

Definitize Constitution - Draft

Version 1.0

Community Commentary Period Begins

December 25, 2020

Community Commentary Period Ends

January 08, 2021

The next draft will be published 7 days after the end of the commentary period
on

January 15, 2021

Sections Not Included in this Draft:

1. Community Voting Basis for Governance Committee elections
2. Amendments
3. Reputation Earning/Decay Scenarios

(Any part of the constitution may be amended based on FC review and community feedback)

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Objectives

The purpose of Definitize is to be a decentralized autonomous organisation that serves to benefit patients and doctors with real products and services and is governed by a global community, while ensuring long term, consistent, and sustainable value for all.

The Definitize constitution is a binding document that lays out the mission, purpose, global constraints and rights of the Definitize community, which include the Founding Committee, Governance Committee, Dispute Resolution Committee, Governance Token Holders, Asset Contributors, Community Experts, and Distributors. The constitution also sets the rules and responsibilities of Governance Token holders including mining, usage, income, and vested authority.

Article 1: Patients Charter

Purpose

Definitize is motivated towards delivering a better healthcare system, which aims to address the needs of patients and fill the gaps in healthcare.

1.1 Patients Charter

- The charter mandates that every proposal is reviewed and validated to ensure that no proposal will have a harmful effect on the patients directly or indirectly.
- It also prohibits funding projects which are harmful to the patient community even if it is beneficial on an economic front.

1.2 Article 1 Proposals

- Asset Pool Proposals that are deemed to have the objective of Article 1, as its core principle, will be given priority in evaluation and voting. The staking process is also waived off for these proposals.
- The model around which a proposal is determined to be an Article 1 proposal, and the rewards for these types of proposals, should be put forth by the Governance Committee. It is then voted on by the citizens of Definitize.

Objectives within the scope of an Article 1 proposal include, but are not limited to:

- i. Improvement of wellness or disease management in impoverished populations
- ii. Pandemic response projects
- iii. Provision of access to those who did not have healthcare access hitherto
- iv. Subsidizing for the populace who cannot afford decent health care
- v. Vaccination drives

Article 2: Providers Charter

Purpose

Definitize is motivated towards empowering physicians to help more patients while enabling them to practice medicine more effectively and efficiently.

2.1 Providers Charter

- Any proposal made by the community is validated to ensure that the proposal does not impact physicians in a negative way or impede them in discharging their duties effectively.

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2.2 Article 2 Proposals

- Asset Pool Proposals that are deemed to have the objective of Article 2 as its core principle will be given priority in evaluation & voting and stakes are also waived off for these proposals.
- The model around which a proposal is determined to be an Article 2 proposal and the rewards for these types of proposals should be put forth by the Governance Committee. It is then voted on by the citizens.

Article 3: Governance Model

Purpose

A governance model has been put together in Definitize to ensure that the operations of the DAO is ethical, compliant with the Constitution, beneficial to the patients, beneficial to providers, and profitable to stakeholders. The Governance Committee, Dispute Resolution Committee, and Community experts contribute to DAO governance in their respective capacities. The Governance Committee is responsible for managing the operations of DAO including dealing with stakeholders, handling the finance of the DAO, and intervening when the operations of the stakeholders put the DAO in jeopardy. The Dispute Resolution Committee is the body which serves as redressal forum for the stakeholders having concerns on governance committee decisions. Community experts provide the citizens with the knowledge required to understand the components of the DAO in detail and, more importantly, their rights granted by the Constitution.

3.1 Induction

- The first round of general elections will be conducted by the Founding Committee after which, the responsibility will be handed over to the Governance Committee.
- It is the responsibility of the Governance Committee to conduct elections and appoint the Dispute Resolution Committee and the Community experts.
- The governance charter is adopted by the citizens before the first general election and the Governance Committee operations should not violate the articles laid out in the charter.

3.2 Governance Committee Responsibilities

The responsibilities of the Governance Committee are as follows:

- Appoint the community experts based on the DAO requirements
- Communicate with all stakeholders related to asset pools and ensure the asset pool operations are running smoothly
- Make Financial transactions on behalf of the DAO
- Review proposals, taking into consideration the opinion of suitable community experts and take the following actions:
 - Reject proposals if the appropriate majority agrees that proposal puts the DAO at risk or the proposal is not beneficial to the community
 - Record the Governance Committee's opinion for every proposal on the following aspects, for the citizens' reference:
 - Is the proposal Constitutional?
 - Is the proposal logically sound?
 - Is the proposal technically feasible?
 - Is it possible to implement the proposal in Smart Contracts?
 - Are the disclosure requirements properly addressed in proposal?
 - What is the likely budget to be incurred for implementing the proposal?

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- Every Governance committee member is encouraged to record their opinion on the above aspects in the proposal even if it is contrary to the sentiments of the other governance committee members.
- Adhere to the conditions laid out in the Governance Charter.
- Conduct elections to appoint Dispute Resolution Committee members when the dispute resolution Committee is stood up

3.2.1 Governance Charter

- A binding document which lays out the conditions of the day-to-day operations of the Governance Committee members
- Defines the step-by-step process to be followed in every scenario of Governance Committee operations.

3.3 Community Experts

Community Experts are Specialists who have expertise in aspect(s) which is integral to the functioning of the DAO. They are employed on a short-term or permanent basis depending on the urgency and requirements of the DAO. Community Experts are paid for their services discharged.

Community Experts are appointed in two ways:

- Emergency Appointments
- Long Term Appointments

3.3.1 Emergency Appointments

If a Community Expert is required on an emergency basis for the DAO, the Governance Committee members can decide so without community voting and approve the appointment. A short-term appointment cannot exceed 90 days.

3.3.2 Long Term Appointments

If the Governance Committee requires the services of a Community Expert for a period of more than 90 days, the Governance Committee should raise a proposal for the appointment of the expert and it should be approved by the Community.

The Community Expert discharges their duties while adhering to the Definitize Constitution and to a professional standard of ethics. The Community Experts should support the community by dispensing advice and responding to their queries related to the expert's area of specialization

3.4 Dispute Resolution Committee

The Dispute Resolution Committee is the redressal forum for citizens and other stakeholders, should they have any concerns in the decisions made by the Governance Committee. The Dispute resolution committee should be set up by the Governance Committee within 12 months of the commencement of DAO operations.

- The Dispute Resolution Committee is elected by citizens and appointed for a life-term.
- The Dispute Resolution Committee is paid a monthly remuneration.
- The Dispute Resolution Committee can overturn a Governance Committee decision or forward the issue to the Founding Committee.
- The total number of members in the Dispute Resolution Committee is 3 and they arrive at a conclusion by voting, along with making commentary on the proposals.

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- The Dispute Resolution Committee adjudicates on every action taken by the Governance Committee – rejection of Constitutional amendment proposals, rejection of governance proposals, operational decisions like payments, dock reputation points of a citizen, etc.
- The Dispute Resolution Committee can take the advice of Community experts at any point of time

Article 4: Governance Tokens (Citizens) Rights

Purpose

As a DCARE token holder, a DAO citizen is entitled to the following rights within DAO

- a) Right to Vote
- b) Right to raise proposals
- c) Right to raise an appeal against any decision
- d) Right to acquire reputation
- e) Right to Information

All of these rights are protected by the Constitution. Any changes to these rights require a Constitutional amendment to be raised and voted upon. For it to succeed it requires a 43% quorum and 75% majority. These numbers cannot be achieved through any manipulation and this involves massive citizen participation as well as near-unanimous approval to amend.

4.1 Right to Vote

- The voice of a citizen is heard through this feature
- Any major decisions, including asset pool creation, Governance Committee appointments, Disciplinary Committee appointments, Community Expert appointments, amendments, etc., requires a citizen vote which a citizen can influence by participating in voting
- Substantial Service Level Agreements (SLAs) for every proposal, other than emergency proposals, ensure that citizens do not miss out on any important proposals
- It is citizens responsibility to vote and ensure democracy prevails; non-participation is discouraged
- At no instance is a citizen to be stopped from voting

4.2 Right to Raise Proposals

- Any Citizen can create a proposal to the community. If it is accepted by its citizens, the proposal is adopted
- To ensure this feature is used carefully, boosting and staking requirements are stated clearly for all proposals
If the content of the proposal manages to be accepted by the Governance Committee and citizens, it is implemented, and a major share of the stake is returned.
- A citizen is rewarded for raising successful proposals with reputation
- At no instance, other than an emergency or black swan event, is a citizen to be stopped from creating a proposal

4.3 Right to Appeal

- Several decisions related to governance are in the hands of the Governance Committee. The DAO provides the ability for citizens to raise an appeal on decisions impacting them.

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- The Dispute Resolution Committee is created to hear the appeal of every stakeholder and the Dispute Resolution Committee decision is final. In some instances, the Dispute resolution Committee may request the intervention and decision of the Founding Committee. The Dispute Resolution Committee is obliged to provide explanation and justification on the decisions they make.

4.4 Right to Reputation

- Reputation is awarded for the recognition of good work done by a stakeholder in the DAO
- Reputation empowers the citizens with boosted voting rights, and in most types of vote, the vote is determined by the amount of DCARE held and the reputation held.
- Reputation can be used for boosting proposals
- Reputation is subject to decay if the member indulges in malicious practices or unscrupulous activities. Reputation can be docked for non-participation.

4.5 Right to Information

- Citizens are entitled to be made aware of all information related to the DAO
- The Governance Charter mandates that the Governance Committee is to make every action of theirs broadcasted through announcements
- The Governance Committee should make the announcement prior to taking any action or operation. This includes making of a payment, appointment of a Community Expert, calling out for elections, docking reputation points for a member etc.
- The Governance Committee meeting minutes are to be published to the public
- All expenses and payments made by the Governance Committee should be declared in public
- When it comes to any important decisions, which happen through proposals, the outcome must be viewable by a citizen at any point of time

Article 5: Governance Token Mining

Purpose

The authorization of the shared ownership of the Definitize DAO is the DCARE token. DCARE tokens can be obtained by the general public through a process called mining. The Founding Committee has created an annual mining contract, through which the general public can acquire DCARE tokens. After the handover of the DAO to the Governance Committee, the citizens will manage mining. Citizens can create new mining contracts, amend existing contracts, or close the existing ones, keeping in mind the interest of the DAO. It is the responsibility of Governance Committee to ensure that any mining proposal does not violate the rules of Constitution, through a parameterized Smart Contract.

5.1 General Mining Rules:

The DCARE token mining is a universal right and any interested person can mine DCARE tokens as long as mining is permitted by its citizens.

- Total DCARE that can be mined: 3.5M
- Last Date for mining: 31st Dec 2021

These parameters can be changed by a proposal and vote for closing the existing contracts.

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5.2 Permitted Mining Contract Changes:

5.2.1 Creation of a New Mining Contract

Citizens can create a new mining contract, but the contract should not violate the following threshold. No other restrictions or limitations can be added to the mining process by its citizens.

- SOLVE hours staked:36500
- Lock Period 30 days

Citizens can only change the above parameters through an amendment proposal and vote.

5.2.2 Close Mining Contracts

- There are 2 conditions that need to be met for a mining contract closure proposal to be raised by the citizens
 - The mining process needs to have been open for at least 12 months
 - 43% of 3.5M DCARE tokens need to have been raised before closure
- The above conditions can only be waived in the following instances
 - Mining closure can be done before the 12 months period if the entire available amount of 3.5M DCARE has been mined
 - Mining closure can continue beyond 12 months if 43% of DCARE has not yet been mined

Article 6: Asset Pool Management

Purpose

- They are the vehicles through which the core objective of the DAO is achieved, by funding ethical and beneficial healthcare business initiatives with shared profits.
- Various types of asset pools are in the roadmap – Asset Financing, Collateral and Lending. However, to start with, only the Asset Financing asset pool will be available.
- Asset pools involve the following stakeholders – Distributors, Governance Committee Members, Contributors, Community Experts. Distributors are citizen approved vendors who execute the business initiative. They make use of the funds from the asset pool to build the business and make interest and principal repayment per the proposal.
- The asset pool is proposed by the distributor and it is the responsibility of the Governance Committee, Community Experts (for review) and Citizens to validate and approve whether the asset pool proposal is ethical, profitable, and compliant with the Constitution.
- Once the asset pool is created, the external investors (contributors) can invest in the asset pool.

6.1 Creation

The asset pool proposal should come from a prospective distributor, who will stake and boost the proposal. The asset pool is materialized once the Governance Committee and the citizen vote their approval.

The Distributor should deposit the Collateral which is stipulated as a part of the proposal. The decision of the right Collateral value rests with Governance Committee. The Governance Committee can utilize the services of the Community Expert to arrive at the right amount of Collateral.

The Distributor is required submit Collateral to allow contributions from citizens and public to the asset pool.

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6.2 Contribution

Interested stakeholders, both citizens and non-citizens, can make contributions to the asset pool.

The asset pool contracts are generated only when the pool achieves the minimum threshold that is identified during the creation of the pool. If the threshold is not reached within stipulated timeframe, the pool is liquidated and returned to the contributors.

6.3 PITx tokens

During the contribution phase, contributors receive PITx in proportion to the amount of their contribution to the total asset pool. The contributors may sell their PITx to interested parties even before the commitment period.

- All PIT tokens have a common face value. The face value is agreed upon through a governance proposal.
- The value of PITx is also an indicator of the risk associated with repayment. Once the risk goes up, the value of PITx comes down.
- The value of PITx should be available in near real-time and the latency should not be more than 1 business day.

It is the responsibility of the distributors to provide the PITx calculation model and the transparency requirements when their proposal is put forth. The Community Experts will implement the PITx calculation model for each asset pool.

6.4 Collateral

The distributor and the Governance Committee must agree on the collateral during the proposal approval process. The agreed collateral value should be one of the features highlighted in the proposal when the proposal goes to a citizen vote.

The distributor should deposit the agreed collateral once citizens have voted the proposal's approval successfully.

The collateral should remain untouched and not used for operations of the DAO. The Governance Committee may solicit distributors to deposit additional collateral should the distributors miss a payment according to the repayment schedule.

6.5 Withdrawals and Repayments

Payments are made automatically by Smart Contracts to the distributors as per the withdrawal requirements stipulated in the proposal.

Distributors should make repayments on time. If the scheduled repayment is missed by the distributors, the Governance Committee will take the following actions depending on the responsiveness of the distributor, their promptness of further repayments, and additional collateral deposits:

1. Raise the collateral based on the number of repayments missed
2. Stop the withdrawals if the repayment is missed for a considerable period of time
3. Liquidate the asset pool and distribute the proceeds with the contributors

6.6 Transparency

Distributors should ensure that they have enough provisions to make every transaction of their business to be transparent. If the Governance Committee feels that the transactions are not

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transparent, they have the right to stop the withdrawals and sort out the transparency issues with the distributor.

Article 7: Redemption and Liquidation Management

Purpose

This article covers the rules around the following scenarios:

1. PITx holder redeems their PITx tokens after the commitment period
2. Distribution of proceeds to PITx holders after liquidation.

7.1 Redemption Schedule:

The redemption schedule should be published by the distributor as a part of the proposal. The schedule should contain the following:

- Date for the end of a commitment period, beyond which redemptions can be done
- Allowed period in which redemptions can be done
- Amount of PITx that can be redeemed for each scheduled period (in percentage)

More types of scheduling models can be raised as a proposal. If citizens and the governance committee agree, the models can be added to the DAO.

7.2 Redemption Process

PITx tokens may be redeemed in the following ways:

- Voluntary redemption of all or a portion of PITx tokens
- Forced/automated redemption at the end of a pool period

7.2.1 Voluntary redemption of all or a portion of PITx tokens

If a PITx holder wishes to burn the PITx tokens for distribution tokens at any point of time, the proceeds are returned to the PITx holder only after the commitment period. The returns are also in line with the redemption schedule and the remaining PITx are burnt in subsequent schedules per the limits specified in the proposal.

7.2.2 Forced/Automated Redemption at the End of Pool Period

At the end of the pool period, the asset pool is closed and all PITx holders are obligated to submit their PITx and receive their proceeds in distribution tokens.

The pool shall retain the funds for PITx holders who do not redeem immediately after the end of the pool period. The PITx holders can redeem their PITx tokens anytime after the pool period and can receive their proceeds.

7.3 Liquidation

An asset pool is liquidated in any of the following scenarios:

1. Citizens decides to liquidate the asset pool
2. Minimum Contribution was not achieved
3. Emergency scenarios such as legal violations

7.3.1 Minimum Contribution Not Achieved

The asset pool shall be liquidated if the minimum contributions stipulated in the proposal is not achieved within the contribution period. The stable coins accumulated thus far is returned to the contributors by burning the PITx tokens held by them.

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7.3.2 Liquidation Proposal

A liquidation proposal is raised by a citizen, verified for jeopardy requirements, and opined by the Governance Committee, with approval by through a citizen vote. Only once this has been completed, the liquidation process is then undertaken.

The PITx value is recalculated, taking into consideration the total proceeds from the collateral, and the interest repaid thus far by the distributor. The PITx holder can burn their PITx token and get back the resultant proceeds.

7.4 Income Sharing

The net income of the asset pool is shared with the following stakeholders:

- Mandatory Contribution to Treasury (5%)
- Governance Token holders
- Distributors
- Asset Contributors

The contribution to treasury should be standard across all asset pools. With regards to the share percentage of other stakeholders, it changes per asset pool. The share details should be part of the proposal and voted by citizens.

Article 8: Sovereignty, Transparency and Disclosures Purpose

Every stakeholder in the DAO is obliged to ensure that their actions are in the best interest of the community and transparent, especially the Governance Committee members, Dispute resolution Committee members and distributors who are involved in the decision making or part of the payroll or who have access to the DAO funds. Governance Committee members should provide a prior disclosure to the community for any action that does not require citizen approval. Distributors, having access to the asset pool funds, are obliged to divulge their framework for transparency requirements as a part of the proposal and adhere to the transparency requirements as per the proposal.

8.1 Citizens and Asset Contributors

As a part of the transparency and disclosure requirements, community members and asset contributors are not required to divulge their identity if they prefer to remain anonymous.

8.2 Distributors

To submit a proposal as a distributor, they should register in the platform and submit their identity documents for a due-diligence process. The identity of the distributor should be known to the community. As a part of the asset pool proposal, the distributor should declare their plans for adhering to transparency requirements. The asset pool shall only be voted on by the Governance Committee when the committee is fully convinced of the distributor's plans for transparency.

The distributor is obliged to ensure that the DAO can be integrated with their chosen pool oracle. It must be able to validate that all the transactions made by the distributors are authentic and made towards the core objective stated in the proposal.

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8.3 Governance Committee Members

The Governance Committee members are empowered with the ability to make decisions on behalf of the community. It is the responsibility of the Governance Committee to be transparent while keeping abreast of the decisions taken and substantiate with justification for the decisions.

Because the Governance Committee is paid remuneration, nominees should disclose their identity by registering with the platform and undergo KYC verification.

Decisions taken by the Governance Committee can be categorized as below:

- Decisions on Proposals
- Decisions taken by Governance Committee members only

8.3.1 Decisions on Proposals From Citizens

Majority of the proposals originate from citizens and the governance committee members (at least one of them) should add the justification behind the decision in the proposal itself.

Citizens shall see the following details in all the proposals, current and historic:

- Number of Governance Committee members voted for and against the proposal
- Justification provided by at least one Governance Committee member
- Number of citizens voted for and against the proposal
- Outcome of the proposal

8.3.2 Decisions Taken by Governance Committee Members Only

There are decisions which are taken by the Governance Committee members only such as the appointment of a short-term community expert, making a payment etc. The Governance Committee members should make the announcement to the citizens first before taking the action.

It is the responsibility of the Governance Committee to get the invoice from the counterparty for any payment made and the invoice should be visible to all citizens for review at any point of time.

8.4 Community Experts

Community Experts should register in the platform before they are nominated, either through an emergency appointment or normal appointment. The identity of the Community Experts should be visible to the citizens.

All task assignments to the Community Experts by Governance Committee are transparent to the citizens. As a part of the task completion process, the Community Expert should upload the associated documents like requirements, proof of completion of work, and all these artifacts are visible to the citizens.

The rating process is also tagged to the task and the ratings of the Governance Committee for the task is visible to all stakeholders of DAO.

8.5 Dispute Resolution Committee

Dispute Resolution Committee nominees should register in the platform before they nominate. The identity of the Dispute Resolution Committee members should be visible to the community.

Every Dispute Resolution Committee member is obliged to provide a justification on every decision taken, and the justification should be visible for the community.

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8.6 Citizens' Right to Information

Citizens are entitled to raise a request for any information and this is done as a proposal. The Governance Committee and Founding Committee members are obliged to share the requested information and the supporting documents for all request for information unless the request is related to legal or Intellectual Property.

Article 9: Governance Committee

Purpose

The purpose of the Governance Committee as a body is to ensure the proper functioning of the DAO in accordance with the constitution to facilitate the citizens' rights and will in the DAO. The Governance Committee ensures that the DAO is always functioning as a fully decentralized entity and facilitates events such as proposals, nominations, and emergency scenario handling. Above all, the governance committee is bound by the will of its citizens.

9.1 Composition

At its maximum capacity, the Governance Committee will have 21 members and each member will serve a period of 27 months in the committee. In exceptional or special circumstances, the governance committee shall operate with a reduced capacity.

To enable continuity in the Governance Committee and to prevent all Governance Committee office holders leaving office at once, the elections are held in staggered manner with a phase of elections is usually conducted to fill 7 Governance Committee positions. Every 9 months a phase of elections should be held for 7 Governance Committee member positions. This ensures that when new members take over, 14 incumbent Governance Committee members are there to bring them up to speed.

9.2 Governance Committee Appointment Types

The Governance Committee members shall be appointed in the following ways:

- Special Appointment
- Appointment through elections

9.2.1 Special Appointment

The Founding Committee shall appoint a governance committee member without any election process and these members can hold office for 9 months only, under exceptional circumstances, such as mass resignations. The announcement should be communicated to the citizens beforehand.

- It is not mandatory that the Governance Committee member selected through special appointment to not have held the office in the previous term.
- The member selected though special appointment may also contest in the next immediate election.

9.2.2 Appointment Through Elections

The normal process of appointment of Governance Committee is through citizen elections. The elections for Governance Committee positions has the following steps:

- Announcements
- Nominations
- Elections

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9.2.2.1 Announcements

It is the responsibility of the incumbent Governance Committee to announce to the community whenever elections for a set of a Governance Committee positions nears.

9.2.2.2 Nominations

- Only citizens of Definitize (members with DCARE tokens) can be nominated to be elected as a Governance Committee member.
- There are no reputation requirements for nomination.
- A citizen will not be able to nominate themselves if they had held a Governance Committee position in the past 27 months. This does not include special appointments by the Founding Committee.
- A citizen must register in the platform before nominating for Governance Committee elections
- The nominated citizen's credentials are verified and the verification process should be agreed by the citizens through a governance vote.
- The nominee should disclose the amount of DCARE held and also their stakes in any of the asset pools. The nominee should make a disclosure twice every year.

9.3 Resignation

- The Governance Committee member may resign in the middle of the term.
- If the remaining term of the member is less than 9 months, the Governance Committee shall fill in the position through special appointment without citizen approval.

9.4 Special Elections

- If a Governance Committee member resigns in the middle of the term when the remaining office period is greater than 9 months, a special election is held to fill the position for the rest of the term.
- As with normal elections, this will also be voted on by the citizens. The member elected through special election will be paid remuneration and can contest in the next term.
- It is not mandatory that the members sending nominations for special elections should not have held office in the previous 27 months.
- Similar to normal elections, the incumbent governance committee makes an announcement calling for nominations
- Citizens can send their nominations and vote on these proposals
- The Service Level Agreements (SLAs) and the staking requirements of the normal elections are the same for Special elections too.

9.5 Removal Process

A Governance Committee member shall be removed by citizens in the following scenarios:

- Violation of laws
- Failure to meet disclosure requirements
- Identification of a conflict of interest

A concerned citizen channel should be set up to allow any stakeholder to raise issues or findings about officeholders. The citizen concerns governance framework should be defined by the DAO and implemented post a successful Citizen vote.

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9.6 Remuneration Decision

The remuneration of the Governance Committee is decided in the first governance vote. The proposal will come from the Founding Committee member and approved by the citizens. In due course, a proposal to change the remuneration can be raised by a citizen and if approved by the Governance Committee and citizens, the remuneration will be changed. This shall be considered as a governance Proposal.

Article 10: Emergency Protocols

Purpose

The Definitize DAO has been conceptualized taking into consideration the potential emergency actions should an event such as a black swan event, technological failure, or any other emergency situation should occur. Any citizen can raise an emergency proposal, and if the committee agrees with the proposal, the emergency workflow is triggered wherein the potentially affected components are stopped temporarily till the issue is addressed.

10.1 Proposal Content

- Any citizen or Governance Committee member can raise an emergency proposal.
- The proposal should describe the emergency scenario clearly and list the components (smart contracts) impacted due to the threat.
- The proposer can avail the services of the Community Expert who would advise on the list of components (smart contracts) impacted for every type of threat.

10.2 Approval

All emergency proposals are brought to the Governance Committee first for their approval.

The hierarchy of voting for an emergency proposal is in the increasing order of priority as follows:

1. Governance Committee
2. Founding Committee
3. Citizens

If the Governance Committee does not vote within the emergency proposal SLA, the proposal goes to Founding Committee. If the Founding Committee also does not vote within SLA, the proposal goes to the citizens.

If any of these committees vote within the SLA, the decision of the committee shall be binding and does not go to next level of hierarchy.

The proposer is rewarded with reputation if the emergency proposal is successful.

As with other proposals and Governance Committee decisions, the proposer can raise an appeal with the Dispute Resolution Committee if the proposer finds that the proposal rejection decision is unfair.

Article 11: Voting

Purpose

Every stakeholder in the DAO votes in various capacities. A Founding Committee member votes on Founding Committee proposals. A Governance Committee member votes as a citizen in citizen proposals and as a Governance Committee member in Governance Committee proposals. A citizen is involved in the proposal's 'Comment & Review' stage and votes on the same proposal in the 'Voting' stage. Each vote cast by each of these stakeholders are not considered in the same way. This article

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covers the basis in which the votes cast by each stakeholder are considered in different types of proposals.

11.1 Voting Rights

In the Definitize DAO, the voting rights are only afforded to citizens, as DCARE token holders. The Founding Committee member and Governance Committee member can vote as a citizen in citizen proposals as they hold DCARE tokens.

Other stakeholders like asset contributors, Community experts and distributors are not allowed to vote unless they become citizens by mining or purchasing DCARE tokens.

11.2 Founding Committee Member Voting

Founding Committee members are obliged to take a decision as a body. The decision-making process is that each Founding Committee member will vote on the proposal and if the proposal gets necessary majority, the proposal is considered to be approved by Founding Committee. For these Founding Committee decision votes, a vote cast is converted as follows:

Value of the vote = 1 vote * Amount of reputation held by the Founding Committee member

If the Founding Committee member holds 5 reputation points, a vote cast by that member becomes 5 votes.

11.3 Governance Committee Member Voting

Like the Founding Committee, the Governance Committee is obliged to take decisions on proposals or other governance matters as a body. Their decision-making model is that each Governance Committee member cast vote on the proposal and if the proposal meets the majority requirements, the proposal is considered to be approved by Governance Committee.

1 vote = 1 vote

There is no conversion irrespective of the amount of DCARE held or reputation held.

11.4 Citizen Voting

Citizens express their opinion on the proposals on 2 instances, in Initial Interest phase and in voting phase. In each instance, the citizens cast the vote on the proposals.

A citizen's initial interest on a proposal is considered as follows: 1 vote = 1 vote.

A citizen's vote in voting state takes into consideration the amount of DCARE held and also the reputation held by the citizen.

Value of the vote = Amount of DCARE held* (1 + amount of reputation held)

The reputation obtained by a member in the community expert or Governance Committee member capacity will also be considered when a member votes in a citizen capacity.

11.6 Majority Requirements

For each type of proposal, the majority requirements are below. These requirements are implemented as parameterized smart contracts.

11.6.1 Founding Committee majority requirements

FC Vote Type	Votes	Purpose of Vote
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Needed		
Super Majority	12	Replace a member of the founding committee Move reputation of member to a different wallet address Remove Governance Committee member Emergency Stop
Majority	9	Appeal (Governance matters not resolvable through a citizen vote)

11.6.2 Governance Committee majority requirements

Vote Type	Majority	No. of votes needed
Adoption Vote	N/A	N/A
Governance Vote – Decision on jeopardy	Simple	50% + 1
Mining Vote - Decision on jeopardy	Super	75%
Constitutional Amendment - Decision on jeopardy	Super	75%
Emergency Vote	Simple	50% + 1

11.6.3 Citizen majority requirements

Vote Type	Quorum (DCARE mined)	Minimum DCARE mined(% of 3.5M)	Majority
Adoption Vote	50%	14%	Super (75%)
Governance Vote	35%	14%	Super (75%)
Mining Vote	50%	43%	Super (75%)
Constitutional Amendment	75%	43%	Super (75%)
Emergency Vote	15%	14%	Super (75%)

Article 12: Founding Committee

Purpose

The Founding Committee is a group of 7 who have been working actively on the ideation, design and implementation of Definitize DAO. The Founding Committee will bear the responsibility for the drafting and adoption of Constitution, Governance charter, First governance vote, conduction of the first Governance Committee member elections and the induction of the first set of Governance Committee members. When the Governance Committee members are elected, the DAO governance will be entirely handed over to the Governance Committee and the Founding Committee members will be passive participants in the DAO, stepping in only when an exceptional or emergency scenario arises.

12.1 Community Creation

The Founding Committee created the first mining contract through which a community of citizens is created within the DAO. It is responsibility of the Founding Committee to create a mining contract attractive enough to build a citizen community of size, 14% of 3.5M, so that the constitution adoption and the first governance vote can be done on Day 1.

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12.2 Constitution Adoption and First Governance Vote

The Founding Committee is responsible for the drafting of the Constitution.

The Founding Committee does the following in the DAO as a part of adoption and the First Governance vote

- Constitution adoption
- Adoption of Governance Charter
- First Governance vote
- Appointment of interim Governance Committee to conduct elections

12.3 Hand-over to Governance Committee

The Founding Committee should hand over the governance of the DAO, including the development of the platform, to the elected Governance Committee once the Governance Committee assumes office. The Founding Committee shall not partake in creation of any citizen proposals from this point of time.

12.4 Founding Committee Intervention

When fully functional, the DAO is operated by its citizens, Governance Committee and Dispute Resolution Committee with able support from the community experts. Founding Committee intervention should occur only in the following instances:

- Issues related to the Founding Committee such as loss of wallet, replacement of a Founding Committee member
- Dispute Resolution Committee forwarding the appeals/proposals for a Founding Committee decision
- Emergency scenarios where Governance Committee fail to act on time

A Founding Committee member can vote as a citizens, but a Founding Committee member should not contest in Governance Committee elections as Founding Committee members are expected to stay passive.

Article 13: Day 1 Activities

Purpose

Day 1 activities are one-off activities which starts off with the setting up of the platform till the handover of the platform to the Governance Committee after the first set of elections. The Day 1 activities are spearheaded by the Founding Committee with support from the citizens.

13.1 Day 1 Activities

1. Creation of first mining contract
2. Constitution adoption
3. First Governance vote
4. Conduction of first set of Governance Committee Elections

13.1.1 Creation of First Mining Contract

To build a citizen community to adopt constitution, the Founding Committee should create a mining contract and roll the mining contract to the public.

13.1.2 Constitution Adoption

The constitution adoption should be done in a series of steps as outlined below:

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- Founding Committee creates the first draft of Constitution
- Founding Committee broadcasts the constitution draft to the citizens
- Citizens review the draft and provides the comments and feedback on the draft
- Founding Committee redrafts the Constitution with the feedback obtained from the citizens
- Founding Committee announces the Constitutional assembly date to the citizens
- On the day of Constitutional assembly, the Founding Committee raises a proposal to adopt the Constitution which is voted by the citizens

The Constitution adoption proposal falls under the proposal type 'Adoption'.

13.1.3 First Governance Vote

First Governance proposals covers the set of rules and parameters in relation to the Governance Committee . The purpose of First Governance vote is to ensure that the rules, responsibilities and remuneration is decided and set-up by the time the first set of Governance Committee members are elected.

The following proposals are passed as a part of First Governance vote.

- Adoption of the Governance Committee Charter
- Approval of Governance Committee compensation
- Approval of the Governance Committee election model and dates (SLA)
- Appoint and authorize an interim Governance Committee to hold elections (first task is to hold elections)

13.1.4 Conduction of First Set of Governance Committee Elections

As a part of First Governance vote, an interim Governance Committee is appointed by the citizens to conduct the elections.

The interim Governance Committee will not be paid any remuneration and will not gain any reputation.

The interim Governance Committee does the following for the Governance Committee elections

- Make official announcement on the election date
- Respond to the questions that may arise from citizens
- Facilitate the elections and choice of the first set of elected Governance Committee members

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