PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
RPL

Rocket Pool (RPL)
Last updated on September 1, 2025

Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading RPL. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the [Risk Summary] for additional discussion of general risks associated with the assets made available in the platform. These materials are for general information purposes only and are not investment advice or a recommendation or solicitation to buy, sell or hold any crypto asset or to engage in any specific trading strategy. The information contained in this risk disclosure is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is Rocket Pool (RPL) and how does it work?
Rocket Pool is a decentralized Ethereum liquid staking protocol that allows users to stake ETH and earn rewards without running their own validator node. When users deposit ETH, they receive rETH, a liquid staking token that tracks their share of staked ETH and accrued rewards. rETH can be held, traded, or redeemed back for ETH, depending on available liquidity in the protocol.

Node operators contribute by creating "minipools," which require 16 ETH and a minimum amount of RPL as collateral. These minipools are combined with ETH from rETH stakers to reach the 32 ETH required for an Ethereum validator. Validators then secure the Ethereum network and earn staking rewards, which are distributed to both stakers and node operators.

Rocket Pool also incorporates decentralized governance through the Protocol DAO (pDAO). Both node operators and RPL holders can propose and vote on upgrades or changes to the protocol, ensuring community-driven decision-making. The protocol is designed to increase accessibility by lowering staking requirements, provide security through RPL-backed insurance against penalties, and offer higher rewards to node operators who stake more RPL, up to a defined collateralization threshold.

RPL is Rocket Pool's native token and plays three main roles within the system:

- Collateral: Required by node operators to back validator operations and insure against slashing penalties.
- Incentives: Node operators who stake RPL can earn additional rewards, with returns scaling based on the amount staked.
- Governance: RPL holders can participate in protocol governance through the pDAO.

Who is behind the Rocket Pool?
Rocket Pool was founded by David Rugendyke in 2016. An alpha version was released in 2017, followed by multiple public betas. The protocol launched on Ethereum mainnet in October 2021.

Today, Rocket Pool is developed and maintained by a core team supported by a global community of contributors. Governance is managed through the Protocol DAO, with decisions influenced by RPL holders and node operators.

Tokenomics of Rocket Pool
RPL has a total and circulating supply of approximately 21,707,238 tokens as of September 2025.

RPL has an annual inflation rate of 5%, distributed as 70% to node operators who stake RPL as collateral, 15% to Oracle DAO members, and 15% to the Protocol DAO treasury. Node operators must stake at least 10% of their ETH value in RPL, with the option to increase up to 150% for higher rewards. RPL also underpins governance within the Protocol DAO, where voting power is weighted by a square root system to reduce concentration.

The Rocket Pool team has not published an official initial allocation breakdown.

General Risks
Like all other digital assets, there are some general risks to investing in RPL. These include short history risk, volatility, and liquidity risk, demand risk, forking risk, code defects, cryptography risk, regulatory risk, concentration risk, electronic trading risk and cyber security risk. For more information on general risks associated with smart contracts and digital assets, see Kraken's Risk Statement.

Risks specific to Rocket Pool

Competition
The Rocket Pool network faces competition from other Ethereum liquid staking protocols such as Lido and StakeWise. Rocket Pool's value derives from its broader adoption in the market. If Rocket Pool fails to achieve sufficient adoption compared to competing platforms, this could negatively impact the value of RPL.

Due Diligence
Prior to listing on the Kraken platform, Kraken performed due diligence on RPL and determined that Kraken was permitted to make RPL available for trading to UK users, in compliance with UK law. This process generally consists of reviewing publicly available information on the following:

- The creation, governance, usage and design of RPL, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) who created RPL;
- The supply, demand, maturity, utility and liquidity of RPL;
- Material technical risks associated with RPL, including any code defects, security breaches and other threats concerning RPL and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
- Legal and regulatory risks associated with RPL, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of RPL, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the UK, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to RPL regarding whether RPL, or generally regarding whether the type of crypto asset, is a security and/or derivative.

Don’t invest unless you’re prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong. Take 2 mins to learn more.