Governance Guidelines

This is a set of governance guidelines for the Obscuro Network Foundation. It provides a framework for the Foundation's Participants and Board, to steer and govern Obscuro Network effectively to realise its potential. It is not a set of binding legal obligations.

1. Background to Obscuro and the Network

1.1 Introduction

Obscuro brings privacy to Ethereum. Architected as a Layer 2 (L2) network and using Ethereum as the Layer 1 (L1), Obscuro scales Ethereum with faster, cheaper transactions, while inheriting its security and ecosystem strengths. But in addition, Obscuro allows users to maintain full privacy when interacting with any Ethereum smart contracts, and allows smart contracts themselves to maintain private state. Obscuro provides the entire EVM - every Ethereum application can become a private Obscuro application with few changes. The implementation supports existing Ethereum tooling like MetaMask, Remix, Hardhat and Ethers.js.

Further details of the protocol are laid out in the Obscuro White Paper from 2021.

Unlike some other L2s, Obscuro itself is decentralised and permissionless. This means that anyone can launch an Obscuro validator and connect it to the Obscuro network, and that validator can take part in securing the network and processing transactions on it.

Obscuro is both a protocol and a network, and both require governance and controlled evolution in a way which fits with the decentralised and permissionless model. Obscuro Network exists to operate the protocol of Obscuro, which is specified in the "White Paper" of the Obscuro Open Source Project codebase, but later may be formalised in a "Yellow Paper" protocol specification document, which then will become canonical.

The Obscuro project and network aim to realise the following values:

- Decentralised, meaning that there is no central infrastructure or decision-making organisation beyond that which is needed for coordination and governance.
- Democratic, allowing all participants to have a voice in the future of the protocol and network, through direction of a governance organisation.
- Permissionless, so that anyone can participate, whether as an end-user, application builder, infrastructure operator, or community builder.
- Fair, in the sense that one participant group is not favoured over another.
- Transparent, so that all decisions can be seen by anyone.
- Evolvable, flexible and tolerant of external environmental change, whether of the societies in which the network operates, the regulatory landscape, or innovation in technology.
- Stable, so that as a foundational layer on which applications are built, it's possible for application builders to make an investment and have confidence that their application will continue to work every day, and only require manageable modification over a period of years.

Some of these values appear to be in contradiction, and a middle path must be found. For example, the extreme of decentralisation is anarchy, and this is clearly undesirable and conflicts with the need for stability. Even decentralisation needs direction and governance, which has to be provided through a formal structure.

Though flexibility and stability are superficially at odds with each other, while stability minimises the impact of change on application builders, the protocol may become obsolete unless it can be permitted to evolve.

Additionally, it is anticipated that the objective of decentralisation may be achieved over a period of time. Initially, some parts of the L2 architecture will be decentralised and some parts will be centralised and managed by an Operator, to be appointed by the Foundation. Of course, the L1 is decentralised from the outset. This step-wise approach allows the overall requirement of decentralisation to be met by the overall L1/L2 system, while remaining pragmatic and flexible about how it is achieved.

1.2 Reason for the Obscuro Network Foundation

Until now, Obscuro Limited, a U.K. registered limited liability company, has set up and governed by default the Obscuro protocol and test network currently. This includes making key decisions around establishing, maintaining and updating standards and the software which implements them, policies, and procedures for participation in, and use of, the test network. This arrangement is strongly community-oriented, but is not yet decentralised in a way which befits a decentralised protocol. The community expects that once the protocol software is sufficiently capable and mature, a production network will be established, and data and value managed on this network will become permanent.

Once this transition to a production network is ready to be implemented, it is critically important that a commercial entity should not control the network. It should be governed transparently to its Participants, with a fair and stable structure. Several options have been considered for governance, principally a direct DAO (Distributed Autonomous Organisation) without a formal legal entity, and a not-for-profit formal legal entity.

The right governance model will enable Network Participants to be involved with, and also understand, how decisions are made (including around issues of identity and permission), building trust and engagement from a wide range of stakeholders. This will bring about the best decisions and outcomes for the Network's long-term success, and lead to greater adoption.

1.3 Alternative Governance Models Considered

A direct DAO model has been adopted by a number of projects and networks. ** More commentary here **

Many other decentralised networks establish a legal entity to govern their rules and behaviour. A legal entity is a requirement if the network is to exist within the existing international legal frameworks; as far as national law is concerned, if a legal entity does not exist, then individual "natural persons" become directly accountable.

1.4 Choice for Obscuro Network

Analysis and feedback show that Obscuro Network will be most effectively governed via a Foundation, a not-for-profit, independent entity which is domiciled in a legal jurisdiction and which can be shown to comply with the local and international laws. One of the implications of choosing to incorporate a Foundation is that it will require the involvement of people to represent it and be accountable for its actions to the jurisdiction in which it is based. In order to meet the value of being democratic, those people who represent the Foundation (for example, as members of a governing Board) will need to be elected by Network Participants, and in order to be fair, anyone should be able to put themselves forward as a representative.

The Foundation is the legal embodiment of the community, and is structured so that members of the community make all decisions, whether directly or indirectly. There must be no other unseen powers or

influence holders. Every change to the Obscuro Protocol, the Network, and governance must follow a path laid out in this document.

2. The Obscuro Network Foundation

2.1 Mission

Following on from the Obscuro White Paper, we see the mission of the Obscuro Network Foundation to achieve the vision of Obscuro - whereby transactions of users can be recorded in an immutable ledger, benefiting from the power of smart contracts which control the flow of value and data and enable useful applications, while maintaining privacy within the confines of local and international law.

Achieving this vision and making it ubiquitous will involve running and maintaining a stable and secure Network with open and fair governance, while also promoting the Network so as to ensure its more widespread use.

Following on this, the Obscuro Network Foundation shall strive for the following qualities in executing its mission:

- Fairness and openness – Participants can join the Network and the Network's governing board, elected through a straightforward voting process.

- Democracy and transparency – Key decisions and rationale are made by and shared openly with Participants.

- Stability (with a long-term view) with flexibility – The terms of representatives will last three years with a staggered handoff, and the governance model will be flexible to adapt where required.

- Efficiency – Staying a lean organisation, sufficient to commission and monitor any external providers to run any services, physical infrastructure, or operational processes that may be needed to achieve the vision of Obscuro.

- Cost effectiveness - The Foundation will strive to run its own operations as efficiently as possible, and ensure that the cost of running infrastructure borne by node operators and end users is as low as possible. The Foundation shall not be a profit-making entity. The Foundation may be allocated tokens, and hold them on behalf of the community. These tokens may be sold in order to fund further development of the protocol, but only in order to recompense Operator(s) and Protocol Developer(s), and as such will remain not-for-profit.

- Independence – Obscuro Network Foundation makes its own decisions (within the law), and is not following another entity's rules. The Foundation shall focus on the following commitments over the long-term:

- Maintain the long-term standards, services and open governance model of the Protocol and Network.

- Hold any Trust Roots required for the Network.

- Commission the provision and operation of infrastructure and services for the Network, both of technical services, and infrastructure needed for meetings, events and collaborative discussions, and provide structure around the business and technical governance of the Network.

- Facilitate a diverse and vibrant community of industry experts, Obscuro contributors, users and services, including developers, service and application builders, and end users.

- Enable the ubiquity and utility of Obscuro throughout all applicable industries and commercial use cases.

- Balance the divergent interests of a wide range of stakeholders, including network infrastructure operators, end users, application builders, community contributors, and investors in the project.

2.2 Structure of the Foundation

The Foundation shall be a not-for-profit entity created exclusively to execute the mission set out in this Constitution. With the advice of international lawyers, this is a 'Stiftung' domiciled in Switzerland – a legal entity suited for governance activities, able to act commercially, with limited liability but no shareholders, capital or dividends. The Wikipedia entry on Stiftungs states:

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A stiftung foundation exists to give effect to the stated, non-commercial wishes
of its founder, as set out in a foundation deed and the articles of association
(statutes). In effect, the assets with which the foundation is endowed become a
separate legal entity. A stiftung foundation has no shares or members and is set
up by a founder(s) in most cases to ensure the continuation of family assets.

A stiftung foundation can have beneficiaries, and in that way they are in some way
similar to the common law notion of trusts. The founders also have the right to
transfer and terminate the foundation.

Stiftung are purely not for profit enterprises and commercial activities are
generally not permitted to be conducted by them. This is the primary difference
between an anstalt and a stiftung. Stiftung are usually administered by a board of
trustees,[3] and there is no registration required to establish them.
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The Foundation is defined in a set of Articles of Association.

The Foundation governance bodies shall include:

1. A **General Membership** ('the Participant Community'), which is open to any organisation or individual participating in Obscuro Network, and with privileges and responsibilities as set out in section 6.

Ratified by: 2. A **Governing Board** ('the Board') of 11 representatives ('Directors') with privileges and responsibilities as set out in section 4.

Controlling: 3. One or more **Operators**, which provides reliable, performant and secure operation of any centralised infrastructure required by the stepwise approach to decentralisation set out in Section 1.1. 4. One or more **Protocol Developers**, which provide software development services for Obscuro software, ensuring that it remains functionally rich, meeting the requirements set out by Participants, and secure to existing and emerging vulnerabilities.

Any change to the structure of the Foundation is a constitutional change, described in section 5.1.

3. Decision-Making Principles

1. The Obscuro Network and Protocol are governed in a decentralised manner by the community.
2. The community will make decisions and implement change according to the Governance Proposal rules set out in section 5, by putting forward and voting on proposals.
3. There will be a threshold of voting participation, set out in section 6, which will permit voting on proposals. Voting will be on the basis of one eligible member, one vote, i.e. if utility token holding is used as a measure of participation, then voting power will not be proportional to the number of tokens held.

4. Governing Board

4.1 Role of the Board

The primary goal of the Board is to ensure the legal compliance of the Foundation; the secondary goal is the stable and secure operation of the Network; and the tertiary goal is to achieve the vision of Obscuro laid out in section 2.1. The board has the power of veto over decisions made by the community arising from the formal proposal voting process if and only if these decisions would cause the Foundation to act illegally within the jurisdiction of incorporation.

Directors are expected to comply with the Conflict of Interest policy, which includes a responsibility to disclose promptly any conflicts that may arise, and meet the expected standards specified in the Code of Conduct Guidelines for ethical conduct and breach reporting.

4.2 Relationship of the Board with the Community

Primary decisions of the Foundation must be made by the community through a community governance process. The Board is accountable to authorities (legal and regulatory) for the actions of the Foundation, and must not be given "responsibility without power", for this position is invidious and will dissuade anyone from standing as a Board member. The Board is the formal decision-ratification authority of the Foundation, and actions of the Board reflect its collective decision making. The Board is only entitled to veto collective decisions of the Foundation if they can be shown to be illegal under governing law.

4.3 Relationship of the Board with the Operator(s)

It is the duty of the Board to monitor the Operator's performance in operating any centralised infrastructure to ensure that the Network operates in an effective, efficient and ethical manner. The Operator has no influence on the development of the Network's strategic and tactical plans, and simply receives instructions on what infrastructure it should operate from the Foundation. That said, the Foundation will provide KPIs to the Operator, and will hold the Operator responsible for meeting those. The Operator will have limited discretion of *how* it delivers the KPIs at the infrastructure level.

4.4 Relationship of the Board with the Protocol Developer(s)

Obscuro is open-source software managed using standard change processes on GitHub. Any Participant may fork the software or submit pull requests to the standard code base. Additionally, the Foundation may commission development of the protocol software to commercial software companies or professionals. It is the duty of the Board to monitor any software supplier's performance. The Protocol Developer has no influence on the development of the Network's strategic and tactical plans, and simply receives instructions from the Foundation on changes to the protocol it should make. That said, the Foundation will provide KPIs to

the Protocol Developer, and will hold the Protocol Developer responsible for meeting those. The Protocol Developer will have limited discretion of *how* it delivers the KPIs at the software level.

Operators and Protocol Developers shall report on their delivery performance with a format and schedule to be specified by the Foundation.

4.5 Composition and Establishment of the Board

4.5.1 Size

The Board shall consist of nine voting members ('Directors') in total, to allow broad representation but maintain an agile decision-making ability. The selection process (using the Participant Community) is intended to ensure that the Board is composed of members who display diversity in geography, culture, skills, experience and perspective, and that the abilities and interests of Directors are aligned with those of Obscuro.

The Directors will have three-year terms (unless the director resigns or leaves for another reason) and can be re-appointed without limit. Appointment will be effective immediately.

The Chair of the board will be elected for a one year term by a vote of the Directors of the Board, at the first Board meeting following the Board election.

4.5.2 Participation Criteria

Participants shall be directed to vote to ensure that the Board is composed of Directors who in the aggregate produce the broadest diversity on the Board, consistent with meeting the other criteria. In addition, the Board is to be comprised of individuals who can demonstrate to Participants they meet the following requirements:

- Hold an understanding and appreciation of the Obscuro protocol and community purpose.
- Have an awareness of cultural and geographic perspectives.
- Demonstrate integrity, intelligence and objectivity.
- Can work and communicate in written and spoken English.
- Understand the Web3 landscape, and where Obscuro sits within it.
- Not have a history of criminality and bankruptcy.

4.5.3 Diversity Objectives

The Foundation believes that a broad representation of Participants will result in higher-quality decision-making, and wider global adoption of the Network. To promote diversity, the following guidelines are adopted, in particular for steady-state governance (recognising that it may not be possible to fulfil these during any transition period):

- No corporate group of participants may have more than one Director. In the case of votes for two different candidates representing the same overall corporate group, the candidate with the most votes shall be considered.
- Of the nine Directors, there should not be more than four Directors from any broad classification, based on a model of {infrastructure provider, application developer, end user, academic, market maker, exchange}.
- Of the nine Directors, there should not be more than four Directors from any continent, based on a model of {North America, South America, Europe, Asia/Australasia}, to ensure geographic diversity.

In any voting for Directors, candidates will be considered in order of votes received, but if a diversity limit are reached, the candidate breaching the limit will be skipped and the selection moved to the next candidate who does not breach the limit. For example, if the most-popular candidate represents a corporate group, they will occupy the first seat, and if the second-most-popular candidate represents the same corporate group, they will be skipped in favour of the third-most-popular candidate.

4.5.4 Establishment of the Board

4.5.4.1 Pre-Foundation

Initially Obscuro Limited shall govern the Network to ensure rapid progress on its implementation. Once the Foundation is set-up and one application is generating live transactions using the network, the 'transition period' of one year will commence.

4.5.4.2 Initial set-up of Foundation Board:

After this start-up period, there will be a vote by the community for the election of Board Directors.

For the first election only, of the nine vacant seats, three will be for a duration of one year, three for two years, and three for three years. This will introduce a staggered board, so there is greater continuity at the end of each term. Candidates with the most votes will fill the three-year seats first, followed by two-year and then one-year seats. In all other respects, the first election will follow the steady state process.

4.5.4.3 Steady-State

1. Participants may nominate candidates for Director election. Appointments to the nine seats of the Board will be by vote of the Participants, with three seats up for election each year. Any seats vacated mid-term will also be elected at the same time.
2. Candidates will create a personal statement and short biography, which will be shared with all Participants.
3. Participants may each cast up to three votes for three separate candidates.
4. Subject to meeting certain criteria (including diversity of geography and industry), the most popular candidates will be appointed as Directors.
5. Candidates will be considered in sequence from most popular to least, and if a seat is vacant according to the diversity criteria in section 4.3.3, the candidate will be allocated to it. This may mean that occasionally a less popular candidate fills a seat instead of a more popular one.

4.5.4.4 Removal from the Board and Re-election.

Apart from the three-year expiry, Directors can otherwise leave the Board by resignation, prolonged non-attendance of board meetings of more than six months, death, or if necessary, removal by a Mandatory Governance Proposal. In any case, a vacant seat will be contested at the next annual election.

4.6 Conduct of Board Meetings

Attendance may be in person or by video-conference.

The Board shall meet not less than every six months, and may meet on the request of any Director, but not more than every month. At least one week's notice shall be given to Directors. By exception, the Chair may

convene an emergency meeting with minimal notice, appropriate to the situation in the Chair's judgement.

The Board shall ratify all Governance Proposals approved by the Participant voting process since the previous meeting.

Board meetings shall be limited to the Board Directors, and shall follow the requirements for quorum and voting outlined in these guidelines.

The Board meetings shall be conducted in private, but in the interest of transparency, public minutes shall be published within one week following their approval by the Board.

5 Governance Proposals

All formal changes to the Network and the Foundation shall be controlled through a formal Governance Proposal process, and the right to initiate this shall be held by all Participants. In the case of disruptive behaviour by an individual Participant or group of Participants, this right may be curtailed, as described in 5.2.5.

5.1 Types of Governance Proposals

There are three types of change that affect the Network and the Foundation, which require a controlled change process and a vote described in 5.5, and are defined as Governance Proposals:

1. All changes to the Stichting Articles of Association and By-laws are defined as Constitutional Governance Proposals.
2. All changes to Network participation criteria, charges, budgets, change management process and other business areas not defined in Articles of Association or By-laws are defined as Business Governance Proposals in section 5.2.
3. All changes to technical parameters and consensus criteria, which affect the nodes of participants, are defined as Technical Governance Proposals in section 5.3.

Any changes in the day to day internal implementation of network services by any Operator(s) appointed by the Foundation, which do not impact the wider network, are out of scope as Governance Proposals.

All Constitutional, Business and Technical Governance Proposals shall be supported by a formal proposal, using standard structured documents and containing all relevant background information, to create an efficient process for the submitter, the Participants for voting, and the Board for ratification.

For all Governance Proposals, decisions and the rationale for the decision shall be published transparently.

5.2 Business Governance Proposals

5.2.1 Access Standards

The Obscuro system can be accessed by using software which implements the set of technical protocols which define compatibility (see 5.3.1) above. The reference implementation of this software is open source and freely accessible at www.obscu.ro.

5.2.2 Budget, Expenditure and Participation Fees

The Board shall annually prepare and approve a budget for the operations of the Foundation, taking into account the not-for-profit status of the Foundation and the mission to promote the Obscuro Ecosystem.

The Operator shall charge the Foundation for services that the Operator provides under the requirements of the contract with the Foundation, including management of Participants, Network participation and access services, and sequencer services.

5.2.3 Change of Operator(s) and Protocol Developer(s)

For one year upon establishment of the Foundation, Obscuro Limited will undertake the role of Operator and Protocol Developer. Annually thereafter, the Participants will propose and vote on the appointment of these roles, which may be changed with a Mandatory Governance Proposal and vote. Any Operator must enter into an escrow arrangement upon appointment, so that existing cryptographic material continues to be available and there is no disruption to Participants if the Operator is changed.

5.2.4 Change Management Process

The Network will periodically require participating nodes to implement change. A change notification and management process shall be defined and communicated; and any change to the change management process shall be the subject of a Business Governance Proposal.

5.2.5 Other Business Governance Proposals

Restrictions on individual Participants or a group to initiate Governance Proposals; in the event of disruptive behaviour. Note that Participants do not go through a KYC process and are not subject to Sanction restrictions, since they are pseudonymous.

Audit: the Board may request an audit of the activities and services provided by the Operator, no more frequently than every year, unless an emergency audit is authorised through a Business Governance Proposal.

Marketing, Trademark and Branding: Obscuro Limited shall commit to license the Obscuro trademark to the Foundation. The Foundation shall manage its own brand and any trademarks created.

Certifications: Where the Foundation provides standards for certification of organisations, individuals or technologies, the Board shall approve the standards and processes for certification.

Change to the arbitration and dispute resolution process shall be the subject of a Business Governance Proposal.

Policies covering areas of operation not covered by the Constitution (e.g. code of conduct for Board Directors).

5.3 Technical Governance Proposals

5.3.1 Technical Standards

There is a set of technical standards, such as 'network parameters', which all Obscuro Network nodes need to comply with in order to guarantee technical compatibility to other nodes and services within the Network. While Obscuro has stability and backwards compatibility as key design goals, there may be circumstances

under which these standards will need to change. Where these changes require participants in the Network to update to remain compatible, these changes will be subject to Governance Proposals.

Changes to technical standards, such as some network parameters, shall require formal design processes, and the Protocol Developer may choose to undertake technical due diligence with Participants prior to formally delivering a change to the technical standards.

The Obscuro open source software is the reference implementation for the core technical standards adopted for the Network. Obscuro implementations and distributions can vary in their internal details, but their core interfaces and Obscuro protocol implementation must conform to this standard to be compatible with the Network.

5.3.2 Consensus Standards

The Foundation shall set minimum standards for aggregator nodes, to allow their use for different applications.

5.3.3 Dispute Resolution Process

Disputes between Participants arising from the operation of a Obscuro application are anticipated to be resolved by the application developer and its community. If necessary, Participants may escalate to the Foundation by creating a Technical Governance Proposal.

5.4 Emergency Governance Proposals

Certain Network incidents, which could impact one or more Network participants and that would be the subject of Business or Technical Governance Proposals, shall require immediate resolution. In these cases, the Operator(s) and Protocol Developer(s) may make emergency changes to preserve the stability and integrity of the Network, but these shall be subject to post-event evaluation and standard Governance Proposal processing. Areas of control that are the subject of Business Governance Proposals are not expected to require emergency remediation.

5.5 Voting

All Constitutional, Business and Advisory Governance Proposals outlined in sections 5.2 and 5.3 shall be presented to the Participants for voting. The Participants shall vote on a one vote per Obscuro account basis to approve or reject the Governance Proposal. Participant quorum shall require one third of the Participants to vote. Abstention is not a vote.

Provided quorum is met, Constitutional Governance Proposals shall require a four fifths majority vote to pass. Business Governance and Technical Proposals shall require a two thirds majority vote to pass.

Any approved Proposals shall be put to the Board for legality veto, which shall ratify on a one vote per Director basis.In the case of a tied vote (the odd number of representatives is intended to avoid tied votes) the vote of the Chair shall carry the vote. If the Chair does not vote in the case of a tied vote, the Proposal will not be passed.

All Governance Proposals proposed for consideration of legality by the Board at a meeting shall be circulated in draft form to the members of the Board at least one week prior to the date of the meeting, and the text of such draft Proposals may be altered at the meeting. The Directors shall vote on a one vote per person basis to

approve or reject the Governance Proposal. Quorum shall require two thirds of the Directors to vote. Abstention is not a vote. The Board may continue to meet if quorum is not met, but shall be prevented from making any decisions at the meeting. Board decisions by electronic vote without a meeting shall require a vote by two thirds majority of all Directors.

The Foundation may choose to implement the tracking and voting for Governance Proposals using an on-ledger Obscuro application in an attempt to simplify governance, provide transparency and lower costs, provided the application has been tested thoroughly and has sufficient manual override controls.

6 Participation

6.1 General Membership

Voting participation is open to any potential Participant or token holder on the Network, subject to meeting the following criteria:

1. Hold at least 1000 OBX utility tokens (used to pay for transactions on the network).

The Participant Community has the right to:

1. Propose a formal Governance Proposal to the Foundation for voting. This must meet the appropriate standards and formats.
2. Request observer representation at a board meeting subject to logistical constraints.
3. Utilise any brand and marketing materials that may be provided by the Foundation to Participants.
4. Identify themselves as Participants of the Foundation.
5. Vote in the periodic election of a new Board.

The following activities are 'permissionless'; that is, anyone can undertake them, regardless of whether they meet the criteria for Foundation Membership:

1. Participate in conferences, projects and initiatives of the Foundation. Numbers of participants and any additional costs will depend on the individual event.
2. Use the Test Network for test application activities running 'in test'.
3. Use the Network for live application activities running 'in production'. Note that Participants do not go through a KYC process and are not subject to Sanction restrictions, since they are pseudonymous.

6.2 Technical Advisory Committee

The Technical Advisory Committee shall have limited participants appointed directly by the Board. Its mandate and charter will be set by the Board. It shall act directly on the instructions of the Board or the Operator, which shall set expected deliverables and timelines. It shall focus on specific technical topics and may have responsibility for the following:

1. Advise on technical decisions for the Operator.
2. Advising the Board in technical matters.
3. Provide feedback on the technical roadmap for Obscuro, from real-world and practical experience gained from observing the operation of the Network.
4. Conducting open design reviews and soliciting public input for technical proposals.
5. Contributing to the Obscuro open source community from a Network perspective, to ensure that Obscuro retains a coherent, elegant and practical system design

6.3 Governance Advisory Committee

The Governance Advisory Committee shall have limited participants appointed directly by the board. Its purpose is to recommend actions to the Board for approval on non-technical matters, where additional support is helpful. This may include decisions on:

1. Operator Due Diligence
2. Identity and Permissions
3. Risks and Escalations
4. Interacting with Regulators
5. Complaints and Whistle-blowing

7 The Obscuro Network Operator(s)

In order to pursue the mission of the Foundation as set out in section 1, there will need to be a set of operational activities, including technical activities such as hosting services, marketing activities, community management and promotion. These activities shall be funded through the participation fees and overseen by the Board, and they will require operational staffing by the Operator(s). It is not envisaged (at least during the first year) that the Obscuro Network Foundation will need separate staff. Administrative operations and meeting facilities will be provided by the Operator.

The Operator shall invoice the Foundation for the costs of operating the Network and minor administrative expenses, initially on a cost-plus basis, and subject to annual review.

For the first year, Obscuro Limited shall act as the Operator.

8 Community

Obscuro is a collaborative effort, and part of the Foundation's mission is to help create and foster a technical community that will benefit all Obscuro solution providers and users. As such, the Foundation will work to encourage further participation of leading Participants of the ecosystem, including developers, service and solution providers and end users. This community shall work towards furthering the adoption of Obscuro, and contribute to the specific capabilities identified in the technical white paper.

The Obscuro technical community should be broad and open, encouraging participation and active conversations on the technology and applications, but this cannot be mandated by the Foundation.

8.1 Non-Discrimination

The Foundation will welcome any organisation able to meet the Participation criteria, regardless of competitive interests with other Participants. The Board shall not seek to exclude any Participant for any reasons other than those that are reasonable, explicit and applied on a non-discriminatory basis to all Participants.

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