

# Win Node Network Charter

(the “Charter”)

Version 2.0 -- March 13, 2024

## 1. Introduction to the Charter

Please read this document (the “Charter”) carefully, as it sets forth the governance rules of the Win Node Network (the “**Node Network**”) and defines your rights and responsibilities for participating and interacting with the Node Network. The Charter also sets the rules for your relationship with other Node Operators validating transactions in the Node Network.

As an Oracle Node Operator of the Win Node Network, you, whether a natural or a legal person interacting with the Node Network, accept and agree to act in good faith and be bound by this Charter, which acts as an agreement between you and anyone else that participates or otherwise interacts with the Node Network which shall be governed by the terms of the Node Network DGF Agreement (Section 7).

This Charter will govern the distribution of digital rewards to Win Nodes and certain other blockchain governance matters for the Win Blockchain.

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## 2. Applicable rules to the Oracle Node Network

The Charter that lays out the basic principles required for participation in the Node Network , primarily

- i. The WIN Parameters (Section 5);
- ii. The Node Network (Section 6)
- iii. Node Network DGF Agreement (Section 7);
- iv. Community Guidelines (Section 8;
- v. Node Network Governance Framework (Section 9); and
- vi. Node Network Mediation Body (Section 10).

## 3. Definitions

**Connect**: means a decentralized blockchain community, education platform and affiliate platform that makes it simple for people to connect to a blockchain.

**Bridge**: means a smart contract enabling users to move WIN from one network to another network.

**DGF**: means the Distributed Governance Framework which is a blockchain coordination protocol based on open blockchain technology governed by a set of rules, with fluid affiliation through participation as a Node Operator, and that automatically executes certain actions without the need for intermediaries.

**Participant(s)**: means any Node Operator participating in the Node Network DGF using L2 Technology or Node Network Community Platforms.

**Distribution Algorithm**: means the software code defining the parameters for the distribution of WIN digital rewards for the active participation of the Oracles operating with the RC Network.

**Guardian(s)**: means Node Operator(s) that is/are eligible to rule upon disputes in the Node Network Mediation Body.

**Governance Framework**: means the governance process(es) of the Node Network DGF.

**Other Blockchain Networks**: means another blockchain network, such as the blockchain referred to as “Ethereum” made available by the owner of the Ethereum trademark, the Ethereum Foundation (Stiftung Ethereum). In the future this could include still other blockchain networks, such as the Binance blockchain or other networks.

**Reward Chain (“RC”) Network**: means a distributed network of Node Operators of Win Nodes that maintains an accessible bidirectional communication channel open between the RC Network and the L2 Network using a proof-of-authority consensus mechanism to achieve distributed agreement about the state of the RC Network (also known as a blockchain).

**RC Network Trust**: means the purpose trust entrusted to ensure the security, maintenance, update and improvement of the RC Network, including ensuring that the intellectual property rights to the source code are respected, and also entrusted with part of the transaction fees of the RC Network in order to ensure its proper maintenance, update and security. The RC Network Trust may be operational at the time the RC is launched and may contract with agents to operate technically on its behalf.

**L2 Technology**: means the software layer constituted of the source code of the Node Network DGF, the Oracle Network and the Smart Contract(s) built on top of the RC Network.

**L2 Technology License**: means the license granted by an authorized license distributor to Node Operators to use the L2 Technology in relation to their node running on the RC Network to effect digital reward distribution, wherein Node Governance SARL is an authorized license distributor.

**Node Network DGF**: means a DGF constituted by Node Operators, with the aim of allowing the governance of the Node Network’s tools, the features of the Distribution Algorithm(s), the L2 Network infrastructure and other common resources, wherein the Node Network DGF is governed by Node Operators acting in accordance with the Node Network governance processes.

**Node Operators**: means the person(s) or entities having installed the software to operate nodes facilitating transactions in the RC Network as an owner of an L2 Technology License.

**Win**: means the accepted colloquial term used to refer to the Win Community, the WIN Blockchain, the Win Project, the WIN digital reward(s) or WIN Token(s). The term Win should be read and understood in context.

**WIN Native:** means WIN on the RC.

**WIN ERC-20:** means WIN digital rewards issued according to the ERC-20 standard associated with the Ethereum Network or Other Blockchain Networks.

**WIN Node:** means Oracle Node software installed and operated by WIN Node Operators.

**WIN SmartWallet:** means a crypto wallet and a standard license for WIN Oracle Node software operated by Node Operators.

**WIN SmartNode:** means an enhanced license for the WIN Oracle Node software eligible to earn additional WIN digital rewards and other rewards and benefits, when operated by WIN Node Operators.

**WIN NFT(s):** means non-fungible tokens or other unique and irreplaceable digital receipt(s) or digital reward(s) issued to the Oracles and/or WIN Token Holders.

**WIN NFT(s) Holder(s):** means any entity or person that owns or controls a wallet containing a WIN NFT.

**WIN Token(s):** means the native token of the RC Network, i.e., a transferable utility token allowing remittance for transaction fees on the RC Network.

**WIN Token(s) Holder(s):** means any entity or person that owns or controls a wallet with a positive balance of WIN Tokens.

**Node Network Governance Committee:** means the committee that may be elected by the Node Network DGF to make Proposals with respect to the governance of the Node Network DGF.

**Node Network Mediation Body:** means a dispute resolution mechanism governed by WIN Token(s) Holder(s).

**Node Network Community Platforms:** means the platforms used for regular communication by the Node Operators and managed by the Node Network DGF, including but not limited to Node Network's Discord server, Node Network's Telegram group, Node Network Forum, Node Network DGF, Node Network's Github repository (if any), online and offline gatherings and/or other groups and platforms of the Node Network.

**Node Network Parameters:** means the current parameters of Smart Contracts, Distribution Algorithm and L2 Technology governed by the Node Network DGF, which can be modified without amending the source code of the Smart Contracts and/or Distribution Algorithm.

**Off-Chain:** means any action or data entry that is not recorded on a blockchain or other type of distributed ledger where the Smart Contract (or version of it) is deployed, interfaced with or connected to so as to have verifiable and tamper-proof records confirmed by an Oracle and facilitated by the RC Network.

**On-Chain**: refers to any action or data entry that is recorded on a blockchain or other type of distributed ledger where the smart contract (or version of it) is deployed, interfaced with or connected to so as to have verifiable and tamper-proof records on the RC Network.

**Oracle**: means the person, entity, or coded intelligence confirming any Off-Chain data, action or interaction with the RC Network and facilitating validation of this data on the RC Network in operation with the L2 Technology.

**Oracle Network or “L2 Network”**: means the network of Oracle(s) that are operably active with the RC Network as facilitated by the L2 Technology.

**Oracle Node**: means a licensed node providing input data and/or confirming data, information or actions and/or acting as Oracle operating with the L2 Technology to facilitate data validation on the RC Network.

**Proposal(s)**: means any suggested amendment to this Charter, the Smart Contracts, the Node Network Governance Framework, Network Parameters, or any agreements of the Node Network.

**Smart Contract**: means a computer-interpreted source code deployed on the RC Network and performing functions including issuing the WIN Tokens and/or the Win NFTs and whose private keys are controlled by the Node Network DGF.

**Validator Node**: means a node that forms part of the RC Network using its computational power and software resources to provide Verifiable Randomness Function and to ensure that the bidirectional communication channel open between the RC Network and the L2 Technology remains open at any point in time without any central authority being able to close the gate.

**Verifiable Randomness Function (VRF)**: means a public-key using pseudo-random function that provides proofs that its outputs were calculated correctly.

## 4. General principles

As a Node Operator, you hereby understand and agree that Node Governance SARL's role is solely to provide a general software framework for the structuring and governance of the RC Network through a Distributed Governance Framework composed of Node Operators (the “**Node Network DGF**”).

Node Governance SARL is not part of the Node Network DGF, has no control over the RC Network source code, the RC Network Trust or the Node Network DGF, neither directly nor indirectly, and shall not be held liable in any way for the actions or negligence or failures or damages caused by the Node Network DGF, which is fully independent and autonomous from Node Governance SARL. Node Governance SARL may enter into agreements to act on behalf of the RC Network Trust, in such instance, any action taken by Node Governance SARL is executed only under the direction and authority of the RC Network Trust. You hereby waive any right or claim towards Node Governance LLC resulting from the operation of the Node Network and/or your participation in the Node Network DGF.

Node Governance SARL and the Node Network DGF are fully independent from each other, and the Node Network DGF is fully decentralized and is not controlled, directly or indirectly, by Node Governance SARL. Therefore, except for tasks that may be delegated to Node Governance SARL by the Node Network DGF through a vote (in which case its liability shall be limited to fraud), Node Governance SARL shall have no liability for the outcome of the votes and/or for the decisions taken and/or actions rewarded by the Node Network DGF which is fully decentralized.

You understand and agree that, as Node Operator, you are fully part of the Node Network DGF and bear shared responsibility with other Node Operators for the operation of the RC Network as well as for the decisions taken by the Node Network DGF and their proper implementation.

Except for any indemnification obligations or specific liability set out in this Charter, the liability of any natural or legal person that has drafted any part of this Charter or supported the initiation of this Charter or of the RC Network, each employee, advisor or member of a governing body of Node Governance SARL and each natural or legal person interacting with the RC Network shall be limited to the fullest extent permitted by applicable law. Any residual liability resulting from the mandatory law of each of the aforementioned is several and not joint and each of the aforementioned shall be liable only for its obligations (and not those of anyone else) under this Charter or in connection with this Charter or with the RC Network.

No Party participating or interacting with the RC Network shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of anyone else participating or interacting with the RC Network or to bind anyone else to any contract, agreement, or undertaking.

To the fullest extent permitted by applicable law, in no event shall Node Governance SARL be held liable for damages of any kind, under any legal theory, or be held liable of any breach of law or regulations arising out of or in connection with node-related operations, transaction validation and/or use, making available the L2 Technology, participating or interacting with the RC Network and/or decisions taken by the Node Network DGF, including any direct, indirect, special, incidental, or consequential damages, including but not limited to, loss of revenue, loss of profits, loss of business or anticipated savings, loss of use, loss of goodwill or loss of data, even if foreseeable.

Node Operators agree that they are liable for the operation of the Node Network DGF and for the actions taken by it.

Except as otherwise set out in this Charter, any claims, disputes or controversies arising out of this Charter or in connection with the access, interaction, use or governance of the Node Network or in connection with the L2 Technology License, the node operation and/or with any relationship among the Node Operators or anyone else interacting with the Node Network shall be settled:

- By mutual agreement between the parties through the Node Network Mediation Body;
- If no mutual agreement can be reached, by the courts of Lausanne (Switzerland).

This Charter shall be governed by and construed and enforced in accordance with the laws of Switzerland.

## 5. The Win Parameters

### 5.1 Validator Nodes

Validator Nodes on the L2 Network are rewarded in WIN Tokens paid as transaction fees.

### 5.2 Rewards

Licensed Oracle Nodes that operate, according to set parameters, with the L2 Technology to facilitate data validation on the RC Network are rewarded in WIN digital rewards. To receive rewards, Oracle Node Operators must have a working wallet identified on the Node Network.

The Node Network DGF shall be exclusively entrusted with the delineation of the Node Network Parameters which might give rise to rewards in WIN Tokens, as well as for defining the parameters of the Distribution Algorithm and the level of rewards.

The Node Network DGF is also responsible to define the terms and the scope of any Smart Contract issuing the WIN Tokens and controls the private key of such Smart Contract.

The distribution algorithm and Initial actions / Oracle activities that earn points giving rise to a reward in WIN Token are the following:

#### **Max Supply**

The max supply of WIN Tokens shall be fifty billion (50,000,000,000) WIN.

#### **Daily Distribution**

The WIN distribution shall occur daily and distribute WIN Tokens using the following distribution schedules:

Node Operator Proof-of-Action Rewards: Twenty-five billion WIN Tokens distributed to active Win Node Operators using a time-based schedule.

BlockBot Proof-of-Action Rewards: Twenty-five billion WIN Tokens distributed to Qualified BlockBots using a schedule based on the growth of the node network.

WIN Token amounts in this section may be approximate due to limitations of precision/decimals of the WIN Token, rounding, or amounts allocated for network transaction fees required to execute the daily distributions.

#### **Node Operator Proof-of-Action Rewards**

Twenty-five billion (25,000,000,000) WIN Tokens shall be distributed over time to active Node Operators using a daily distribution schedule.

During the first distribution year, starting October 1, 2022, 12.5 billion WIN Tokens shall be distributed to Node Operators. The yearly distribution amount shall be halved every year on October 1. For example, 6.25 billion WIN Tokens shall be distributed in the second distribution year starting October 1, 2023, and half of that amount the following year. This shall continue in perpetuity or until all WIN Tokens allocated under this schedule have been distributed.

The amount of WIN Tokens distributed daily shall be the yearly distribution amount divided by the number of days in the distribution year. The number of days in the distribution year shall be 366 days for distribution years which contain a leap day, otherwise 365 days.

Each active Win Node Operator shall receive a share of the daily distribution based on the following node actions:

| Win Node Actions (Table 1)                       | Points      |
|--|-------------|
| Every time you operate an active Win SmartNode   | 1 point     |
| Every time you operate an active Win SmartWallet | 1/100 point |

| Partner Blockchain Node Actions   | Reward                   |
|---|--------------------------|
| Every time you operate a qualifying node in a participating partner blockchain. | variable up to 3.334 WIN |

A portion of the daily WIN Token distribution shall be distributed to active Win Node operators who also operate a qualifying node in a participating partner blockchain as part of the Partner Blockchain Node Action program established by Connect and its blockchain partners. This reward shall not exceed 3.334 WIN per day per qualifying partner node and shall not, in total, exceed 10% of the total daily Node Operator Proof-of-Action Rewards for any given distribution day.

The amount of WIN Token distributed as Partner Blockchain Node Action Rewards shall be subtracted from the Node Operator Proof-of-Action Rewards for the day and the remaining amount of WIN Tokens shall be distributed between all active Win Node Operators as follows:

Each node operator shall receive a share of the remaining daily distribution amount which is equal to the ratio/percentage of their personal Win Node action points (Table 1) divided by the total of all Win Node action points (Table 1) earned by all Win Node operators for the distribution day. For example, a node operator earning 1% of the total Win Node action points for a given day, shall receive 1% of this distribution amount.

### **BlockBot Proof-of-Action Rewards**

Twenty-five billion (25,000,000,000) WIN Tokens shall be distributed over time to active Node Operators who are Qualified BlockBots. This distribution follows a growth-based schedule which distributes WIN Tokens daily whenever a qualifying Win SmartNode license is added to the node network.

This distribution schedule rewards BlockBots for helping expand the Node Network. BlockBots may qualify to earn a share of the daily distribution by ranking within one or more Proof-of-Action Reward Blocks determined using a scoring and ranking algorithm (described later in this section).

For each distribution day, beginning March 13, 2024, the amount of WIN Tokens to be distributed under this schedule shall be 62,500 WIN Tokens per qualifying Win SmartNode license, up to 100 Win SmartNode licenses, added to the network that day.

Each time that half of the allocated WIN Tokens have been distributed, the rate of distribution for each qualifying Node license added to the network shall be halved and the next halving point shall be when half of the remaining allocation has been distributed. The halving calculation shall include all WIN digital rewards distributed on or after October 1, 2022 under the Blockbot Proof of Action Rewards as well as Block Proof of Action Rewards operated under prior versions of this Charter.

For example, once 12.5 billion WIN Tokens have been distributed under this schedule, the rate of distribution shall be halved to 31,250 WIN Tokens per qualifying Win SmartNode license added to the network. Once an additional 6.25 billion tokens have been distributed, the rate of distribution shall be halved again to 15,625 WIN Tokens per qualifying Win SmartNode license added to the network.

This shall continue in perpetuity or until all WIN Tokens allocated under this schedule have been distributed.

For each distribution day, the amount of WIN distributed shall be limited to the amount required so that the cumulative total of WIN Tokens distributed under the BlockBot Proof-of-Action Rewards does not exceed the cumulative total of WIN tokens distributed under the Node Operator Proof-of-Action Rewards (inclusive of all distributions on or after October 1, 2022).

Qualified BlockBots may qualify to receive a share of the WIN Tokens distributed daily for BlockBot Proof-of-Action Rewards based on the following actions:

| Action (Table 2)   | Friendchain Points | Blockchain Points |
|--|--------------------|-------------------|
| Every time you earn \$100 in direct rewards (USD Value)        | 1 point            |                   |
| Every time you help your friend earn \$100 in direct rewards   | 1/7 point          | 1/7 point         |
| Every time you help a team member earn \$100 in direct rewards | 1/365 point        | 1/365 point       |
| Every time a team member becomes a BlockBot                    | 1/365 point        | 1/365 point       |
| Every time you operate an active Win SmartNode                 | 1 point            |                   |
| Every time you operate an active Win SmartWallet               | 1/100 point        |                   |
| Every time a team member operates an active Win SmartNode      | 1/365 point        | 1/365 point       |
| Every time you operate a set of 5 active Win SmartNodes        | 1 point            |                   |
| Every time a team member operates 5 active Win SmartNodes      | 1/365 point        | 1/365 point       |
| Every time you give \$100 (USD Value), TBD when available      | 1 point            |                   |

Friendchain points are awarded for your personal activities and qualifying activities by descendants within your Friendchain for the daily distribution period.

Blockchain points are awarded for qualifying activities by descendants in the Win Blockchain with an assigned Block Number greater than your assigned Block Number for the daily distribution period. Blockchain points may be adjusted by your Continuous Improvement Score (described later in this section).

By qualifying as an active BlockBot, you will receive both a **Daily Win Score** and **Complete Win Score**. These scores are calculated daily based on the history of your accumulated action points and the accumulated action points for all BlockBots. The scoring is described later in this section.

Every day, all active BlockBots will be ranked based on their Complete Win Score for the day with higher scores receiving a higher rank. Rank 1 is the highest, followed by rank 2 as the second highest, rank 3 as the third highest and so on.

Each BlockBot may qualify in one or more of four Proof-of-Action Reward Blocks:

Top 50 Block – The top 50 highest ranked BlockBots.

Top 500 Block – The top 500 highest ranked BlockBots.

Top 5,000 Block – The top 5,000 highest ranked BlockBots.

Top 50,000 Block – The top 50,000 highest ranked BlockBots.



ABlockBot may qualify in multiple reward blocks. For example, aBlockBot ranked 325 will qualify in the top 500, top 5,000, and top 50,000.

Each of the four reward blocks will be allocated 12.5% of the WIN Tokens to be distributed for BlockBot Proof-of-Action Rewards on a given day.

For each reward block, each BlockBot qualifying for the block shall receive a share of the WIN Tokens allocated to the reward block which is equal to the ratio/percentage of their same-day Complete Win Score divided by the sum of all same-day Complete Win Scores of all BlockBots qualified in the reward block.

For example, using only the Complete Win Scores calculated for a given distribution day, if the sum of Complete Win Scores for all BlockBots in the reward block was 2500.0, a BlockBot in the reward block with a Complete Win Score of 25.0 would receive 1% ( $25.0 / 2500.0$ ) of the WIN tokens allocated to the block. A BlockBot with a Complete Win Score of 50.0 in the same reward block would receive 2% ( $50.0 / 2500.0$ ) of the WIN Tokens allocated to the reward block.

The remaining 50% of WIN digital rewards released for BlockBot Proof-of-Action Rewards on a given day shall be allocated to qualified Blockbots based on the number of active Win Nodes operated by qualified BlockBots that day. Each active Win SmartNode shall receive 1 share and each active Win SmartWallet shall receive 1/100 share. Each BlockBot shall receive a total share which is equal to the ratio/percentage of their personal Nodes operated divided by the total share of all Nodes operated by qualified BlockBots for the distribution day. For example, a BlockBot operating 1% of the total Node shares for a given day shall receive 1% of the allocated distribution.

### **Daily Win Score**

Your Daily Win Score is a score from 0 to 100 which is calculated daily based on action points earned during five different time periods (inclusive of the distribution day):

Up to 50 points of your score is based on action points earned during the distribution day.

Up to 20 points of your score is based on action points earned in the previous week (7 days).

Up to 15 points of your score is based on action points earned in the previous month (30 days).

Up to 10 points of your score is based on action points earned in the previous year (365 days).

Up to 5 points of your score is based on all action points earned (all-time).

The points contributed to your Daily Win Score will be your total action points within each time period, or the maximum points (if lower), multiplied by a score multiplier (up to 100%) determined by how your total action points rank when compared with the total action points for all BlockBots in the same look-back time period.

Your score multiplier for each time period is 100% minus the percentage of BlockBots who ranked higher in total action points within the look-back time period.

For example, if your total action points for a given day is 32 points and this is greater than all other BlockBots, your score multiplier is 100% for the daily portion of your score and you would receive 32 out of 50 points toward your Daily Win Score.

Also, if your total action points in the past week is 20 points or greater and 40% of all BlockBots ranked higher in total action points in the past week, your score multiplier is 60% for the weekly portion of your score and you would receive 12 out of 20 points toward your Daily Win Score.

The same calculation is performed for the past month, past year and all-time action points. This is calculated every day and all 5 scores are added to determine your Daily Win Score from 0 to 100.

### **Complete Win Score**

Your Complete Win Score is a 30-day rolling average of your Daily Win Scores. This is calculated as the total of your Daily Win Scores in the past 30 days (inclusive of the distribution day) divided by 30. Your Complete Win Score is recorded daily and used to determine the daily ranking for BlockBot Proof-of-Action Rewards.

### **BlockBot**

You may qualify as an active BlockBot by directly referring five (5) Win SmartNode activations and operating an active Win SmartNode and subject to applicable Connect Terms of Service..

### **Action Point Qualification**

Action points may be earned by licensed Node Operators who are active and qualified for the daily distribution period. A Node Operator is active and qualified for action points if any of the following pertain:

- a) They operate an active Win Node during the daily distribution period.
- b) They have operated an active Win Node for at least 23 of the previous 30 days.
- c) They have operated an active Win Node for at least one (1) of the previous three (3) days.
- d) They have purchased or received their first ever Win Node license within the previous one (1).

### **Friendchain and Block Number**

Participation within the Friendchain as well as obtaining and maintaining a position within the Win Blockchain (Block Number) are subject to the terms established by Connect.

### **Friend and Team Member (Definitions)**

Regarding Friendchain Points, a “team member” means a person who is linked as your descendant in the Friendchain for the daily distribution period. A “friend” means a person directly linked as referred by you in the Friendchain for the daily distribution period.

Regarding Blockchain Points, a “team member” means a descendant in the Win Blockchain with an assigned Block Number greater than your assigned Block Number for the daily distribution period. A “friend” means a team member who is also directly linked as referred by you in the Friendchain.

### **Active Win Node (Definition)**

Operating an active Win Node means operating the Win Node software with an active license on a supported computer or device which is connected to the network and contributing the minimum required time, power, processing, and/or storage, and meets the established minimum operating requirements. Each node must be online, connected and contributing to the network for a minimum of 6 hours within the daily distribution period.

### **Direct Rewards (Definition)**

Direct Rewards are digital tokens (such as ETH) earned for transactions completed within the Connect Marketplace. These are distributed using the same type of digital token as the transaction which earned the reward. They are distributed through the Win Blockchain under the terms of the

Win Blockchain Direct Rewards Program and outside of the distribution of WIN rewards described herein.

### **Direct Rewards, USD Value**

Regarding action points, earning \$100 in direct rewards, shall mean earning a direct reward of a digital token (such as ETH) with an equivalent market value of \$100 USD at the time of the transaction subject to direct reward rules and market value oracles established by the Win Blockchain. Prorated points will be awarded for all direct rewards (including amounts less than or more than \$100 USD value).

### **Undistributed Tokens**

All WIN tokens released by smart contracts supporting the daily Win distribution which are not yet qualified for distribution under the distribution schedules herein or cannot be distributed for any technical or configuration reason may be held in reserve within wallet(s) under the control of Connect for the benefit of the DGF (which shall own the reserved WIN) and used solely for distribution to qualified Node Operators under the parameters of the Node Operator Proof-of-Action Rewards and BlockBot Proof-of-Action Rewards.

### **Continuous Improvement Score**

The Continuous Improvement Score (CIS) provides an advantage to those who are actively building and growing the Win Blockchain community on a regular basis. Maintaining a higher CIS allows you to earn a higher number of Blockchain Points daily.

Direct rewards earnings (subject to the Win Blockchain direct rewards program) and node operations are used to determine the CIS.

For each day on or after being assigned a Block Number, you may earn up to 10 daily Continuous Improvement Points (CIP) toward maintaining your CIS. These are NOT “action” points and are not used directly as part of any action point total or calculation of Win Scores.

Up to a maximum of 10 CIP may be earned across 4 categories daily as follows:

- Up to 5 points based on direct reward earnings for the current day.
- Up to 3 points based on direct reward earnings for the week (previous 7 days)
- Up to 2 points based on direct reward earnings for the month (previous 30 days)
- Up to 10 points based on the number of active Win SmartNodes you operate for the current day.

To determine the daily CIP earned for the first 3 time-range categories, your direct reward earnings are compared with the highest direct rewards earned over the same time-range by a single person who did not rank within the top 25 Complete Win Scores (CWS) for the day.

This comparison shall be based on the total digital rewards earned (if all are the same type) or the equivalent USD Value for any digital reward (if any are differing types).

For each of the first 3 (time-range) categories, your CIP earned shall be the lesser of the maximum points for the category or the maximum points for the category multiplied by the ratio of your direct rewards divided by the highest direct rewards for the time range.

For example, if you earned 1.0 ETH today, and the top earner (not ranked in the top 25 CWS) earned 2.0 ETH, then you would earn 50% of the 5-point category today (2.5 points).

In the fourth category, you may earn 0.01 CIP daily for each active Win SmartNode you operate that day.

Your total daily CIP shall be the lesser of 10 points or the sum of points earned today for each of the 4 categories.

Your daily CIP accumulate during each calendar month (up to 10 points for each calendar day). For example, during November you may accumulate up to 300 CIP.

Starting on the day you are first assigned a Block Number your Continuous Improvement Score (CIS) shall be 100%.

Your CIS is adjusted on the first day of every calendar month thereafter unless you did not have an opportunity to accumulate CIP for the entire previous month. That is, you are exempt from adjustment if you first received a block number on any day after the 1<sup>st</sup> day the previous month.

On the first day of every calendar month, every account with CIP recorded for the previous month shall be ranked from highest to lowest based on the sum of CIP earned during the previous calendar month.

A target CIP value shall be calculated as 50% of the highest CIP after excluding the top 25 CIP values for the previous month. Specifically, the target value shall be 50% of the CIP for the 26<sup>th</sup> highest sum of CIP for the previous month. For example, if the 26<sup>th</sup> highest CIP was 220, the target value shall be 110.

If less than 26 accounts have earned CIP in the previous month, then no adjustment to the CIS will be made.

Your CIS shall be adjusted down or up based on how your total CIP for the previous month compares to the target value.

If your total CIP is equal to the target value, no adjustment is made. Your CIS will remain unchanged for the current month.

If your total CIP is less than the target, then your CIS will degrade by up to 1/10 of its current value. This adjustment shall be 1/10 of the amount your CIP falls below the target value divided by the target value. The CIS can move toward 0% but can never reach 0%.

If your total CIP is greater than the target, then your CIS will improve by up to one ninth (1/9) of its current value. This adjustment shall be 1/9 of the amount your CIP exceeds the target value divided by the target value (not to exceed 1/9). The CIS can return to 100% but can never exceed 100%.

Examples:

If your total CIP is 30 and the target value is 80, then your CIS falls below the target by 50 and the negative adjustment would be  $1/10 * 50 / 80$  (6.25 %). The CIS value would degrade by 6.25% of its current value. If the previous CIS were 80%, the new CIS would be 75% ( $80\% - 80\% * 6.25\%$ ).

If your total CIP was 160 and the target value was 100. Then your CIP exceeds the target by 60 and the adjustment would be  $1/9 * 60/100$  (approximately 6.667%). If the previous CIS were 90%, the new CIS would be 96% ( $90\% + 90\% * 6.667\%$ ).

For each daily distribution period, the number of Blockchain points earned shall be the total unadjusted blockchain points (as defined in Table 2) multiplied by the current monthly Continuous Improvement Score (CIS).

For example, if team members after you in the Win Blockchain (higher Block Numbers) earn a combined total of \$365,000 (USD Value) in direct rewards, you would earn 10 Blockchain Points for the third action point according to Table 2 above. However, if your Continuous Improvement

Score has degraded to 60%, then you would only receive 60% of the raw blockchain point and 6 Blockchain points would be recorded for the day (instead of 10). For all future action point calculations (look-back periods), the value 6 shall be used and not the initial/raw value of 10.

## **6. The Node Network**

### **6.1 Guidelines**

The guidelines in this section shall apply to all Proposals submitted to the Node Network DGF.

The guidelines in this section may be amended using the voting mechanism set forth in this Charter.

If any other terms in this Charter conflict with these guidelines, as set forth in Section 6, latter shall take precedence for enforcement purposes.

### **6.2 Proposals**

Proposals are governed by this Charter, or a future version of this Charter as amended in accordance with the terms of this Charter as well as by the Node Network DGF Agreement (Section 7).

Proposals must be submitted to the vote of the Node Network DGF using an interface of the L2 Technology and is therefore subject to a L2 Technology License(s) to be granted by Node Governance SARL.

WIN Tokens held on the Node Network DGF public address must not be used to influence Proposals or votes.

### **6.3. Proposal compliance**

Proposals must comply with the following rules:

- i. Proposals must be consistent with the Win Parameters (Section 5), Community Guidelines, and comply with the Node Network Governance Framework (Section 9), or a revised version of these documents approved as defined in the Charter by the Node Network DGF.
- ii. Proposal must not contain directly, by direct link, or indirectly any Non- Consensual Imagery (NCI), Child Abuse Imagery (CAI), threats of violence and incitement, hate speech, bullying and harassment, sexual or human exploitation, illegal or certain regulated activities or matters, malware, spyware, or material that is owned via copyright, trademark or otherwise by someone other than one of the Proposal Initiator(s) (unless use of said material is permitted by the copyright owner or otherwise protected under other legal standards).
- iii. Proposals must be accompanied by the following information in human readable language (English):
  1. The name(s) and/or username(s) and/or public address of the Initiator(s) of the proposal. The Initiator(s) should be the primary point of contact for any

- questions or comments regarding the Proposal.
- 2. The Initiator's preferred contact method in case anyone has questions or comments regarding the Proposal.
- 3. An accurate summary of the Proposal in 280 words or less.
- 4. A rationale section detailing the Initiator's reason(s) for creating the Proposal.
- 5. An accurate, long-form description of what the Proposal will do if enacted, including the collective benefit for the Node Network DGF.
- 6. The limitations of any benefits mentioned above or otherwise unaddressed areas of the problem space or possibility space.
- 7. A section acknowledging, by title and Initiator(s), any similar or related prior work known to the proposal Initiator(s).
- iv. If the Proposal amends one or more Smart Contracts, then a security audit report of the proposed amendment may be carried out and deemed passed. The Proposal shall anticipate a means for paying for an audit.
- v. The requirements set forth in the Node Network Governance Framework (Section 9)

#### **6.4 Disputes**

- i. Disputes over any proposal relying on this Charter must be resolved by the Node Network Mediation Body.
- ii. Other disputes between Token Holders should be resolved according to the Community Guidelines (Section 8) or by the following incremental processes as needed: dialogue, facilitation, mediation through Node Governance Mediation Body.

#### **6.5 Representation & Warranties**

- i. Node Operators and other participants or natural or legal persons that interact with the Node Network represent and warrant that:
  - 1. They can be legally bound by this Charter according to their applicable laws;
  - 2. They can legally operate a node as part of the Node Network in their jurisdiction;
  - 3. They can legally receive WIN Tokens and/or Win NFTs from a Smart Contract controlled by the Node Network DGF;
  - 4. Their participation to the Node Network DGF, confirmation, validation of transactions or interaction with the RC Network software is always in compliance with applicable laws, including but not limited to anti-corruption and anti-money laundering laws;
  - 5. They are solely responsible to comply with all applicable laws and regulations, including, but not limited to the reporting and payment of income tax, social security, wealth tax or similar taxes that may be due, in accordance with tax laws and regulations applicable to any jurisdiction legally pertinent to the Node Operator, as a result of their participation in the Node Network DGF and receipt of the WIN Tokens and/or Win NFTs;

6. They understand Blockchain technology and distributed-ledger technology in general is untested and outside anyone's exclusive control, and adverse changes in market forces or the technology, broadly construed, may affect the proper performance of the RC Network and/or L2 Technology interfaced with it;
7. They understand the governance procedures and applicable rules of the Node Network and especially the Smart Contract(s)' functioning and limitations;
8. They understand the risks associated with the use of blockchain, crypto-assets and therefore the Node Network, which they agree to take at their sole responsibility, including but not limited to risks associated with:
  - a. RC Network or Other Networks (e.g. Ethereum source code or Smart Contract malfunction or error (or any other protocol used));
  - b. Unfavorable regulatory actions in one or more jurisdictions against the Node Operators;
  - c. Theft and hacking of WIN Tokens or data resulting from defects in the source code of RC Network and/or of the Smart Contracts;
  - d. Security weakness in the RC Network components or in the Smart Contract(s);
  - e. Weaknesses or exploitable breakthroughs in the field of cryptography, including through quantic technologies;
  - f. A Smart Contract may be subject to fraud and/or failures and/or include weaknesses or bugs;
  - g. The tax treatment of crypto-assets is uncertain and there may be adverse tax consequences when participating to or interacting with the Node Network, operating a node or holding any WIN Token and/or Win NFTs;
  - h. Losing of credentials to access to a wallet results in the WIN Token and/or Win NFTs stored in the wallet becoming unrecoverable and permanently lost;
  - i. Uninsured losses;
  - j. Internet transmission risks;
  - k. Insufficient participation in the Node Network DGF;
  - l. Unanticipated risks and force majeure.

## 6.6 Discharge of future claims

- i. To the fullest extent permitted by the applicable laws in Switzerland, each Node Operator agrees to indemnify, hold and defend the other Node Operators from and against all claims, liabilities, damages, judgments, losses, costs, expenses or fees (including reasonable attorneys' fees) that arise from or related to:
  1. your breach of this Charter;
  2. your use or interaction with the Node Network DGF;
  3. your Node operation and transaction validations;

4. your wrongful or misleading transaction validation or any form of collusion on the RC Network;
  5. your interaction(s) with other Node Operators or third parties in the framework of the Node Network DGF.
- ii. You agree that your interaction(s) with the Node Network DGF as well as with other Node Operators or third parties in the framework of the Node Network DGF is at your sole risk, especially acknowledging the risks described in this Node Network DGF Agreement (Section 7) (which are not meant to be exhaustive).

## 6.7. Legal personality

The Node Network does not have any legal personality.

However, all Node Operators will be part of the Node Network DGF and will be liable for its proper functioning, including for the maintenance and security of the RC Network source code.

To be valid, notifications to the Node Network DGF shall be made via interface and made available by Node Governance SARL in accordance with the L2 Technology License to the attention of every Node Operator of the Node Network DGF.

## 6.8 Modifications to the Node Network DGF Charter

Node Operators may only modify the terms of this Charter as set forth in Section 9: The Node Network Governance Framework.

# 7. The Node Network DGF Agreement

## 7.1. Node Network DGF

The Node Operators form a simple governance body as part of the Node Network (the “**Node Network DGF**”).

The Node Network DGF is managed by Node Operators to the exclusion of any third party, including Node Governance SARL.

The Node Operators are collaborating through the Node Network DGF with the purpose of governing the Node Network, the RC Network source code and the Smart Contract(s) jointly.

Node Operators agree to entrust Node Governance SARL with the following tasks:

- Overseeing the genesis of the RC Network and attendant private keys that secure the RC Network; ensuring private keys are delivered to the parties responsible for custodying such keys; and certifying the foregoing to the Node Network DGF;
- Making Proposals, as advanced by the Node Network Governance Committee, with respect to the improvement of the Node Network DGF, although such Proposals may also come from other parties;
- Implementing and enforcing decisions taken by the Node Network DGF when required to do so by the Node Network DGF;



- Facilitating the Node Network DGF's organization of the Node Network Mediation Body, elections of the Guardian(s) and the implementation of the Mediation procedure;
- Submitting quarterly reports of these activities to the Node Network DGF;
- Holding certain private keys on behalf of the Node Network DGF that can be used to fix distributions of digital rewards that are not in accordance with the Node Network DGF rules (whether through malicious activity, software bug, or otherwise);
- Enabling ministerial corrections to distribution errors to ensure the Distribution Algorithm contained herein is carried out to the greatest extent possible without interruption to the immutability of the distribution; and
- Assuming responsibility of getting WIN listed on various exchanges.

Delivery of Win NFTs and/or WIN Tokens shall be made available by the Smart Contract on a public address controlled by each Node Operator or Oracle based on their contribution to the Node Network DGF and as defined by the Distribution Algorithm.

Win NFTs and/or WIN Tokens cannot be held by any person or entity that resides or is otherwise established in a jurisdiction:

- (i) In which applicable laws prohibit or otherwise restrict owning NFTs, tokens or transacting therewith, or in which public authorities inflicted administrative or criminal sanctions which result in a prohibition of specific activities involving tokens, such as the People's Republic of China;
- (ii) In which NFTs or tokens are deemed securities and/or in which their issuance would require the Node Network to comply with financial regulations, notably any filings and authorizations required thereby;
- (iii) Which is subject to economic and financial sanctions as imposed by the United Nations and transposed by an ordinance adopted by the Federal Council under the Federal Act on the Implementation of International Sanctions, such as Russia;
- (iv) Which is blacklisted by a national regulatory Financial Action Task Force.

(all the foregoing hereinafter referred to as "**Restricted Jurisdiction(s)**").

**THEREFORE, EACH NODE OPERATOR AND ORACLE REPRESENTS AND WARRANTS THAT:**

- A. he/she/it is not residing or otherwise established in a Restricted Jurisdiction;
- B. he/she/it is not acting on behalf of a person or entity established in a Restricted Jurisdiction;
- C. he/she/it will not redistribute this Node Network DGF Agreement or any other related marketing materials in a Restricted Jurisdiction; and
- D. he/she/it will not transfer the WIN Tokens nor WIN NFTs to anyone residing or otherwise established in a Restricted Jurisdiction.

**IF THE NODE NETWORK DGF BECOMES AWARE THAT A NODE OPERATOR OR AN ORACLE RESIDES OR IS OTHERWISE ESTABLISHED IN A RESTRICTED JURISDICTION, INSTRUCTS TO TRANSFER THE WIN NFTS OR THE WIN TOKENS TO AN ACCOUNT LOCATED IN A RESTRICTED JURISDICTION, OR INTENDS TO TRANSFER THE WIN NFTS OR THE WIN TOKENS TO SOMEONE RESIDING OR OTHERWISE ESTABLISHED IN A RESTRICTED JURISDICTION, THE NODE NETWORK DGF WILL IMMEDIATELY GATHER TO DECIDE ON A SOLUTION, WHICH, IN THE EVENT THE SITUATION CANNOT BE SOLVED, WILL RESULT IN THE EXCLUSION OF THE NODE OPERATOR FROM THE NODE NETWORK DGF. THE NODE OPERATOR SUBJECT TO THE EXCLUSION VOTE WILL NOT BE ALLOWED TO VOTE ON THIS PROPOSAL.**

**IN THE EVENT OF EXCLUSION OF THE NODE OPERATOR FROM THE NODE NETWORK DGF, THE LICENSE TO OPERATE A NODE ON THE NODE NETWORK WILL BE AUTOMATICALLY TERMINATED WITHOUT ANY REFUND TO THE NODE OPERATOR.**

Any Node Operator can submit a Proposal to the Node Network DGF and/or call for a meeting of the Node Network DGF by posting a notification specifying the date, hour, and topic of such meeting ("**Invitation**"). Meetings are by default held online, through an interface made available by Node Governance SARL as part of the L2 Technology License.

It is the responsibility of each Node Operator to follow the notifications on his/her account and to update the contact details.

## **7.2. Representation**

Node Operators recognize that, through a Proposal putting forward a slate of none or more nominees, a Win Node Network Governance Committee shall be selected by vote of the WIN Node Operators, wherein the WIN Node Network Governance Committee may act as representative of the Node Network DGF towards third parties and, in accordance with the formal establishment of this Win Node Network Charter, the WIN Node Network Governance Committee is granted a mandate to exercise authority to validly negotiate the terms and engage the Node Network DGF towards third parties.

**WIN NODE NETWORK GOVERNANCE COMMITTEE SHALL EXECUTE ITS REPRESENTATIVE ROLE IN ACCORDANCE WITH THE DECISION-MAKING PROCESS DEFINED HEREIN AND IS RESPONSIBLE FOR IMPLEMENTING DECISIONS TAKEN BY THE NODE NETWORK DGF IN ITS REPRESENTATIVE CAPACITY IN ACCORDANCE WITH THE DECISION-MAKING PROCESS.**

Win Node Network Governance Committee shall provide the Node Network DGF with a regular report of actions, not less frequent than twice per year, including details about the number of Node Operators having joined the Node Network DGF, the main decisions taken by the Node Network DGF and the state of their implementation.

Win Node Network Governance Committee may at any time be revoked as representative by a decision of the Node Network DGF or terminate its Node Network representative mandate at any time.

In the event of termination of the representative mandate, the Node Network DGF shall appoint another representative no later than ten (10) business days following such termination.

The representative function of Win Node Network Governance Committee pursuant to this Section 7 does not entrust the Win Node Network Governance Committee to receive notifications on behalf of the Node Operators of the RC Network.

## **7.3. Termination**

Node Operators may leave the Node Network DGF at any time by terminating their Node license.

In such an event, the Node Operator shall only be liable for decisions taken by the Node Network DGF up until the termination of the license.

#### 7.4. Loyalty

Node Operators shall always act with loyalty towards the Node Network DGF. They shall refrain from any activities which could be deemed detrimental or disparaging to the Node Network DGF and/or the RC Network source code or the L2 technology.

If a Node Operator suspects another Node Operator of any activity which is contrary to this Section 7, he/she/it shall immediately initiate a meeting of Node Network Mediation Body (via the process set forth in Section 10) to decide on the issue, including a potential ban of the suspected Node Operator. The Node Operator whose activity is at issue cannot vote at the occasion of such meeting.

#### 7.5. Expenses

The Node Operators agree that the expenses of Node Governance SARL for its representative role shall initially be covered by Block Bot United DAO LLC dba Connect Sales, for the benefit of the WIN Node Network DGF, and, when WIN Blockchain transaction volume is sufficient, shall be covered by the WIN Node Network DGF, either in Win Oracle Nodes, in Win NFTs or in WIN Tokens.

Transaction fees that may go to the RC Network Trust for the maintenance, security, improvement or update of the RC Network source code shall be decided by the Node Network DGF in accordance with the Node Network Governance Framework.

#### 7.6. Confidentiality

As used in this Node Network DGF Agreement, “Confidential Information” means all non-public information, data or material disclosed by or relating to the Node Network DGF, RC Network and/or the L2 technology that are designated as confidential or that, given the nature of the information or the circumstances surrounding its disclosure, reasonably should be considered as confidential. Confidential Information includes, without limitation:

- (i) All data and information relating to the Node Network DGF;
- (ii) All non-public information relating to the RC Network and/or the L2 technology;
- (iii) All non-public information relating business plans, business strategies, promotional and marketing activities, fundraising activities, finances, codes, algorithms and other business affairs; and
- (iv) All third-party information that the Node Network DGF shall keep confidential. Confidential Information which may be contained in tangible materials, such as designs, data, specifications, reports and computer programs, codes or may be in the nature of unwritten knowledge.

Confidential Information does not include any information that:

- (i) is or becomes publicly available without breach of this Node Network DGF Agreement;
- (ii) can be shown by documentation to have been known to the Node Operators at the time of its receipt,
- (iii) is received from a third party who did not acquire or disclose such information by a wrongful or tortious act, or
- (iv) can be shown by documentation to have been independently developed by the Node Operators without reference to any Confidential Information (including Proprietary Information, as defined below).

## **NODE OPERATORS MAY USE CONFIDENTIAL INFORMATION ONLY IN PURSUIT OF THE PURPOSES OF THE NODE NETWORK DGF.**

Except as expressly provided in this Node Network DGF Agreement, Node Operators will not disclose Confidential Information to anyone without the Node Network DGF's prior consent. Node Operators will take all reasonable measures to avoid disclosure, dissemination, or unauthorized use of Confidential Information, including, at a minimum, those measures he or she takes to protect his own Confidential Information of a similar nature. Node Operators will segregate Confidential Information from the confidential materials of third parties to prevent commingling.

Node Operators will hold in confidence and not directly or indirectly use or disclose to any third parties, both during and after the Node Operators relationship with the Node Network DGF, any Confidential Information that Node Operators obtain or create during the participation to the Node Network DGF, except to the extent authorized by the Node Network DGF, or until such Confidential Information becomes generally known. Node Operators agree not to make copies of such Confidential Information, except as authorized by the Node Network DGF. Upon termination of the Node Operator's relationship with the Node Network DGF or upon an earlier request of the Node Network DGF, Node Operators will return or deliver to the Node Network DGF all tangible forms of such Confidential Information in the Node Operator's possession or control, including but not limited to drawings, specifications, documents, records, devices, models or any other material and copies or reproductions thereof.

### **7.7. Termination**

#### **THE NODE NETWORK DGF IS MADE FOR AN UNLIMITED DURATION.**

The Node Network DGF will be terminated immediately in the following events:

- a. A unanimous decision of all Node Operators;
- b. Regulatory decision or judgement ordering the liquidation or dissolution of the Node Network DGF in a particular jurisdiction, but the termination shall only apply to such jurisdictions.

In the event of termination of the Node Network DGF, Node Operators shall endeavor to mutually agree on a split of the rights and assets of the Node Network DGF. In the event that Node Operators are unable to agree to a mutually agreeable separation, Node Operators agree that they will submit the case to the Node Network Mediation Body. Failing an agreement, Node Operators will remain joint holders of any rights and obligations of the Node Network DGF.

Node Operators agree and acknowledge that all confidentiality provisions shall remain binding after the termination of this Node Network DGF Agreement.

### **7.8. Amendment**

The Node Network DGF Agreement may be amended as set forth in Section 9.

### **7.9. Choice of law and jurisdiction**

This Node Network DGF Agreement shall be governed by and construed in all respects in accordance with Swiss law. The Courts of Lausanne, Switzerland, shall have exclusive jurisdiction.

## **8. The Community Guidelines**

### **8.1. Code of Conduct**

The Node Operators shall promote the rules incorporated in the Community Guidelines and remain vigilant on any behavior which is in violation of the foregoing.

### **8.2. Values**

The Node Network DGF is based on the values of business ethics, inclusivity, diversity, representation and respect.

### **8.3. Guidelines for behavior**

#### **Compliance with laws**

The Node Operators must at all times comply with all applicable laws, regulations, and recognized standards of good practice. They also must use reasonable care and judgment to achieve and maintain independence in their capacity of Node Operators.

#### **No Collusion**

The Node Operators shall in no event come together to intervene to collude or influence any transaction on the RC Network. Should this happen, the Node Operators that participated in such collusion might be banned by the Node Network DGF and their L2 Technology License granted by Node Governance SARL might be terminated with immediate effect.

#### **Discrimination and harassment policies**

Discrimination, harassment and insulting in any form are strictly prohibited according to the laws of the jurisdictions where Node Operators operate.

#### **Communication rules**

The Node Operators shall be respectful and courteous towards each other. They must behave with the highest integrity standards. They must accept the results of the votes, unless there was fraud in the voting process.

### **8.4. Reporting**

In order to report a violation of the Community Guidelines, the Node Operators may send a notice to the Node Network Governance Committee via the means set forth in Section 9.1.

### **8.5. Disciplinary process**

Any report regarding a potential breach of the Community Guidelines will be investigated thoroughly by Node Network Governance Committee, and may result in a warning, written warning, final written warning, and, in the case of egregious misconduct subjecting the Node Network DGF to potential legal or financial liability, temporary or permanent ban and/or termination of the L2 Technology License.

## **9. The Node Network Governance Framework**

The Node Network Governance Framework provides the fundamental rules for the Node Network Proposals process. It seeks to ensure the involvement of all the Node Operators in the decision-making process, and is based on the principles of transparency, inclusion and direct/participatory decision making. The Node Operators are encouraged to express their opinions and to propose innovations contributing to the DGF prosperity.

### **9.1. Node Network Governance Bodies**

#### **Node Network Governance Committee**

The Node Network DGF may implement a Node Network Governance Committee to serve as the collective head of Node Network DGF and assume responsibility for organizing Proposal votes.

The members of the Node Network Governance Committee are to be elected by the Node Network DGF and installed by a majority vote of the Node Operators. There shall be a presumption of five members of the Committee unless a different number is authorized via an approved Proposal hereunder.

The members of the Node Network Governance Committee are elected for a one (1) year term of office, with no limit on the number of terms served.

In the same manner as their appointment, the members of the Node Network Governance Committee may be impeached via Proposal and subsequent majority vote of the Node Operators.

The Node Network Governance Committee shall post on the interface an email address or other means of communication for Node Operators that need to provide notice to the Committee hereunder.

#### **Node Network DGF**

The Node Network DGF possesses the legislative power, along with the separate right of the Oracle Node Operators to make Proposals.

The Node Network DGF consists of all Node Operators of the Win Node Network.

### **9.2. Proposal Approval Process**

For an initiative to be accepted for a vote, the initiative must meet the requirements of Sections 6.2-6.4 of this Charter, and a Node Operator shall provide a Proposal Fee of 500,000 (five hundred thousand) WIN Tokens along with the Initiative Proposal. The Proposal Fee shall ultimately be transmitted to a cryptographic wallet (the Proposal Fee Wallet) controlled by Node Governance SARL, for the benefit of the DGF, unless and until the Node Network Governance Committee is in place, in which case the Committee shall control the wallet for the benefit of the DGF. Any distributions from the Proposal Fee Wallet shall be determined by future Proposal(s) proffered by Node Operators in accordance with DGF protocol.

Up to ten (10) days after a Proposal is accepted for vote, assuming all other requirements for the Proposal are met, either Node Governance SARL, or the Node Network Governance Committee shall submit the initiative to the vote of the Node Network DGF.

Each licensed Win SmartNode shall have one vote. A single Node Operator may vote all Win SmartNodes under his/her/its control, wherein the Win SmartNodes must be licensed at the time the vote commences (i.e. Win SmartNodes licensed after the commencement of a vote do not invoke voting rights pertinent to that vote).

A Proposal is deemed approved and scheduled for execution if the following two conditions are met:

- A quorum minimum of 50% of the Nodes licensed at the time the vote commences have voted or have been represented in the vote through proxy.
- A 75% majority of participating licensed Nodes, at the time the vote commences (weighted by vote type), have voted in favor of the Proposal.

### **9.3. Types of Proposals**

The following modalities of Proposals apply:

#### **Initiative right**

The initiative right allows Oracle Node Operators to propose an amendment or addition to the DGF Charter, the Smart Contract(s), the Distribution Algorithm parameters, the Node Network Governance Framework, and the Node Network Parameters.

#### **Counter Proposal**

The Node Network Governance Committee may also submit a direct counter-proposal to a Proposal of the Node Network DGF to ensure appropriate governance. A counterproposal by the Node Network Governance Committee does not require the payment of a Proposal Fee.

#### **Referendum right**

Node Network DGF initiatives and decisions are subject to referendums. These allow the Node Operators to demand that an approved Proposal is put to a vote of the Node Operators. In order to bring about a referendum, signatures representing 75% of the Licensed Nodes must be collected within 10 days of publication of the Node Network DGF decision. Signatures, which may be in the form of NFT's or tokens, must be delivered to the Node Network Governance Committee. It is understood that "signatures" may also refer to electronic signatures.

Should the Node Operators vote with 75% against the decision of the Node Network DGF, the decision shall be cancelled, and the Node Network Governance Committee may prepare a new Proposal taking into account the referendum vote, if necessary.

### **9.4. Proposal Requirements**

Additional requirements related to the Proposals are listed in Sections 6.2 (Proposals), 6.3 (Proposal compliance) and 6.4 (Disputes).

## 9.5. Validator Nodes Governance

Validator Nodes are separate from and not part of the Node Network DGF. Therefore, governance of the Validator Nodes is separate from and not controlled by the Node Network DGF. Validator Nodes have the authority to add or subtract the number of Validator Nodes in operation and add or remove Validator Nodes from operation.

# 10. The Node Network Mediation Body

## 10.1. Scope of Application of Rules

The Node Network Mediation is a dispute resolution mechanism governed by Node Operators. It assures the dispute resolution process to solve issues between the Node Operators or issues arising with respect to the Charter, the Smart Contract terms, the validation process, the consensus mechanism(s), the Node Network Parameters, the Distribution Algorithm or the reward mechanism(s).

Disputes over any Proposals or votes must be resolved by Node Network Mediation Body.

Disputes between the WIN Token Holders and/or WIN NFT Holders should be resolved according to the Community Guidelines or by the following incremental processes as needed: dialogue, facilitation, mediation through Node Network Mediation Body.

## 10.2. Commencement of the Mediation

The Node Operators or the WIN Token Holder wishing to commence a mediation shall submit a request for mediation in writing to the Node Network Governance Committee. The request for mediation shall be delivered by email or via an interface made available by Node Governance SARL. The request for mediation shall contain or be accompanied by:

- a brief statement of the nature of the dispute;
- the name, email of the initiator of the request for mediation;
- an alternative proposal to solve the dispute (if any).

The date of the commencement of the mediation shall be the date on which the request for mediation is received by the Node Network Governance Committee. The Node Network Governance Committee shall transmit the mediation request to the Node Network Mediation Body.

The Node Operators or the WIN Token Holder wishing to commence a mediation must transfer 1,000,000 (one million) WIN Tokens to the Node Network Mediation Body public address to initiate the mediation process.

Upon receipt, the Node Network Mediation Body shall forthwith inform the parties in writing of the receipt by it of the request for mediation and of the date of the commencement of the mediation.

## 10.3. Appointment of the Guardian(s)

Guardian(s) are Node Operators that are eligible to rule upon disputes in Node Network Mediation Body. The Guardian(s) shall be neutral, impartial and independent.



The Guardian(s) shall be elected in a random way by an RC Network randomness algorithm. The Node Network Governance Committee decides the number of Guardians required to complete the mediation process successfully.

Incorporation of the Guardian(s) in the Node Network Mediation Body shall be part of the Node Network Parameters and will be rewarded by the Node Network as a distribution parameter action.

The Guardian(s) shall promote the settlement of the issues in dispute in any manner that he/she believes to be appropriate and shall have authority to enforce a settlement.

#### **10.4. Representation of Parties and Participation in Meetings**

The Node Operators or the WIN Token Holder that filed a request for mediation may be represented or assisted in the meetings with the Guardian(s).

#### **10.5. Confidentiality**

The mediation procedure is confidential and commences upon the signature of the confidentiality undertaking.

#### **10.6. Applicable rules**

The mediation process shall be carried out in accordance with the Swiss Rules of Mediation of the Swiss Arbitration Centre in force on the date when the request for mediation was submitted in accordance with these Rules.

The mediation shall be done online, although the meetings may be held in Geneva, Switzerland.

The mediation shall be conducted in English.

#### **10.7. Termination of the Mediation**

The mediation shall be terminated by the signing of an agreement covering any or all of the issues in dispute raised in the request for mediation; or by the decision of the Guardian(s) if, in the Guardian(s)'s judgment, further efforts at mediation are unlikely to lead to a resolution of the dispute; or by a written declaration of a party at any time.