## Purpose of Handbook

The purpose of this handbook is to inform members of FreeLoaderz and the Cardano Community of the rights and responsibilities of participating in FreeLoaderz. It is intended to be a complement to the FreeLoaderz Constitution which can be found on Github at: https://github.com/FreeLoaderz/constitution/blob/master/FreeLoaderz-Constitution-v01.md

## Mission Statement

FreeLoaderz originated as a coalition of Cardano stake pools offering url api access to their relay servers to help improve transaction speed by opening up ports to user wallets. As users of the Cardano network, the members of FreeLoaderz DAO, including both users and stake pool operators alike, come together to form this organization that will serve our community. Our founders originate from around the world, with different identities and experiences. We are brought together in our hope that decentralized technologies will allow us to cooperate in a renewed spirit of honesty and equality. We seek to operate our organization according to the principles made manifest in blockchain technologies. Our knowledge shall be shared, and our actions shall be auditable. Our motivations shall be transparent, and our records shall be immutable. We will provide a forum where all voices are heard, and governance that ensures that the will of the whole shall be executed. Anyone may associate or disassociate freely while we collectively build tools for everyone to use. The mantra of our organization shall be this one unrelenting quest: Decentralization Together.

## Guiding Values and History

FreeLoaderz was established on March 2, 2022 with the generation of the FreeLoaderz Identity NFTs (one to each of the 15 founding Core Members): <https://cardanoscan.io/token/7e2aef81608f166522b59c65d83a49d2f7d2a0e9>

Leading up to and following the minting of the Identity NFT, FreeLoaderz became a gathering place for Cardanians interested in exploring the topic of decentralization of the transaction submission process blockchain wide on Cardano. Through discussions on Discord and public meetings on Twitter Spaces these individuals formed a working group that would become the Founding Core Contributors of FreeLoaderz.

As interest in the DAO grew more Cardanians were attracted to the group. The Cardano community recognized the potential in the organization and Partnerships were formed with other builders in the network. Community Associates turned into Active Contributors as they found ways that they could provide value to the organization.

While the Founding Core Contributors all believed in highly-distributed forms of governance, the governing script was controlled by 15 governance tokens that had been initially distributed to 15 people. This was done out of necessity because without a convenient interface for proposal interaction the script governors had to utilize the Command Line Interface for each interaction with the underlying governance script .

A governance system was developed that would be more easily accessible to all users. At the same time the DAO created identity standards, membership management, and processes for ensuring that decentralized work could be done in an efficient manner. Additionally, 500,000,000 governance tokens were minted within the FreeLoaderz Treasury that would become available for distribution.

FreeLoaderz continues to strive for full decentralization through open collaboration and events like our community airdrop of governance tokens from the Treasury. This airdrop, 1) rewarded the Founding Core Contributors for their organizational work, 2) rewarded Early Supporters for their contributions, and 3) gave any member of the broader Cardano community an opportunity to obtain tokens through an open token distribution system.

Through the process of minting the FreeLoaderz Identity Tokens, Founding Core Members ratified the FreeLoaderz Constitution and the process of token distribution and claiming the tokens. Founding Core Contributors and Early Supporter GovToken Holders are responsible for deciding the priorities of the DAO through the proposal process adopted in this Handbook for organizational structure.

## Membership

Membership in FreeLoaderz shall be granted to any member of the Cardano community who is willing to uphold the FreeLoaderz Mission Statement and ratify the Constitution. A member of the Cardano community is defined as anyone who possesses a Cardano wallet with stake delegated to an active stake pool. There shall be no requirement to contribute time to FreeLoaderz projects or assets to the FreeLoaderz Treasury.

Members shall fall into one or more of the following categories:

1. **GovToken Holders/Community Members** are individuals who hold the FreeLoaderz Governance Token (FLZ). GovToken Holders are responsible for deciding the priorities of the DAO through the proposal process. No assets may be moved out of the DAO treasury without a vote of GovToken Holders and all program coordination is formalized through votes on proposals.
2. **Active Contributors** are community volunteers who dedicate their time to DAO projects or working groups. Individuals who contribute can claim bounties from the DAO treasury and use any GovTokens they receive to vote on what projects the DAO should work on next.
3. **Core Contributors** are members selected to serve as part of an advisory group. These advisors will be responsible for managing the administrative operations of FreeLoaderz, overseeing the social media and communication channels, and organizing meetings of FreeLoaderz members. Core Contributors may also be responsible for leading the Working Groups of FreeLoaderz and serve as multi-sig trustees of any Associated Contracts established by the FreeLoaderz Governing Smart Contract. Individuals will serve in this role until their term expires (called a Session), they are recalled, or they resign according to the procedures set up in the Governing Smart Contract.
4. **Community Associates** are any member of the Cardano community who chooses to associate with FreeLoaderz. Even if an individual does not yet hold any GovTokens they can engage in legitimate peripheral participation by engaging in community discussions, or become Active Contributors by collaborating on FreeLoaderz projects, bounties, proposals, or any other cause that helps guide DAO efforts.

## FreeLoaderz Coordination

In order to function properly FreeLoaderz shall appoint Working Groups to carry out certain tasks. These Working Groups will run for 40 epochs, called a Session. This organizational period shall be established to enable a natural cadence of FreeLoaderz as an organization.

With a deadline of two epochs before a Session is slated to begin, FreeLoaderz members shall submit proposals detailing how the Session shall be structured. Each proposal should outline:

1. What FreeLoaderz Members shall be designated as the Core Contributors
2. What Working Groups will be funded in the Session
3. The bounty to be paid out to each Working Group
4. The Core Contributor(s) responsible for organizing each Working Group
5. The end date of each Session (which should be 40 epochs in the future unless some special circumstance dictates otherwise).

It should also be noted:

1. Working groups shall include the Finance & Governance Working Group, Development Committee Working Group, and Marketing & Community Working Group.
2. Ad-hoc Working Groups may be formed as needs arise through the proposal process (see Proposal Standards section).
3. Addition or removal of any members to Working Groups that are already in Session must be made by supermajority vote (>60%) of the Core Contributors, with at least half of the Core Contributors participating in the vote.
4. One member from each Working Group will be appointed as a member of the Steering Committee, whose responsibilities will be to make administrative decisions regarding delegation of project duties, working with Working Groups on best efforts for completion of projects, reviewing proposals to delegate to respective Working Groups, and aid in coordinating partnerships with potential collaborators.

Voting for Session proposals shall be on-chain with Gov Tokens. The voting period begins one epoch before the start of the Session and ends 24 hours before the Session is slated to begin. One winner will be picked according to the rules of the Primary Smart Contract and competing proposals will be discarded. While the Core Contributors will be expected to put forth a proposal for the coming Session, competing proposals may be submitted by any FreeLoaderz member.

The designated bounties shall be paid from the FreeLoaderz Treasury into Associated Smart Contracts immediately upon passage of a proposal. These contracts shall have trusted FreeLoaderz members designated as Bounty Judges who will control disbursement of the funds. The contracts will also have an expiration date encoded, after which time any Cardano wallet can be used to send the unspent funds back to the FreeLoaderz treasury. If any FreeLoaderz members believe that the funds were awarded unwisely by the muti-signatories they may appeal to the other members to hold them accountable when considering future bounties.

## FreeLoaderz (FLZ) Tokenomics and Vesting

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**Initial Core Contributors (3.0%):** 1% (10,000 FLZ tokens) will be given to Initial Core Contributors up front at the time of the Active Community Member AirDrop, followed by 1 year commitment. After 1 year, Initial Core Contributors will receive 25% every 6 months (250,000 FLZ tokens every 6 months).

**Promotional Stake Pool Offering (PSPO) (1.5%):** FLZ tokens will be distributed to delegators of Single Pool Alliance (SPA) and FreeLoaderz stake pools to promote interest in FreeLoaderz and SPA to the wider Cardano community. The PSPO will last for at least 12 epochs. The SmartClaimz platform (rwd.freeloaderz.io), developed by FreeLoaderz, will be used for initial deployment of the FLZ tokens, with a set amount of 50 tokens to each delegator every epoch. Rewards will accumulate so delegators can claim tokens whenever they desire.

7.5 million / 55 FL stake pools = 136,363 / 12 epoch = 11,363 per epoch

assume 100 delegators per pool (average, just a guess) = 113.63 per epoch

(Conservatively estimating 50 FLZ tokens per epoch per delegator)

**FreeLoaderz Community Member AirDrop (0.5%):** FLZ tokens will be distributed to FreeLoaderz Community Members who were in the FreeLoaderz Discord before a snapshot is taken.

(Assuming 1,000 Discord Community Members)

0.5% of 500,000,000 FLZ Tokens = 2,500,000 tokens

2,500,000 FLZ / ~1,000 Active Members = 2,500 FLZ per person

FreeLoaderz will create a list of white-listed addresses of Active Community Members after the snapshot. FreeLoaderz Community Members with these white-listed addresses will be able to claim the FLZ tokens at the SmartClaimz platform (rwd.freeloaderz.io).

**FreeLoaderz Treasury (76.6%):** The treasury of FreeLoaderz holds the majority of the FLZ GovTokens and is controlled by all GovToken holders. This ensures that funds cannot be spent without reaching consensus. To be able to spend from the treasury a formal proposal has to be created and voted on by token holders, following the outlined Proposal Process. If the proposal passes the vote funds will be released to the wallet address mentioned in the proposal.

**FreeLoaderz Bounty Program (18.4%):** The broader FreeLoaderz community will have the ability to vote on bounty motions once the community begins receiving FLZ tokens from FreeLoaderz via the FreeLoaderz Community Member AirDrop and Promotional Stake Pool Offering. Until then, Initial Core Contributors will vote on bounty motions, which will be voted on at weekly Town Hall (currently via Survey Monkey with email identification). Once FreeLoaderz Community Members have FLZ tokens and can vote, they will be able to participate in proposals that have been voted on first off-chain by Core Contributors as worthy of being brought to the wider FreeLoaderz Member’s attention as a motion to be voted on (this will ultimately happen on-chain once we can get smart contracts executable for FreeLoaderz).

Current Bounty Proposal Process and Standards

Anyone in the FreeLoaderz Community is allowed to propose an idea (a bounty) (currently through <https://forms.gle/DAYT1CUzrQHhAKg16> Google Docs sheet). Proposers shall have to submit a tag on the proposal with which Working Group the proposal is assigned to. The Steering Committee Members will make an initial cursory review of each proposal and discuss it with their respective Working Groups. The designated Working Groups will review the proposal, suggest any changes, negotiate with the individual, and ultimately approve the idea or decline. In order for a proposal to be approved for presentation to the Core Contributors, each proposal will require approval of at least two thirds of the members of the designated Working Group. Approved proposals will then be presented at the appropriate Town Hall, with the designated Working Group presenting an overview of the idea to the Core Contributors as a motion that will be scrutinized. Core Contributors can vote to 1) approve the motion, 2) approve if certain changes are made (by next Town Hall if possible), or 3) reject for now. Approval will require a supermajority vote (>60%) with at least half of the Core Members participating. Once approved, the motion will ultimately be voted for on-chain by the FreeLoaderz Members, requiring a majority vote >50% to decide whether or not funds should be spent for certain bounties. Votes will be proportional to the amount of FLZ tokens owned by the GovToken holders (One FLZ token equals one vote). Once the motion is ratified, the respective Working Groups of the FreeLoaderz DAO shall implement the necessary changes for the proposal to take effect and bounties to be paid out.

Initial Bounty Distribution to be paid out for FreeLoaderz contributions from 92 Million (first traunch for 2022 = 5 Million)

* Chris [SANTO] should get 750,000 FLZ (executive management)
* Jim (Blockjock) should get 500,000 FLZ (community manager)
* Sean [ENVY] should get 500,000 FLZ (marketing)
* Lee (Joker) should get 350,000 FLZ (marketing)
* HappyTravelorJo should get 50,000 FLZ (FreeLoaderz blogs/promotions)
* Ben (Xerzes) should get 50,000 FLZ (admin)
* Ryan [PANL] should get 500,000 FLZ (Load Balancers)
* George [APEX] should get 350,000 FLZ (Load Balancers, FreeDropz)
* Torben (Artifct) should get 1,000,000 FLZ (Reward Distribution System Backend)
* Steve [4WARD] should get 500,000 FLZ (Reward Distribution System Frontend)
* Maverick [Antrix] should get 50,000 FLZ (Reward Distribution System Frontend)
* Arsam (anetaBTC) should get 20,000 FLZ (Reward Distribution System)
* $mattplomin should get 50,000 FLZ (Active in Finance/Governance Working Group)
* Rhys [Stoic] should get 50,000 FLZ (Catalyst Proposals plus Video)
* PGWAD should get 50,000 FLZ (Advisor/Researcher)
* Guy [Arare] should get 75,000 FLZ (Graphics/Tech Support)
* Darlington [Lido] should get 50,000 FLZ (Advisor/Researcher)
* Rich [ECP] should get 50,000 FLZ (Graphics/Dev)
* Hedges [HEDGES] should get 50,000 FLZ (Advisor/Tech Writer)

This will leave 14,000,000 for additional bounties this year (approx 20%)

Proposed Improvements to this process in the future:

* One member of each Working Group reviewing their WG’s proposals
* Figure out on-chain voting mechanisms
* Use Github for sending/processing proposals
* Predefined proposals that Working Groups post publicly for Community Members to be able to view and apply to work on as a bounty

## Voting on Motions

Motions of any kind will be passed in the same way as bounties. The broader community will have the ability to vote on all motions once the community begins receiving FLZ tokens from FreeLoaderz via Active Community Member Airdrop and Blockchain Wide Airdrop. Until then, Initial Core Contributors will vote on motions, which will be voted on at weekly Town Hall. Once FreeLoaderz Community Members have FLZ tokens and can vote, they will be able to participate in proposals that have been voted on first off-chain by Core Contributors as worthy of being brought to the wider FreeLoaderz Member’s attention as a motion to be voted on (this will ultimately happen on-chain once we can get smart contracts executable for FreeLoaderz).

Current Motion Proposal Process and Standards

Anyone in the FreeLoaderz Community is allowed to propose a motion (currently through <https://forms.gle/DAYT1CUzrQHhAKg16> Google Docs sheet). Proposers shall have to submit a tag on the proposal with which Working Group the proposal is assigned to. The Steering Committee Members will make an initial cursory review of each proposal and discuss it with their respective Working Groups. The designated Working Groups will review the proposal, suggest any changes, negotiate with the individual, and ultimately approve the idea or decline. In order for a proposal to be approved for presentation to the Core Contributors, each proposal will require approval of at least two thirds of the members of the designated Working Group. Approved proposals will then be presented at the appropriate Town Hall, with the designated Working Group presenting an overview of the idea to the Core Contributors as a motion that will be scrutinized. Core Contributors can vote to 1) approve the motion, 2) approve if certain changes are made (by next Town Hall if possible), or 3) reject for now. Approval will require a supermajority vote (>60%) with at least half of the Core Members participating. Once approved, the motion will ultimately be voted for on-chain by the FreeLoaderz Members, requiring a majority vote >50% to decide the ultimate fate of the motion. Votes will be proportional to the amount of FLZ tokens owned by the GovToken holders (One FLZ token equals one vote). Once the motion is ratified, the respective Working Groups of the FreeLoaderz DAO shall implement the necessary changes for the proposal to take effect.

Proposed Improvements to this process in the future:

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## Proposal Standards

The Core Contributors shall designate Proposal Standards and the Proposal Process. Information shall be shared in the Designated Communication Platform, which henceforth Discord will be the primary communication platform for FreeLoaderz announcements and social engagement.

1. **Proposal Standard** - All proposals (motion or bounty) shall be written and submitted to FreeLoaderz Working Groups to vote on whether the proposal shall be introduced for a vote by the Members of the FreeLoaderz DAO. Currently, proposals must be submitted on <https://forms.gle/DAYT1CUzrQHhAKg16>.

## **Proposal Process** - Anyone can submit a proposal (bounty or motion) to FreeLoaderz. Proposers shall have to submit a tag on the proposal with which Working Group the proposal is assigned to. The Steering Committee Members will make an initial cursory review of each proposal and discuss it with their respective Working Groups. The designated Working Groups may discuss the proposal with the individuals who submitted the proposal, suggest revisions, negotiate the FLZ token bounty for the proposal (if applicable), and ultimately approve the idea or decline. In order for a proposal to be approved for presentation to the Core Contributors, each proposal will require approval of at least two thirds of the members of the designated Working Group. Approved proposals will then be presented at the appropriate Town Hall, with the designated Working Group presenting an overview of the proposed bounty or motion to the Core Contributors to be scrutinized. Core Contributors can vote to 1) approve the proposed bounty or motion, 2) approve if certain changes are made (by next Town Hall if possible), or 3) reject for now. Approval will require a supermajority vote (>60%) with at least half of the Core Members participating. Once approved, the proposed bounty or motion will ultimately be voted for on-chain by the FreeLoaderz Members, requiring a majority vote >50% to decide the ultimate fate of the bounty or motion. Votes will be proportional to the amount of FLZ tokens owned by the GovToken holders (One FLZ token equals one vote). Once the bounty or motion is ratified, the respective Working Groups of the FreeLoaderz DAO shall implement the necessary changes for the ratified bounty or motion to take effect.

## The FreeLoaderz DAO LLC

The FreeLoaderz coalition is a DAO LLC based in Wyoming, United States. This DAO LLC is controlled by the Core Members, who shall be responsible for appointing & removal of additional Core Members of the FreeLoaderz, requiring a supermajority vote (>60%) for approval. The DAO LLC shall hold the intellectual DAO’s interests, property rights, and enforce any such related legal rights. To fund the DAO LLC, FreeLoaderz shall provide assets from the Treasury into a multi-signature wallet controlled by the Core Members.

Notice of Restrictions on Duties and Transfers

The rights of members in a decentralized autonomous organization may differ materially from the rights of members in other limited liability companies. The Wyoming Decentralized

Autonomous Organization Supplement, underlying smart contracts, articles of organization and operating agreement, if applicable, of a decentralized autonomous organization may define, reduce or eliminate fiduciary duties and may restrict transfer of ownership interests, withdrawal or resignation from the decentralized autonomous organization, return of capital contributions and dissolution of the decentralized autonomous organization.

## Standards of Conduct

FreeLoaderz was built upon a community spirit of mutual respect and cooperation. We recognize every person as a sovereign individual who has the right to determine their own identity and path in life. In turn, we make no demands upon each other except to allow us the right of free conduct and association.

The FreeLoaderz community will not tolerate any unprovoked acts of aggression by one individual against another. This includes but is not limited to physical altercations, personal insults, or sustained harassment. All individuals are entitled to express their opinions and sincerely held personal beliefs so long as they allow others the same courtesy.

In order to maintain coordination and cooperation the FreeLoaderz Core Contributors shall assign administrators and moderators to oversee communication platforms and specific rules set for use. Failure to follow the rules of FreeLoaderz moderators may result in an account being banned or blocked. Individuals who believe they have been banned or blocked unfairly may appeal to the moderators or Core Contributors to lift the ban, or petition the FreeLoaderz membership through a proposal.

While all members of FreeLoaderz work together to achieve the objectives of the DAO each individual is also free to work for their own purposes and express their own opinions. The positions and policies of the DAO shall be represented through the proposal process. Each member of FreeLoaderz, especially those in active and core positions, should make it clear that when they express themselves they are representing their own position and not that of the DAO.

## Partnership Policy

In order to further its mission, FreeLoaderz may enter into joint venture partnerships with other organizations in the Cardano network, other blockchain networks, or in the wider world. When partnerships are established it is because each organization believes they have a shared value that can be supported through collaboration. The terms of the partnership will be clearly defined in the Partnership Agreement.

The FreeLoaderz Core Contributors shall be responsible for exploring potential partnerships and negotiating partnership agreements. For any partnership to become official it shall be presented to the FreeLoaderz membership for ratification and passed via the proposal process. Prospective partnerships may be announced but will not have official standing until the related proposal is passed.

## Social Media and Communication Policies

The Social Media and Communication Policies of FreeLoaderz shall be determined by the Marketing & Community committee and the Core Contributors. No changes to the Designated Communication Platform, Social Media accounts, websites, or related policies will be allowed without agreement of these groups.

## Brand Standards

All brand standards, logos, templates, and identity markers of FreeLoaderz shall be determined by the Marketing & Community committee and the Core Contributors. No changes to these standards may occur without reasonable notice to the FreeLoaderz membership for comments and approval received from the Core Contributors. The FreeLoaderz DAO LLC shall be given the sole right to defend the brand standards on behalf of the FreeLoaderz membership.

No FreeLoaderz brand standards or trademarks may be used by any person in promotional, advertising, institutional, reference or other materials without permission of the FreeLoaderz DAO LLC, or the FreeLoaderz Core Contributors, except for in limited cases of fair use. By using an FreeLoaderz brand standard or trademark, you acknowledge that FreeLoaderz is the sole owner of the mark and promise you will not interfere with FreeLoaderz’s rights in the mark, including challenging FreeLoaderz’s use, registration of, or application to register such trademark anywhere in the world, and you will not harm, infringe, or bring into disrepute any FreeLoaderz trademark.