

Afreum DAO Charter

Introduction to the Charter	2
The Afreum DAO Agreement	5
Immutable guidelines	5
Proposal compliance	5
Mutable guidelines	5
Proposal compliance	5
Disputes	7
Representation & Warranties	7
Discharge of future claims	7
Legal personality	7
Modifications to the Afreum DAO Agreement	7
The Afreum Manifesto: A pledge to foster financial inclusion	8
The Community Guidelines	10
Code of Conduct	10
Our Standards	10
Afreum Governance Proposal Process	14
Governance Bodies	14
Formation of new Sub-DAOs	15
Treasuries & Permissions	15
Proposals	15
The Requirements for Proposals:	15
Types of Proposals:	15
Process for Financial Proposals and/or Other Proposals: in sequential order:	16
Process for Elections: in sequential order:	17
Glossary	18
Key Definitions	18
Additional Definitions	19
Sub DAO Agreements	21

General Provisions	21
Agreements:	21
Membership	21
Compensation	21
Executive Sub-DAO	21
Tech Committee Sub-Dao	23
Compliance Committee Sub-DAO	23

Introduction to the Charter

Dear AFRX Holders,

Please read this Charter document carefully, as it defines your rights and responsibilities for participation, interaction, governance and use of the Afreum Ecosystem and your relationship with AFRX Holders and others that interact with the Afreum Ecosystem.

As an AFRX Holder, natural or legal person interacting with the Afreum Ecosystem, you accept and agree to act in good faith and be bound by this Charter, which forms an agreement between you and anyone else that participates or otherwise interacts with the Afreum Ecosystem. If you do not accept and agree to be bound by this Charter, you must cease to access, use, interact and participate within the Afreum Ecosystem.

This Charter is based on the Aragon DAO charter made available under a Creative Commons license Attribution-ShareAlike 4.0 International.

1. Applicable rules to the Afreum Ecosystem

- a. There are two-layers of applicable rules in the Afreum Ecosystem, human-readable rules and Smart contract code:
- b. These rules forming together the Charter that lays out the basic principles required for participation or interaction with the Afreum Ecosystem and are comprised of the following agreements:
 - i. Introduction to the Charter
 - ii. Afreum DAO Agreement
 - iii. Afreum Manifesto
 - iv. Smart contract code
 - v. Afreum Community Guidelines
 - vi. Afreum AGP Process
 - vii. Sub-DAO Agreements
- c. In the event of any conflicts between paragraphs of these agreements, the above rank shall be used with “i” being the most important agreement that supersedes and prevails over all others.

2. General legal principles

Except for any indemnification obligations or specific liability set out in this Charter, the liability of each natural or legal person that has drafted any part of this Charter or supported the initiation

of this Charter or the Afreum Ecosystem, each AFRX Holder, each member of a governance body (Afreum Governance) and each natural or legal person interacting with the Afreum Ecosystem shall be limited to the fullest extent permitted by applicable law. The liability 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 Afreum Ecosystem.

Neither party participating in or interacting with the Afreum Ecosystem 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 Afreum Ecosystem or to bind anyone else to any contract, agreement, or undertaking.

This Charter and the Afreum Ecosystem are fully independent and not controlled by any legal entity associated with Afreum. To the fullest extent permitted by applicable law, in no event will any legal entity associated with Afreum be liable for damages of any kind, under any legal theory, arising out of or in connection with your use, participation or interaction with the Afreum Ecosystem, 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.

The Afreum Ecosystem is only represented by votes of the AFRX Holders and not by any single or a limited group of participants; everyone that is entering into any relationship (including but not limited to participation or any kind of interaction) with the Afreum Ecosystem acknowledges that the others also having a relationship with the Afreum Ecosystem are neither jointly nor severally liable for acts or omission of the Afreum Ecosystem. The liability of the Afreum Ecosystem is limited to the fullest extent permitted by applicable law; in case of any mandatory liability, the total liability of the Afreum Ecosystem is limited to its assets.

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 Afreum Ecosystem or in connection with any relationship among the AFRX Holders or anyone else interacting with the Afreum Ecosystem shall be settled:

- By mutual agreement between the parties, using Afreum Court or another mutually agreed arbitration service,
- Or otherwise, in the Court of the Hong Kong Special Administrative Region (HKSAR) and this Charter shall be governed by and construed and enforced in accordance with the laws of the Hong Kong Special Administrative Region (HKSAR).

The Afreum DAO Agreement

1. Immutable guidelines

The guidelines in this section shall not be amended and shall apply to all proposals submitted to the [Afreum DAO](#)(s). If any other guidelines in this Agreement conflict with these immutable guidelines, the immutable guidelines shall take priority for enforcement purposes.

a. Proposal compliance

- i. Proposals must be governed by this Agreement, or a future version of this Agreement as modified within the bounds of the Agreement.
- ii. Proposals must not disproportionately benefit a majority of [AFRX Holders](#) voting on a proposal over the minority.
- iii. AFRX held by the Main DAO and/or Sub-DAOs must not be used to influence proposals nor votes, nor be staked in Afreum Court.

2. Mutable guidelines

The guidelines in this section may be amended. These guidelines apply to all proposals put forth to the Afreum Ecosystem.

a. Proposal compliance

- i. Proposals must be consistent with the [Afreum DAO Agreement](#), [Afreum Manifesto](#), [The Community Guidelines](#), and [The AGP Process](#), and if relevant any [Sub-DAO Agreements](#), or a revised version of these documents approved by the community (approved as defined in the Afreum DAO Charter).
- 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 authors (unless use of said material is permitted by the copyright owner or otherwise protected under other legal standards).

- iii. Proposals must be accompanied by an accurate English-language Justification for the proposal¹. The Justification must include the following information:
 1. The name(s), Stellar address and/or username(s) of the author(s) of the proposal. The author(s) should be the primary point of contact for any questions or comments regarding the proposal.
 2. The author's preferred contact method, in case anyone has questions or comments regarding the proposal.
 3. An accurate summary of the proposal in 280 characters or less.
 4. A rationale section detailing the author'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 in relation to the Afreum Manifesto for the community around the Afreum Ecosystem.
 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 author(s), any similar or related prior work known to the proposal author(s).
- iv. If the proposal amends one or more Ecosystem contracts or applications, then a security audit report of the Ecosystem contract or application amendment may be carried out and deemed passed (as defined in the AGP Process).
- v. If a proposal deploys a new Afreum Court Jurors Registry contract or code and/or amends Afreum Court to use a new Jurors Registry, then the new Jurors Registry must use AFRX as the native juror token.
- vi. Proposals must not use the [Afreum DAO](#) or Sub-DAOs role as Afreum Court funds governor to transfer AFRX staked and/or activated by Afreum Court Guardians to another account outside of Afreum DAO or Sub-DAOs.

¹ Typos in the Justification shall be allowed if they do not substantially alter the meaning of the proposal. Each Justification must be referred to in the on-chain source code or transaction data of the proposal by the content-addressed location of the Justification on the public IPFS network, and the Justification must be accessible via the public IPFS network for as long as the proposal is open for voting and/or in effect. If a Justification becomes temporarily inaccessible via the public IPFS network, and its proposal is challenged under this guideline, then Guardians should block the proposal if they have reason to believe the Justification was inaccessible at the time that the proposal was challenged. Alternatively, the Justification may be encoded directly into the on-chain source code or transaction data of the proposal so that the Justification remains human-readable and accessible as long as the relevant blockchain itself remains publicly available.

b. Disputes

- i. Disputes over any proposal relying on this Agreement must be resolved by Afreum Court.
- ii. Other disputes between AFRX Holders should be resolved according to the [Community Guidelines](#) or by the following incremental processes as needed: dialogue, facilitation, mediation, and arbitration (by default Afreum Court). Unless a participant is unable to participate for legal or psychological reasons, the order for choosing the appropriate mechanism is first to last as described above.

c. Representation & Warranties

- i. [AFRX Holders](#) and other participants or natural or legal persons that interact with the [Afreum Ecosystem](#) represent and warrant that:
 1. They can be legally bound by this Charter according to their applicable laws.
 2. Their participation or interaction with the Afreum Ecosystem is always in compliance with applicable laws, including but not limited to anti-corruption laws.
 3. They will be solely responsible to comply with all applicable tax laws, including, but not limited to, the reporting and payment of income tax, social security, wealth tax or similar taxes.
 4. 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, will excuse the performance of the Afreum Ecosystem.
 5. They understand the governance procedure and applicable rules of the [Afreum Ecosystem](#) and especially the applications' and smart contracts' functioning and limitations.
 6. They understand the following risks, associated to the use of blockchain, crypto-assets and therefore the [Afreum Ecosystem](#), which they agree to take at their sole responsibility, including but not limited to risk associated with:
 - a. Stellar blockchain's malfunction (or any other protocol used)
 - b. Unfavorable regulatory action in one or more jurisdictions
 - c. Theft and hacking
 - d. Security weakness in the Afreum Ecosystem components
 - e. Weaknesses or exploitable breakthroughs in the field of cryptography
 - f. Smart contracts and applications underlying the Afreum Ecosystem are new and may therefore be subject to fraud and failures or include weaknesses or bugs

- g. The tax treatment of crypto-assets is uncertain and there may be adverse tax consequences when participating or interacting with the Afreum Ecosystem or holding any AFRX
- h. Losing of credentials to access AFRX balances results in such AFRXs becoming unrecoverable and permanently lost
- i. Uninsured losses
- j. Internet transmission risks
- k. Insufficient participation in the Afreum Ecosystem
- l. Unanticipated risks and force majeure

d. Discharge of future claims

- i. To the fullest extent permitted by the applicable law, you agree to indemnify, hold and defend the [Afreum Ecosystem, and any Afreum-affiliated legal entity](#), 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 violation of this Charter;
 - 2. your use or interaction with the Afreum Ecosystem; and
 - 3. your interaction with other AFRX Holders or third parties in the framework of the Afreum Ecosystem.
- ii. You agree that you use and participate in the [Afreum Ecosystem](#) and interact with the Afreum DAO as well as with other AFRX holders or third parties in the framework of the Afreum Ecosystem at your sole risk, especially acknowledging the risks described in this [Agreement](#) (the Afreum DAO Agreement).

e. Legal personality

- i. The Afreum Ecosystem is not intended to have legal personality, nor the AFRX Holders to have any interest or membership over any legal entity associated with the Afreum Ecosystem unless explicitly defined in the articles of incorporation of said entity.

f. Modifications to the Afreum DAO Agreement

- i. AFRX Holders may only modify the rules of this Agreement as follows:
 - 1. The Immutable Guidelines must not be modified.
 - 2. The Mutable Guidelines may be modified by:
 - a. a Majority (more than 50% in favour) vote, with a minimum quorum of 1% of [AFRX Holders](#). The AFRX Holders must be notified of the suggested amendment through reasonable means at least fourteen (14) days before the beginning of the vote, and the vote must be open for a minimum of seven (7) days for the community to vote.
 - 3. Voting must be organized in Afreum Vote.

The Afreum Manifesto: A pledge to foster financial inclusion

We believe the development and adoption of blockchain technology provides an unprecedented opportunity for financial inclusion and empowerment of financially disenfranchised populations across the globe, especially in Africa. The technology has the potential to create a more free, open, and fair society and to improve financial access and literacy around the world. The Internet has opened the doors for universal, cross-border, and non-violent collaborative efforts to **foster financial inclusion for all**. We believe humankind **should use technology as a liberating tool** to unleash all the goodwill and creativity, and full potential, of our species.

In 2017, the World Bank reported that there are 1.7 billion unbanked adults worldwide, most of whom live in developing countries. 56% of those unbanked adults are women. The report also identified a strong link between the lack of financial inclusion and poverty. It follows that financial tools and services that offer access to payments savings, insurance and credit are important instruments that help people rise out of poverty and grow financially.

Why are so many people unbanked?

The 2017 Global Findex survey revealed the following reasons why so many people remain unbanked:

- 66% of the respondents simply had no money to put in a bank account.
- 30% responded that they had no need for a bank account.
- 26% said bank accounts are too expensive to open and maintain.
- 26% stated that bank accounts were unnecessary because a family member already had one.
- Other reasons included distance to the bank, documentation requirements, distrust in the financial system and religious concerns

How Afreum aims to solve this?

- Foster individual financial self-sovereignty through financial education. Helping populations grow income and build savings habits.
- Reduce the cost of opening a “bank account” i.e. accessing banking-like services at almost zero cost.

- Reduce the complexity of access to financial systems and services by leveraging the latest decentralized finance tools and eliminating barriers to entry.
- Provide an international money system based on crypto, and the financial tools that people need globally, and make them accessible anytime anywhere, 24-7.
- Reinvest some of the value created in the ecosystem into helping populations pay for schooling, save for a home, build community facilities, or start a new business.
- Focus on the Africa use case “**Crypto for Africa**” with a view to applying best practices to unbanked and disenfranchised populations globally.

In short, Afreum is an attempt to build a financially-inclusive global money system based on the principles of **Unity. Clarity. Equity**. Afreum empowers financial inclusion by creating well thought out unifying tools and applications that leverage decentralized technologies to provide equal access for all peoples of the world. **Unity** - means everyone is invited to participate in the singular mission of financial inclusion. **Clarity** - means we know that financial inclusion is a problem around the world and we are clear about how we want to solve it. **Equity** – means that we want our ecosystem to be fair, accessible, and equitable. **These are the core values that Afreum stands for**, and we want to inspire our community to always **uphold and defend them**.

We want these values to last. **We are in this for the long run**. In order to make a lasting impact, **we must create systems that provide regenerative economic value to all participants**. We must honor and encourage the communities that sustain Afreum itself, and we must do so by rewarding those who defend the values outlined in this manifesto.

We are committed to a world in which every person who believes in our mission can participate in building this global economic system that we have imagined.

The Community Guidelines

Code of Conduct

We as community members, contributors and leaders pledge to make participation in the Afreum Ecosystem a harassment-free experience for everyone, regardless of age, body size, visible or invisible disability, ethnicity, sex characteristics, gender identity and expression, level of experience, education, socio-economic status, nationality, personal appearance, race, religion, or sexual identity and orientation.

We pledge to act and interact in ways that contribute to an open, welcoming, diverse, inclusive, effective and healthy community for ourselves, each other, and the planet.

Our Standards

Examples of behaviour that contributes to a positive environment for our community include:

- Assuming good intentions and demonstrating empathy and kindness toward other people.
- Being respectful of differing opinions, viewpoints, and experiences.
- Giving and gracefully accepting constructive feedback.
- Proactively taking responsibility.
- Clearly communicating if we might fail to uphold responsibility, working to avoid or repair negative consequences on others, adequately apologizing with the affected parties, and learning from the experience.
- Focusing on what is best not just for us as individuals, but for the overall community. Embodying the values of the Afreum Manifesto.

Examples of unacceptable behaviour include:

- Selling or renting votes.
- Trolling, insulting or derogatory comments, and personal or political attacks.
- Public or private harassment, including stalking or repeated unwanted contact, including non-consensual sexual attention, sexualized language or imagery, or advances of any kind.
- Misleading or passive-aggressive comments.
- Publishing other's private information, including Personal Identifiable Information (PII) such as a physical address or email address, without their explicit permission.

- Hate speech such as promotes violence or hatred against people based on characteristics like race, ethnicity, national origin, caste, religion, disability, disease, age, sexual orientation, gender, or gender identity.
- Doing any unlawful purpose or in furtherance of illegal activities.
- Spam (unsolicited off-topic messages, especially commercial in nature).
- Inciting or threatening violence, encourage, glorify or incite violence against anyone relate to extremism, terrorism, or human trafficking, directly or indirectly, or encouraging others to hurt themselves.
- Propose or make any payments or behave directly or indirectly in a way that results in a violation of applicable anti-corruption laws.
- Repeatedly yelling (i.e. ALL CAPS or excessive exclamation points!!!).
- Discussing the price of a token or asset, or giving any type of financial advice.

Violations and Consequences

Community Members will follow the guidelines listed below, in determining the consequences for any action they deem in violation of the [Code of Conduct](#):

1. Correction

Community Impact: A single use of inappropriate language or other behavior deemed unwelcome in the community.

Consequence: Deletion or removal of the post in question, in addition to communicating which rule was violated and how to avoid such violations in the future. If the action was in person, direct communication with that individual to identify which rule was violated and how to avoid such violations in the future.

2. Warning

Community Impact: A violation through a single incident or series of actions.

Consequence: A warning with consequences for continued inappropriate behavior. No interaction with the people involved, including unsolicited interaction with those enforcing the Code of Conduct, for a specified period of time. This includes avoiding interactions in community spaces as well as external channels like Telegram, Discord, Reddit, Community Forum, etc. Violating these terms may lead to a temporary or permanent ban.

3. Temporary Ban

Community Impact: A serious violation of community standards, including sustained inappropriate behavior.

Consequence: A temporary ban from any sort of interaction or public communication with the

Community for a specified period of time. No public or private interaction with the people involved, including unsolicited interaction with those enforcing the Code of Conduct, is allowed during this period. Violating these terms may lead to a permanent ban.

4. Permanent Ban

Community Impact: Demonstrating a pattern of violation of community standards, including sustained inappropriate behavior, harassment of an individual, or aggression toward or disparagement of classes of individuals. Vote-selling or vote-renting classifies for a permanent ban.

Consequence: Permanent removal from any sort of interaction or public communication with the Community for a specified period of time. If an individual has alternate accounts, those may be removed as well. No public or private interaction with the people involved, including unsolicited interaction with those enforcing the Code of Conduct, is allowed.

Reporting and Enforcement

Every community member has a duty to promote the use of the Community Guidelines, call to attention members of the community who come close to or violate the Guidelines (as long as this doesn't put their personal safety in jeopardy), and inform platform admins of violations. Ultimate responsibility for enforcing the Community Guidelines in each platform rests with the platform admins of each platform.

To report a violation of the Community Guidelines, members can:

- Tag a moderator in the platform where the violation has occurred,
- Email the moderators at community@afreum.org

Afreum Governance Proposal Process

The purpose of the Afreum Governance Proposal Process ("the AGP process") is to provide a structured process for making changes to the shared resources of the Afreum Ecosystem. For these shared resources, governance processes are needed to grant or deny access and approve or reject proposed changes.

1. Governance Bodies

- a. The following bodies will form part of the AGP process and are collectively referred to as the Afreum DAO, composed of a Main DAO and Sub-DAOs.
- b. **Main DAO** - an Afreum Govern DAO that uses Afreum Vote voting to validate the community's sentiment and then scheduling proposals for execution, enabling AFRX Holders to both exercise direct democracy (directly propose and approve proposals) and elect members to existing or new Sub-DAOs.
- c. **Sub-DAOs** - DAOs controlled by the Main DAO. At launch, the following Sub-DAOs will exist:
 - i. **Executive Sub-DAO:** An Afreum Govern DAO, with permission for treasury management of the Operations Wallet.
 1. The Executive Committee DAO is governed on a do-ocracy basis (Optimistic Governance) by the Executive Committee Members.
 2. Members of the Executive DAO ("Executive Committee Members") are elected by AFRX Holders through a vote on the Main DAO.
 - ii. **Compliance Sub-DAO:** an Afreum Govern DAO, with permission to veto proposals and actions in the Main DAO and Sub-DAOs that represent a breach of this Charter and/or directly harm the Afreum Ecosystem.
 1. The above shall not include actions or proposals to add and/or remove wallet addresses from the Compliance DAO.
 2. The compliance DAO is governed on a do-ocracy basis (Optimistic Governance) by the Compliance Committee Members.
 3. Members of the Compliance DAO ("Compliance Committee Members" i.e. wallets with permission to veto proposals through the Compliance DAO) are elected by AFRX holders through a vote on the Main DAO.
 - iii. **Tech Committee:** an off-chain committee charged with deploying accepted proposals that contain new code (and managing the access to

the necessary web2 platforms to perform this task). The Tech Committee also has the authority to remove proposals that do not meet technical quality standards as well as to determine which proposals should be subject to a 3rd party independent technology audit.

1. The Tech Committee decides on the need (or lack thereof) for audits on proposals using Afreum Vote and a majority vote.
 2. Members of the Tech DAO ("Tech Committee Members") are elected by AFRX Holders through a vote on the Main DAO.
- d. **Afreum Court:** Used to challenge the actions scheduled on both the Main DAO and any Sub-DAO, and directly from the Vote UI / or the custom UI for the Sub-DAO.

2. Separation of Powers

- a. The same members shall not be part of more than one of the following: the Executive Sub-DAO, Compliance Sub-DAO, Tech Committee, and Guardians in Afreum Court.
- b. When a decentralized identity solution is integrated into the DAO, members of these committees shall prove their unique identity using said solution.

3. Formation of new Sub-DAOs

- a. The Main DAO can deploy a new Sub-DAO, be given control over an already deployed DAO, dissolve an existing Sub-DAO, or spin-off a Sub-DAO as an independent DAO at any point in time.
- b. Each Sub-DAO may have its own operating agreement outlining at a minimum the responsibilities of its members which shall be listed as an Appendix to the Afreum DAO Charter.
- c. In case of conflict between agreements, or the absence of a Sub-DAO operating agreement, The Afreum DAO Charter shall prevail.

4. Treasuries & Permissions

- a. **Investment Wallet:** The reserve treasury of the Afreum Ecosystem. Used to fund Sub-DAOs and/or to obtain yield.
 - i. Any AFRX Holder can make proposals for Financial Proposals as described in the Financial Proposals section of this AGP process document.
- b. **Operations Wallet:** The main treasury of the Afreum Ecosystem. Used to fund operations and make strategic fundings.

- i. Any AFRX Holder can make proposals for Financial Proposals as described in the Financial Proposals section of this AGP process document.
- ii. And any wallet with permissions for the Executive DAO (i.e. any member of the Executive Committee) can program and delete Financial Actions in the Executive Sub-DAO as per the Executive Sub-DAO operating agreement.

c. Additional Treasuries

- i. Sub-DAOs are not allowed to create additional treasuries under the exclusive control of the Sub-DAO (and outside of the control of the Main DAO) unless approved by a majority vote of AFRX Holders.
- ii. The Main DAO may create additional treasuries through a majority vote of AFRX Holders.

5. Proposals

- a. Any AFRX Holder can create a Proposal in the Main DAO
- b. Any Sub-DAO may remove a scheduled proposal at any time (e.g. Veto right) should they have the power to do so as per their operating agreement and as per this Charter.
- c. All proposals must comply with the Requirements for Proposals & the specific format and process for the type of proposal as follows:

d. The Requirements for Proposals:

- i. **Public deliberation:** all proposals must be shared during the public deliberation phase in the Afreum Forum and linked in the Afreum Telegram Channel, unless these services are unavailable.
- ii. **Voting period:** the vote on Afreum Vote must be at least 7 days.
- iii. **Scheduling:** once approved, proposals are automatically scheduled for execution 5 days after the end of the vote.
- iv. **Collateral:** the proposer must put 10 AFRX as collateral during the voting period. This collateral might be forfeited if the proposal is challenged in Afreum Court and ruled to violate any provision of this Charter.

e. Types of Proposals:

- i. **Financial Proposals:** any type of financial transfer of any asset that has a monetary value from the Main DAO or any Sub-DAO.
- ii. **Elections Proposals:** any type of proposal that gives/removes wallet permissions from the Sub-DAOs
- iii. **Other Proposals:** any other type of proposal (including Metagovernance Proposals, code submissions, parameter changes, etc).

f. Process for Financial Proposals and/or Other Proposals: in sequential order:

- i. **Public deliberation phase:** A post with the draft of the proposal is posted in the Afreum Forum for a minimum of 7 days and maximum of 14 days with the format:
 1. *Title of Proposal (in the format "Financial Proposal:[title]")*
 2. *Description of the Action*
 3. *Description of why the author believes it will help to increase the number of Active Afreum DAOs*
 - a. *By default, all Financial Proposals involving a deliverable should use an Escrow (see [Additional Definitions](#)). In cases where the use of an Escrow is omitted, a justification must be included in the Description.*
 4. *And suggested optional: Stellar Wallet address of the author(s) and/or other identifiers*
- ii. **Voting:** the proposal (or a revised version of the proposal incorporating the community's feedback) is posted for a vote on Afreum Vote.
 1. For calculating voting power, 1 AFRX token = 1 Vote.
- iii. **Approval:** a proposal is deemed approved and scheduled for execution if the following conditions are reached:
 - a. Quorum: a minimum of one thousand (1,000) AFRX has been used to vote.
 - b. Support: The vote shall be deemed as "passed" with a simple majority (>50%) of the participating AFRX having voted in favour.
 2. When a proposal includes a code submission, the Tech Committee has up to 14 days to decide and communicate via a post in Afreum Forum whether a proposal will be:
 - a. Accepted and incorporated.
 - b. Submitted to a 3rd party audit to determine its safety (conditional on the Operations Wallet having the necessary funds).
 - c. Rejected as malicious, technically infeasible, or economically infeasible (if an audit is required and the

Operations Wallet lacks the necessary funds to cover the costs of the audit).

g. Process for Elections: in sequential order:

- i. **Public deliberation phase:** A post with the draft of the proposal is posted in the Afreum Forum for a minimum of 7 days and maximum of 14 days with the format:
 1. *Title of Proposal (in the format "Election: [title]")*
 2. *Description of the Action (including what permissions will be given/removed for which DAO/Sub-DAO)*
 3. *In the event of the election being proposed before the frequency stipulated in the agreements of the Sub-DAO, add a description of why an advanced election is needed*
 4. *And suggested optional: Stellar Wallet address of the author(s) and/or other identifiers.*
- ii. **Sourcing Candidates:** Candidates can be proposed (and/or propose themselves) by replying to the Forum post (only one candidate per post reply) in the following format:
 1. *Identifier: their Stellar wallet address (and optional their name, discord handle, twitter handle, and other identifiers)*
 2. *Rationale: description of why they are an ideal candidate for the position*
- iii. **Voting:** top 10 candidates with the highest number of upvotes in the Afreum Forum will be put forward to a vote using Afreum Vote.
 1. In the event of the election being proposed before the frequency stipulated in the operating agreement of the Sub-DAO (if any), the vote must also include the option to keep the current permissions even if the current wallets were not amongst the top 10 candidates.
- iv. **Approval & Execution:**
 1. In the exceptional case that two proposed users gain the same number of votes, the winner will be the candidate who reached the tying number of votes first.
 - a. E.g. Candidate A and B both tied at 7 votes, Candidate A wins because it reached 7 votes a day before Candidate B. If votes are submitted in the same block, repeat the vote.

6. Disputes

- a. Disputes between members that cannot be addressed through facilitation or mediation, and disputes related to proposals shall be resolved using Afreum Court.

- b. The losing party shall reimburse the winning party for any Afreum Court fees incurred by the winning party. Failing that, the Executive DAO shall reimburse said fees.

Glossary

Key Definitions

Active Afreum DAOs: DAOs created using the application code or smart contract provided by the Afreum Ecosystem, that have enacted at least 1 decision in the past month.

Afreum Ecosystem: a network of Afreum token (including AFR and AFRX) holders and the organisations and technology created by them to pursue the goals and live the values defined in the [Afreum Manifesto](#). Including but not limited to: The Afreum DAO, AFRX Holders, their affiliates, employees, contributors, licensors and service providers, and their respective officers, directors, employees, contractors, agents, licensors, suppliers, parent companies, successors, subsidiaries, affiliates, agents, representatives

Afreum DAO Charter: The whole of this document (“this Charter”), which consists of the human-interpreted rules of the Afreum Ecosystem and is subdivided in the following human-readable documents:

- [The Afreum DAO Agreement](#): the responsibilities and rights of AFRX Holders.
- [The Afreum Manifesto](#): the values and the mission of the Afreum Ecosystem.
- [The Community Guidelines](#): the norms of behaviour between AFRX Holders.
- [The Afreum Governance Proposal Process](#) (or “AGP Process”): the process used by AFRX Holders to govern the Afreum DAO

Afreum DAO: a Decentralized Autonomous Organization (an open coordination protocol based on open blockchain technology) that aims to facilitate the governance of the Afreum Ecosystem’s tools, infrastructure and other common resources. The Afreum DAO is governed by AFRX Holders according to the AGP Process and includes one or more Sub-DAOs also binded by this Charter.

AFREUM X Token(s) (or “AFRX”): the governance token of the Afreum Ecosystem - a transferable Stellar blockchain asset with the issuer address: GBDTAQDRSX3QOEAAQKYWRGOTFE5FHQTLIH5YAF2HGUY3PBKRXWDKBLHN. AFRX is used for the governance of the Afreum DAO and other forms of participation in the Afreum Ecosystem.

AFRX Holder(s): any entity that owns or controls a Stellar account that holds a balance of at least 1 Afreum X Tokens (AFRX).

Afreum Vote: A token-based voting client with universally verifiable results and deterministic execution.

Community Member: any AFRX Holder participating in the communication platforms, including Afreum’s Discord server, Afreum’s Telegram group, Afreum Forum, Afreum DAO, online and offline gatherings, and/or other groups and platforms of the Afreum Ecosystem.

Financial Actions: any on-chain action that transfers, exchanges, or stakes tokens held by the AN DAO or Sub-DAOs.

Additional Definitions

Afreum Court: a dispute resolution system governed by AFRX Holders who are part of a Juror’s Registry.

Afreum Ecosystem: all applications and/or smart contracts on the Stellar blockchain that are governed directly or indirectly by AFRX Holders, and are also subject to this Agreement.

Afreum Community Platforms: the platforms used for regular communication by the AFRX Holders and managed by either a legal entity associated with Afreum or the Afreum DAO. They include but are not restricted to Afreum’s Telegram Channel, Afreum’s Discord Server, Afreum’s Forum, Afreum’s Github repository, and online and offline events organised under the Afreum brand.

Afreum Ecosystem organization: the Afreum organization encompassing all apps installed on this organization.

DAO: decentralized autonomous organization - an open-source blockchain protocol governed by a set of rules, with fluid affiliation or membership through participation, and that automatically execute certain actions without the need for intermediaries.

Ecosystem contract: The computer-interpreted source code of a smart contract or application governed by AFRX Holders.

Ecosystem parameters: The current parameters of smart contracts governed by AFRX Holders, which can be modified without amending the source code of the smart contract itself.

Escrow: a contractual arrangement in which a third party (the stakeholder or escrow agent) receives and disburses money or property for the primary transacting parties, with the disbursement dependent on conditions agreed to by the transacting parties.

Guardian(s): natural person (represented by a wallet address) that is eligible to be drafted to rule upon disputes in Afreum Court. If a guardian is summoned, it must vote to allow or block

the action being disputed, and can be rewarded (earn tokens) or punished (lose tokens) depending if they voted with the majority (default interpretation) or against it. The protocol is designed so that Guardians do not know each other and do not have contact when they are summoned.

IPFS network: A peer-to-peer hypermedia protocol, whose project website is located at <https://ipfs.io>. The public network makes files accessible to any internet-connected device running a compatible implementation of the IPFS software.

Metagovernance (“Metagov”): refers to the process(es) to change the governance processes of the Afreum DAO.

Proposal: any suggested amendment to the Ecosystem contracts, Ecosystem parameters, the Agreements of the Afreum Ecosystem (i.e. Afreum DAO Charter and composing agreements), and Agreements of any Sub-DAOs.

Smart contract: a software program deployed to a blockchain.

Stellar blockchain: The blockchain referred to as “Stellar Network” by the owner of the Stellar trademark, the Stellar Development Foundation (SDF).

Off-Chain: refers to 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 or connected to so as to have verifiable and tamper-proof records.

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 or connected to so as to have verifiable and tamper-proof records.

Optimistic Governance: The process of decisions being enacted with a time delay which allows time for a decision to be challenged. If a decision is not disputed then the change is enacted at the end of the time delay. This allows for much faster decision making and strategy decisions to be made.

Sub DAO Agreements

1. General Provisions

a. Agreements:

- i. The Sub-DAO is bound primarily to the Afreum DAO Charter, and secondarily (and optionally) to its own rules and/or Agreements.

b. Membership

- i. The Sub-DAO shall initially consist of 3 members.
 1. In the first year since the creation of the Sub-DAO, for the sake of continuity, 2 of the 3 members will be elected by a legal entity associated with Afreum and 1 member will be elected through an election proposal in the Main DAO.
 2. In year 2, 1 of the 3 members will be elected by a legal entity associated with Afreum and 2 members will be elected through an election proposal in the Main DAO.
 3. In year 3, all members will be elected through an election proposal in the Main DAO.
 4. The term of each member shall be of 1 year.
 5. Should multiple committee members be reelected for more than 3 consecutive terms, the member that has been elected for the longest period of time will be discharged and replaced with a new committee member. The discharged member(s) can be re-elected after 2 years.
 6. Only natural persons can be members of the Sub-DAO, verified using a decentralized identity solution, chosen by the Main DAO.

c. Termination of membership

- i. If a member commits a serious breach (as determined by the Main DAO) of the Charter, the Main DAO may at any time remove said member of a Sub-DAO. The member may appeal the decision using Afreum Court.
- ii. All proposals for termination will be carried out by an Afreum Vote vote.
- iii. Any appeals shall be carried out using Afreum Vote.

d. Compensation & Expenses

- i. Each committee member of a Sub-DAO shall be paid a fee of 10 AFRX per month starting from the first full calendar month as a member. Jurors selected from the Juror Registry to preside over disputes will be paid 10 AFRX per case upon successful judgement of such disputes.
- ii. Committee members shall be reimbursed by the Executive DAO of any reasonable expenses incurred in the performance of their duties, provided they have provided prior notice in a proposal which has been approved in Afreum Vote.

2. Executive Sub-DAO

a. Responsibilities

- i. In particular the Executive DAO has the following powers:
 1. Pay members of other Sub-DAOs
 2. Make grants to other community members at their discretion, providing:
 3. Such transactions are disclosed transparently on the [Afreum Forum](#) website
 4. An Escrow is used to hold funds until the completion of the agreed-upon deliverable.
 5. The deliverable has been fully assessed by the members of the Executive DAO.
 6. Pay suppliers of the Afreum Ecosystem, providing such transactions are disclosed transparently on the [Afreum Forum](#).
- ii. And Executive DAO members have the following responsibilities:
 1. Keep an up to date record of their activities and use of funds.
 2. Hold a General Meeting (online or offline) every fortnight and keep a record of the meeting available to the AFRX Holders.
 3. Not miss any more than 3 consecutive General Meetings without providing a valid excuse (medical or force majeure) or a public explanation to AFRX Holders.

b. Decision Making process

- i. The Executive DAO uses a lazy-consensus process as follows:
 1. Any member of the Executive DAO can schedule an action in the DAO.
 2. If another member disagrees or wishes to discuss said action, provided that said action has not been backed by a majority vote of the Executive DAO members in Afreum Vote, they can:
 - a. Speak directly with the member who scheduled the action, in preference through a channel that's readable asynchronously by the community
 - b. and, if needed, cancel the scheduled action to provide enough time for the discussion.
 3. If the discussion between members doesn't lead to an agreement or cannot be scheduled soon enough (as determined subjectively by each member), each member of the executive DAO can trigger a vote of the Executive DAO members using Afreum Vote to resolve the dispute through a simple majority. The vote must be open for a minimum of 4 days and no longer than 14 days.

4. The vote's result will be invalid if:
 - a. Not all committee members vote AND the voting period has lasted less than 7 days or longer than 14 days. For clarity, if all committee members vote, the vote will be considered valid irrespective of the duration.
 - b. Less than 50% of committee members have voted.

3. Tech Committee Sub-DAO

a. Responsibilities

- i. In particular the Tech Committee DAO has the following responsibilities:
 1. Review technical proposals in the Main DAO and Sub-DAOs to assess them from a technical risk perspective.
 2. Remove technical proposals in the Main DAO and Sub-DAOs that represent a material technical risk to the project.
 3. Approve technical proposals they believe would be beneficial to the Afreum project and DO NOT require a 3rd party technical security audit due to being low risk.
 4. Suspend technical proposals they believe would be beneficial to the Afreum project, pending the completion of a 3rd party technical security audit.
 5. When needed, add approved proposals to Github and/or other repositories and merge the code.
 6. Maintaining a list of whitelisted technical security auditors they deem to be sufficiently competent to audit Afreum code and/or smart contracts.

b. Decision Making process

- i. The Tech Committee decides on a simple majority basis through an Afreum Vote vote of the Tech Committee members.
- ii. The vote's result will be invalid if:
 1. Not all committee members vote AND the voting period has lasted less than 7 days or longer than 14 days. For clarity, if all committee members vote, the vote will be considered valid irrespective of the duration.
 2. Less than 50% of committee members have voted.

4. Compliance Committee Sub-DAO

a. Responsibilities

- i. In particular the Compliance Committee DAO has the following responsibilities:
 1. Reviewing all proposals in the main DAO and any-sub DAO for compliance with this Charter and overall legal compliance, providing feedback to proposal creators where appropriate.
 2. Remove any proposals they deem to be non-compliant with any part of this Charter or illegal.

b. Legal responsibility

- i. The Compliance Committee members assume full legal responsibility for the approval of any illegal, unlawful, criminal or fraudulent proposal.

c. Decision Making Process

- i. The Compliance Committee DAO operates on an lazy-consensus veto basis as follows:
 1. Any member of the Compliance Committee Sub-DAO may cancel or delay an action in the Main DAO or Sub-DAOs.
 2. If the other members disagree with the decision, they can call a vote of the committee using Afreum Vote and get the decision overturned through a simple majority vote. The losing party may choose to ragequit (leave the Sub-DAO) before the decision is enacted.
 3. The vote's result will be invalid if:
 - a. Not all committee members vote AND the voting period has lasted less than 7 days or longer than 30 days. For clarity, if all committee members vote, the vote will be considered valid irrespective of the duration.
 - b. Less than 50% of committee members have voted.

Main DAO and Sub-DAOs Parameters

- **Main DAO Settings**

1. DAO identifier: Main DAO
2. DAO address:
GBWRQBD5G4LKIK7P3EPHDNTOAL64Y6YI42GLQDBMKYO6
U6M6G2IQPDAO
3. Investment Wallet Address:
GBE55UFBJ46PT46JZVFO766GJ77SSKEM6TJAEEMMC2Y2AY
E77XJN3K57
4. Operations Wallet Address:
GCWY72YGQSYOUT4VRZLXFVLBS33UQTYDPILA4UDQRLKS
WONY5TFTMTD4
5. DAO token name: AFREUM X
4. DAO token symbol: AFRX
5. DAO token address:
GBDTAQDRSX3QOEAQQKYWRGOTFE5FHQTLIH5YAF2HGUY3PBKRXWDKBLHN
6. Rules/Agreement: This Charter document.
7. Dispute Resolution Client: 0xfb072baa713b01ce944a0515c3e1e98170977daf
8. Collateral token:
GBDTAQDRSX3QOEAQQKYWRGOTFE5FHQTLIH5YAF2HGUY3PBKRXWDKBLHN
9. Collateral token amount: 10 AFRX
11. Whitelist addresses: All AFRX Holders

- **Executive Sub-DAO Settings**

1. DAO identifier: Executive Sub-Dao
2. DAO address:
GCUKYD7HT3DSTCC5GVGR7746WKC2ZLQGRBP4KYW5J6EBYTQSBKE32DAO
3. DAO wallet address:
GDID77L33IOOP3CMLIJKSFMT6MALK7KDJTWCD64VRBFGRTXWF5U4ZCJ5
4. DAO token name: AFREUM X
4. DAO token symbol: AFRX
5. DAO token address:
GBDTAQDRSX3QOEAQQKYWRGOTFE5FHQTLIH5YAF2HGUY3PBKRXWDKBLHN
6. Execution delay: 7 days
7. Rules/Agreement: This Charter document (referenced) and/or Sub-DAO Agreement.
8. Collateral token:
GBDTAQDRSX3QOEAQQKYWRGOTFE5FHQTLIH5YAF2HGUY3PBKRXWDKBLHN
9. Collateral token amount: 10 AFRX

11. Whitelist addresses:

1. Main DAO -
GBWRQBD5G4LKIK7P3EPHDNTOAL64Y6YI42GLQD
BMKYO6U6M6G2IQPDAO
2. Member 1 -
GBYB4HZEZCDYTCZKDR7LDXIKRHYWKCM5I5IDUU
V5CAPJCSBWGJQCFUBV
3. Member 2 -
GALNE7EOZMJJJUOHKOUHSNDRIMNY6AQETOON
BW4AXJYTEAQNLUZZU2K
4. Member 3 - [insert]

- **Tech Committee Sub-DAO Settings**

1. DAO identifier: Technology Sub-DAO
2. DAO address:
GCUEWG7U6ECXWD2Y47S6ZMUE7DAMIFYUSKXYNA65WYOACOGIHYETKDAO
3. DAO wallet address:
GC5CSAFD3X5NEBQPT2CQLNG2GTBW3QYCQGSANKF2RESQD3MDXAEXH5R
4. DAO token name: AFREUM X
5. DAO token symbol: AFRX
6. DAO token address:
GBDTAQDRSX3QOEAAQKYWRGOTFE5FHQTLIH5YAF2HGUY3PBKRXWDKBLHN
7. Rules/Agreement: This Charter document (referenced) and/or Sub-DAO Agreement.
8. Collateral token:
GBDTAQDRSX3QOEAAQKYWRGOTFE5FHQTLIH5YAF2HGUY3PBKRXWDKBLHN
9. Collateral token amount: 10 AFRX
9. Whitelist addresses:
 1. Main DAO -
GBWRQBD5G4LKIK7P3EPHDN
TOAL64Y6YI42GLQDBMKYO6U
6M6G2IQPDAO
 2. Member 1 -
GC4CWEM73ZF6A7ZRBWQW
M5QBV53TOUE4LXHDB2QMU
TUK7I2CKC2JNVKG
 3. Member 2 -
GB7XI5LJMLAGME524YJ3VCH
WQ7BW56QYWI4YXVZ2CBPKC
SB6SQIGPNPR
 4. Member 3 - [insert]

- **Compliance Committee Sub-DAO Settings**

1. DAO identifier: Compliance Sub-DAO
2. DAO address:
GCFPMCEL4CU66XF26RCN4Q4ZRG5SG5PC6YJ5RE5FQT7YUUPUH5Z2ADAO
3. DAO wallet address:
GDVS4M5FTPDO34D7YQATZGTE4YUFEAY5KGM6WK7YB2Y2NV3V6YEKZ
4. DAO token name: AFREUM X
5. DAO token symbol: AFRX
6. DAO token address:
GBDTAQDRSX3QOEAAQKYWRGOTFE5FHQTLIH5YAF2HGUY3PBKRXWDKBLHN
7. Rules/Agreement: This Charter document and/or Sub-DAO Agreement.
8. Collateral token:
GBDTAQDRSX3QOEAAQKYWRGOTFE5FHQTLIH5YAF2HGUY3PBKRXWDKBLHN
9. Collateral token amount: 10 AFRX
10. Whitelist addresses:
 1. Main DAO -
GBWRQBD5G4LKIK7P3E
PHDNTAL64Y6YI42GLQ
DBMKYO6U6M6G2IQPD
AO
 2. Member 1 -
GCJN43DOKIROMYHRP4
B2LFR4F5U6MOGZ3UQ
G5JSHYYUP3YYTV4QD
R72
 3. Member 2 -
GDGPSETRHVW7W2S4C
XIYF3LRPEHME4SCPDFV
2VOMRJSMAJP6H3CJIE6
 4. Member 3 - [insert]