, or delayed computer or e-mail transmissions; (iv) any condition caused by events beyond the control of Sponsor; (v) any injuries, losses, or damages of any kind arising in connection with or as a result of any prize, or any portion thereof that may have been awarded, or acceptance, possession, or use of any prize, or any portion thereof that may have been awarded, or from participation in the Competition; (vi) any printing or typographical errors in any materials associated with the Competition; or (v) the Competition. Sponsor reserves the right, in its sole discretion, to suspend, modify or cancel the Competition should any unauthorized human intervention or other causes beyond Sponsor’s control corrupt or affect the administration, security, fairness or proper conduct of the Competition. In the event that proper administration of the Competition is prevented by such causes as contemplated above, Sponsor will pick the Winners from all eligible, non-suspect entries received prior to such action. By participating in the Competition, Participants and Winners agree to release, discharge and hold harmless the Released Entities, and all others associated with the development and execution of the Competition, from any and all losses, damages, rights, claims and actions of any kind arising out of or relating to the Competition, participation in the Competition, any prize, or any portion thereof that may have been awarded, and/or acceptance, possession, use or misuse of any prize, or any portion thereof that may have been awarded, including but not limited to statutory and common law claims for misappropriation or Participant’s right of publicity. The Sponsor’s computer is the official clock for the Competition. This Competition shall be governed by California law.

**8. ARBITRATION AGREEMENT: PLEASE READ THIS SECTION CAREFULLY AS IT AFFECTS YOUR RIGHTS.**

**a. Agreement to Arbitrate.** This Section 8 is referred to in these Official Rules as the “Arbitration Agreement.” You agree that any and all disputes or claims that have arisen or may arise between you and Sponsor, whether arising out of or relating to these Official Rules (including any alleged breach thereof), any advertising, any aspect of the relationship or transactions between us, shall be resolved exclusively through final and binding arbitration, rather than a court, in accordance with the terms of this Arbitration Agreement, except that you may assert individual claims in small claims court, if your claims qualify. Further, this Arbitration Agreement does not preclude you from bringing issues to the attention of federal, state, or local agencies, and such agencies can, if the law allows, seek relief against us on your behalf. You agree that, by entering into these Official Rules, you and Sponsor are each waiving the right to a trial by jury or to participate in a class action. Your rights will be determined by a neutral arbitrator, not a judge or jury. The Federal Arbitration Act governs the interpretation and enforcement of this Arbitration Agreement.

**b. Prohibition of Class and Representative Actions and Non-Individualized Relief.** ***YOU AND SPONSOR AGREE THAT EACH OF US MAY BRING CLAIMS AGAINST THE OTHER ONLY ON AN***

**INDIVIDUAL BASIS AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE ACTION OR PROCEEDING. UNLESS BOTH YOU AND SPONSOR AGREE OTHERWISE, THE ARBITRATOR MAY NOT CONSOLIDATE OR JOIN MORE THAN ONE PERSON'S OR PARTY'S CLAIMS AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A CONSOLIDATED, REPRESENTATIVE, OR CLASS PROCEEDING. ALSO, THE ARBITRATOR MAY AWARD RELIEF (INCLUDING MONETARY, INJUNCTIVE, AND DECLARATORY RELIEF) ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT NECESSARY TO PROVIDE RELIEF NECESSITATED BY THAT PARTY'S INDIVIDUAL CLAIM(S).**

**c. Pre-Arbitration Dispute Resolution.** Sponsor is always interested in resolving disputes amicably and efficiently, and most customer concerns can be resolved quickly and to the customer's satisfaction by emailing Paradigm at legal@paradigm.xyz. If such efforts prove unsuccessful, a party who intends to seek arbitration must first send to the other, by certified mail, a written Notice of Dispute ("Notice"). The Notice to Sponsor should be sent to Paradigm Operations LP at 548 Market Street Suite 46525, San Francisco, CA 94104 ("Notice Address"). The Notice must (i) describe the nature and basis of the claim or dispute and (ii) set forth the specific relief sought. If Sponsor and you do not resolve the claim within sixty (60) calendar days after the Notice is received, you or Sponsor may commence an arbitration proceeding. During the arbitration, the amount of any settlement offer made by Sponsor or you shall not be disclosed to the arbitrator until after the arbitrator determines the amount, if any, to which you or Sponsor is entitled.

**d. Arbitration Procedures.** Arbitration will be conducted by a neutral arbitrator in accordance with the American Arbitration Association's ("AAA") rules and procedures, including the AAA's Supplementary Procedures for Consumer-Related Disputes (collectively, the "AAA Rules"), as modified by this Arbitration Agreement. For information on the AAA, please visit its website, <http://www.adr.org>. Information about the AAA Rules and fees for consumer disputes can be found at the AAA's consumer arbitration page, [http://www.adr.org/consumer\\_arbitration](http://www.adr.org/consumer_arbitration). If there is any inconsistency between any term of the AAA Rules and any term of this Arbitration Agreement, the applicable terms of this Arbitration Agreement will control unless the arbitrator determines that the application of the inconsistent Arbitration Agreement terms would not result in a fundamentally fair arbitration. The arbitrator must also follow the provisions of these Official Rules as a court would. All issues are for the arbitrator to decide, including, but not limited to, issues relating to the scope, enforceability, and arbitrability of this Arbitration Agreement. Although arbitration proceedings are usually simpler and more streamlined than trials and other judicial proceedings, the arbitrator can award the same damages and relief on an individual basis that a court can award to an individual under these Official Rules and applicable law. Decisions by the arbitrator are enforceable in court and may be overturned by a court only for very limited reasons.

Unless Sponsor and you agree otherwise, any arbitration hearings will take place in a reasonably convenient location for both parties with due consideration of their ability to travel and other pertinent circumstances. If the parties are unable to agree on a location, the determination shall be made by AAA. If your claim is for \$10,000 or less, Sponsor agrees that you may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic hearing, or by an in-person hearing as established by the AAA Rules. If your claim exceeds \$10,000, the right to a hearing will be determined by the AAA Rules. Regardless of the manner in which the arbitration is conducted, the arbitrator shall issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the award is based.

**e. Costs of Arbitration.** Payment of all filing, administration, and arbitrator fees (collectively, the "Arbitration Fees") will be governed by the AAA Rules, unless otherwise provided in this Arbitration Agreement. If the value of the relief sought is \$75,000 or less, at your request, Sponsor will pay all Arbitration Fees. If the value of relief sought is more than \$75,000 and you are able to demonstrate to the arbitrator that you are economically unable to pay your portion of the Arbitration Fees or if the arbitrator otherwise determines for any

reason that you should not be required to pay your portion of the Arbitration Fees, Sponsor will pay your portion of such fees. In addition, if you demonstrate to the arbitrator that the costs of arbitration will be prohibitive as compared to the costs of litigation, Sponsor will pay as much of the Arbitration Fees as the arbitrator deems necessary to prevent the arbitration from being cost-prohibitive. Finally, if the value of the relief sought is \$75,000 or less, Sponsor will pay reasonable attorneys' fees should you prevail. Sponsor will not seek attorneys' fees from you. But, if you initiate an arbitration in which you seek more than \$75,000 in relief, the payment of attorneys' fees will be governed by the AAA Rules.

**f. Confidentiality.** All aspects of the arbitration proceeding, and any ruling, decision, or award by the arbitrator, will be strictly confidential for the benefit of all parties.

**g. Severability.** Without limiting the severability provision in Section 8 of these Official Rules, if a court or the arbitrator decides that any term or provision of this Arbitration Agreement other than Section 8(b) above is invalid or unenforceable, the parties agree to replace such term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Arbitration Agreement shall be enforceable as so modified. If a court decides that any of the provisions of Section 8(b) is invalid or unenforceable, then the entirety of this Arbitration Agreement shall be null and void. The remainder of these Official Rules will continue to apply.

**h. Future Changes to Arbitration Agreement.** Notwithstanding any provision in these Official Rules to the contrary, Sponsor agrees that if it makes any future change to this Arbitration Agreement (other than a change to the Notice Address) while you are a user of the Services, you may reject any such change by sending Sponsor written notice within thirty (30) calendar days of the change to the Notice Address provided above. By rejecting any future change, you are agreeing that you will arbitrate any dispute between us in accordance with the language of this Arbitration Agreement.

**9. SPONSOR:** This Competition is sponsored by Paradigm Operations LP at 548 Market Street Suite 46525, San Francisco, CA 94104.

**10. NOTICE:** Sponsor reserves the right to prosecute and seek damages against any individual who attempts to deliberately undermine the proper operation of the Competition in violation of these Official Rules and/or criminal and/or civil law.

**11. COPYRIGHT NOTICE:** Copyright © 2023 Paradigm Operations LP. All rights reserved. All logos are trademarks of Paradigm Operations LP.

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