



SpiderDAO.

The First Hardware-Based DAO on Cosmos

Why SpiderDAO?

Decentralised Autonomous Organisation (or DAO) is an entity represented by rules encoded as a transparent computer program, controlled by the organization members and not influenced by a central government. A DAO's financial transaction record and program rules are maintained on the blockchain.

DAO's benefits have widely been acknowledged to enable communities to self-organise, collectively own and manage resources through consensus and without a centralised party, whilst simultaneously maintaining accountability, agility and transparency in the decision-making process.

However, given the infancy of DAOs, significant vulnerabilities have been discovered in traditional governance systems, utilised by projects like Polkadot, Decred and EOS, which threaten the integrity of the voting process. Specifically, the token-based voting utilised by traditional DAO models have been shown to be subject to attack and takeover by plutocracies controlled by wealthy whales.

SpiderDAO seeks to solve this issue by introducing a dual-governance model that bundles hardware & software tools with on-chain and off-chain elements to create a “whale-resistant” governance solution.

The Challenge.

1. Plutocracies: Whales can gain an unfair voting advantage and the power to skew elections simply by accumulating large amounts of governance tokens to buy voting rights.
2. The Rise of Dark DAOs: "Dark DAOs" are entities which utilize smart contracts to undermine trust in voting systems by accumulating voting rights for market manipulation which, eventually, lead to the take-over of the governance system.
3. Exploitable Governance: The utility of voting rights is tied solely to the governance token. Tokens can be easily purchased on exchanges making it easy for large investment bodies to exploit the system to accumulate voting power.

"I criticize DAO's because I love them. On-chain algorithms open to vote probing...Plutocracy gives me heartburn."

Vitalik Buterin

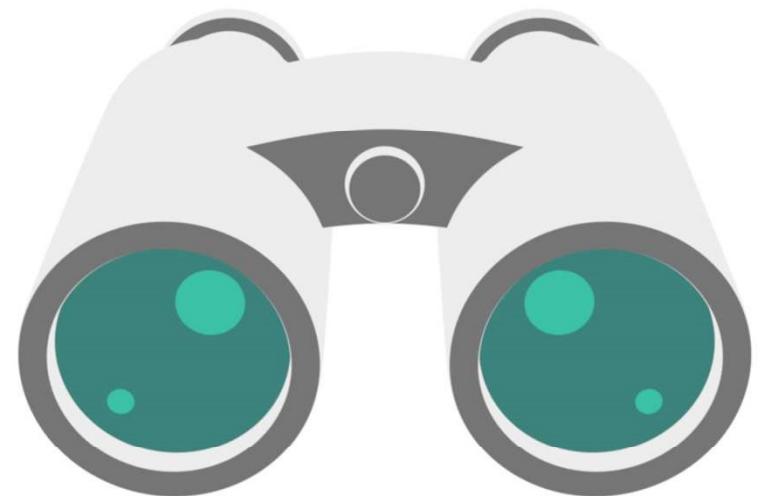


Vision.

Our vision is to establish a new set of standards for Decentralised Autonomous Organisations to counteract the unfair distribution of voting power in traditional DAOs caused by large investment bodies (or “whales”) accumulating governance tokens to buy voting rights and skewing elections for private gain.

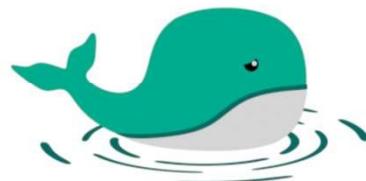
SpiderDAO innovates on the DAO concept by introducing a dual-governance model which bundles together hardware and software tools with on-chain elements, providing a “whale-resistant” governance solution.

SpiderDAO is underpinned by the Cosmos Tendermint consensus mechanism and will utilise a network of hardware routers deployed by DAO participants as a “ticket” for election voting.



Key Features.

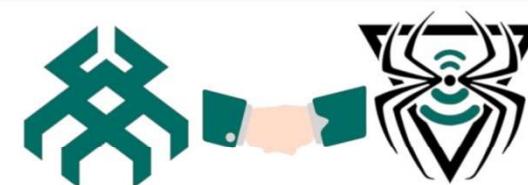
Hardware-enabled DAO voting process: First of its kind hardware-enabled decentralised voting process with safeguards in place to ensure hoarding of hardware devices is instantaneously detected by the network.



Access to decentralized VPN services: SpiderDAO will first be integrated with SpiderVPN, providing owners of the SpiderConnect Routers with access to a decentralised VPN service granting full online anonymity and host of premium features.



Whale-Resistant Dual-Governance Model: SpiderDAO transfers the voting eligibility rights from solely the token to a dual off-chain - on-chain mechanism. This makes it more challenging for large entities to disproportionately influence the elections without incurring significant costs.



“Liquidity as Utility” Token Model: SPDR token utility expanded to LP tokens enabling holders to simultaneously benefit from LP fees, liquidity mining and VPN services.

How it Works.



SpiderDAO unique dual-governance model shifts voting power away from DAO token holders (as is in traditional DAOs) and towards the hardware owners, where one validated router equates to one vote. To gain eligibility to participate in the DAO vote, must have following criteria validated by the SpiderNetwork:

1. SpiderConnect Hardware router (or compatible) connected to the network
2. Staked SPDR Tokens

This will be underpinned by the Cosmos Tendermint consensus mechanism enabling us to combine proof of stake, on-chain governance and hardware anchoring within the governance system.

Ecosystem Components.

1. SpiderConnect Hardware Router: Best-in class hardware router that serves as the “ticket” to participate in the DAO, a high speed VPN router and a node in a fully decentralised VPN network.



2. Spider Token (SPDR): Native token required for staking to participate in the DAO, access “liquidity as utility” services and liquidity mining to access additional rewards.



3. SpiderDashboard: Simple to access user interface for router owners to enable them to validate their participation in the DAO, access DAO proposals and control their SpiderVPN services all through one portal.



4. SpiderNetwork: Used in tandem with the Validator Node to validate DAO participants and host decentralised VPN services provided by SpiderVPN.



5. SpiderPool: To fund the continued development of the DAO, a SpiderPool will be created which will accumulate 2% revenue generated by Spider VPN services. These resources will be used to fund the improvement of the DAO which, in turn, will incentivise the evolution of the project.



SpiderVPN - The First DAO-Governed VPN.

The SpiderDAO provides a unique governance infrastructure layer for a hardware-enabled DAO and can be applied in a variety of use cases. As the first use case, Spider will leverage its well established presence in the hardware dVPN market to create a fully self-governing decentralized VPN network called SpiderVPN.

In the first instance, the SpiderVPN will provide centralized VPN services with DAO eligibility. Following the integration with Sentinel, another established dVPN provider, SpiderVPN will offer the ability to tunnel user bandwidth through a decentralized VPN network. This introduces a whole new level of security to augment traditional dVPN services such as Network Monitoring, IP Filtering/Blocking, Kill Switch Control, Geo Filtering for Gamers, Deep packet inspection (DPI) and Band Steering.

To reflect this close connection between DAO and dVPN, the economics of SpiderDAO have been carefully fine-tuned to allow token holders to participate in both networks, allowing active users to partake in DAO governance while reaping rewards from multiple sources.

Traction.

SpiderVPN is an established company that has been providing VPN software and routers since 2017. As a pioneer in the space, Spider is leading the development of the SpiderDAO while simultaneously integrating its dVPN product portfolio as the first major use-case of the SpiderDAO.



18+
Countries

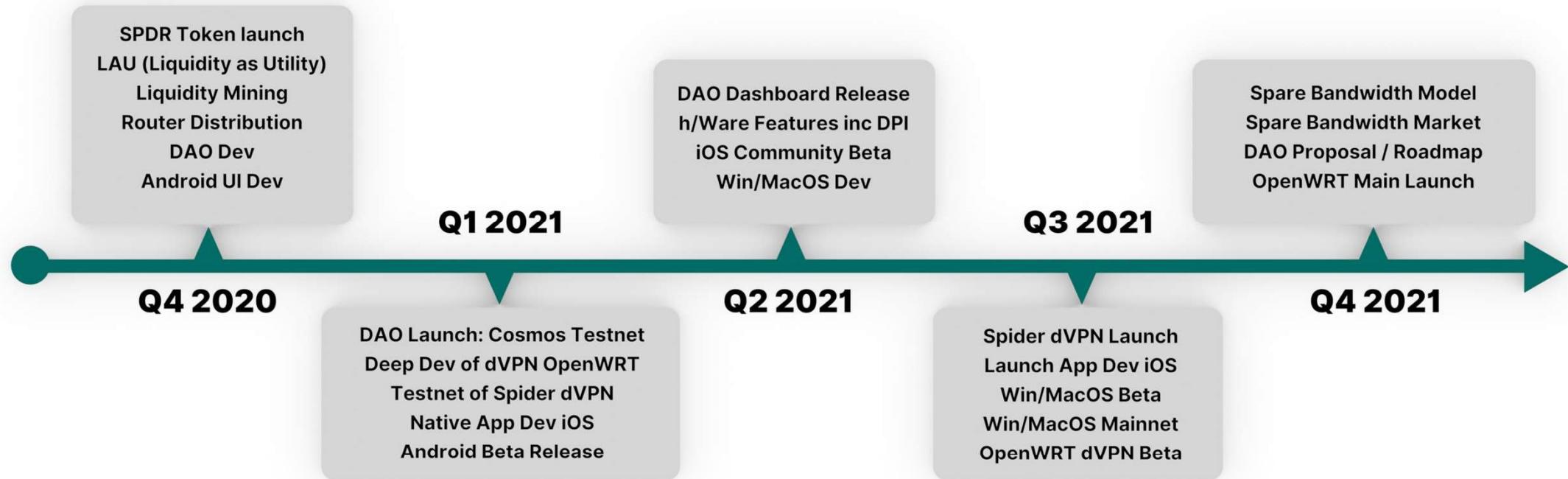


2500+
Users



350TB
Monthly Traffic

Roadmap.



Token Utility Summary - Three Layers.

DAO Governance

The DAO is operated by the community. Determine the future of the organization via community voting (in conjunction with a router).

Liquidity Mining

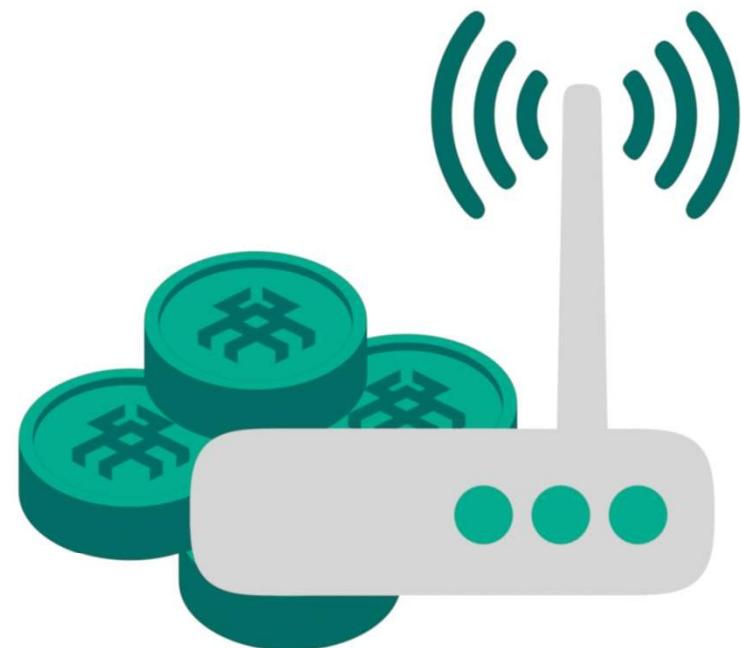
60% of SPDR supply will be unlocked through liquidity mining. Participants will be able to mine this supply by staking LP in the SPDR/ETH or SPDR/USDC liquidity mining pools.

Access to DAO ecosystem

Stake SPDR or SPDR-based LP tokens to receive access to products offered by the DAO, starting with the Spider dVPN.

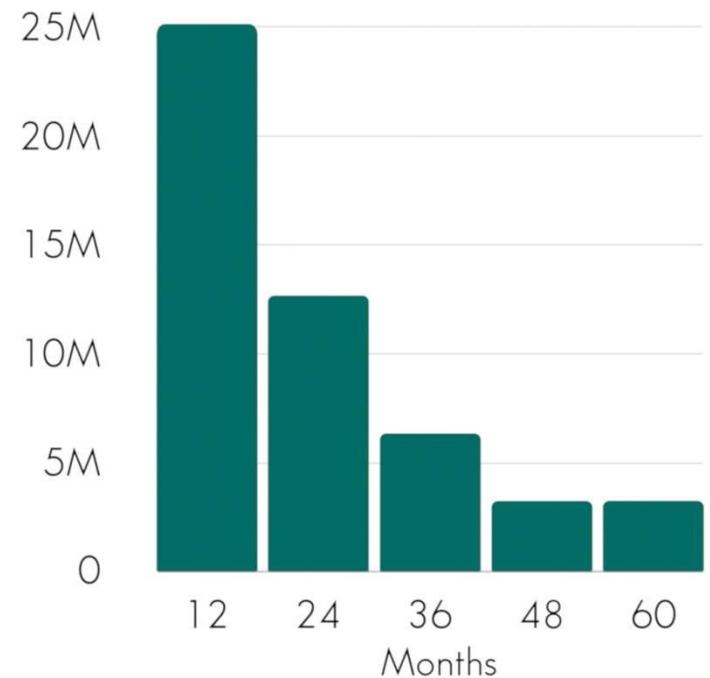
Layer One - DAO Governance.

- The purpose of SpiderDAO is to direct the flow of resources towards projects and proposals that offer the best route for growth. SpiderDAO holders are incentivised to assess different proposals and vote to fund the most promising initiatives to evolve the community. If no consensus is reached during the voting process, the outstanding SPDR tokens are sent to the SpiderPool for future development.
- Setting up a node in the SpiderDAO requires compatible hardware (like the SpiderConnect Router) as well as staking a set base amount of tokens. Once the node has been setup and validated by the SpiderNetwork, the participant may take part in the voting.



Layer Two - Liquidity Mining .

- 60% of SPDR supply will be unlocked through liquidity mining. Participants will be able to mine this supply by staking LP in the SPDR/ETH or SPDR/USDC liquidity mining pools. We believe that the network should be distributed to holders of the tokens instead of the investors that happened to be early but decided to renounce their stake in SpiderDAO. This is reflected by tying the release of over half the tokens to holding and staking the token for the duration of the liquidity mining program.
- Through the SpiderVPN “Liquidity as Utility” program, token holders can participate in liquidity mining while also enjoying the benefits of SpiderVPN Utility Mining.



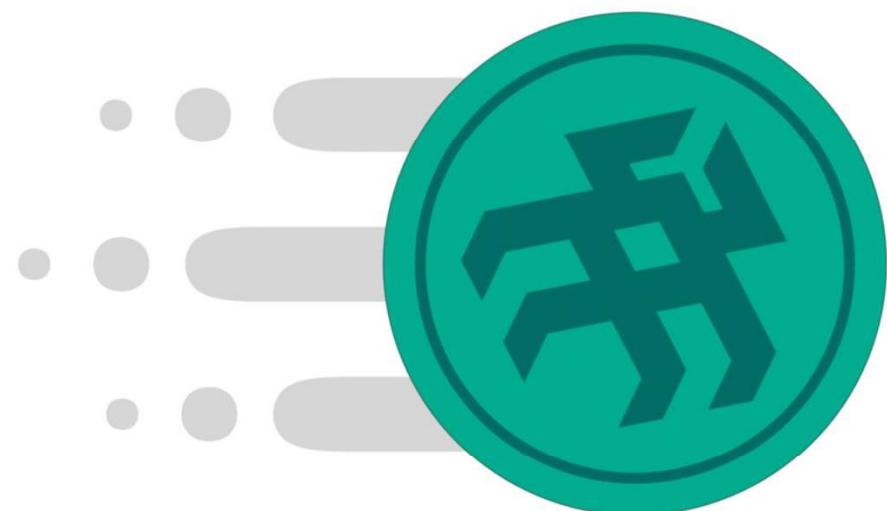
Layer Three - Liquidity as Utility (LAU).

Traditional token-economic models often require users to hold and stake a certain amount of tokens to receive access to the utility a project offers.

Recently, a trend of rewarding users for providing liquidity has emerged - by providing liquidity to certain token pairs and subsequently staking their LP tokens, users are rewarded with LP fees and in many cases with tokens ("yield farming").

Locking up tokens in a liquidity pool makes it impossible to stake them anywhere else, creating a dilemma for token holders, as they have to decide between supporting the community by providing liquidity to the token and staking the token for its intended utility.

To resolve this, SpiderDAO introduces its "Liquidity as Utility" (LAU) model: The utility of SPDR will also be attached to the SPDR/USDC LP token. This allows liquidity providers to enjoy LP fees, Liquidity Mining rewards, and the actual token utility at the same time.



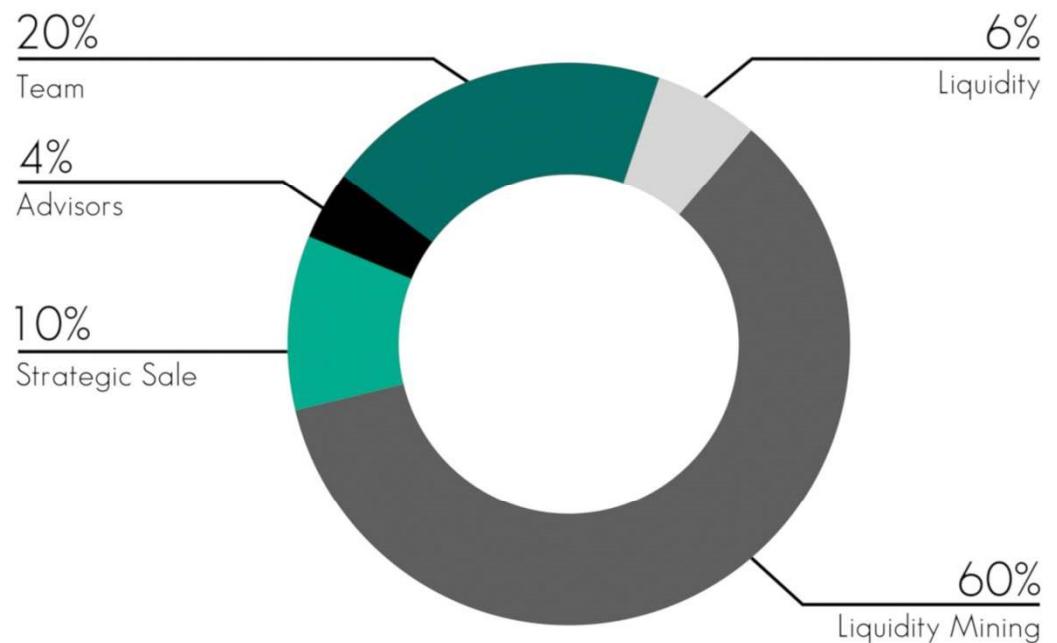
Token Price & Market Cap.

- Strategic sale token price: **\$0.02 USD**
- Uniswap listing price: **\$0.025 USD**
- Initial market cap: **\$250,000 USD**
- Strategic sale cap: **\$2,000,000 USD**
- Initial uniswap liquidity: **\$1,500,000 USD**



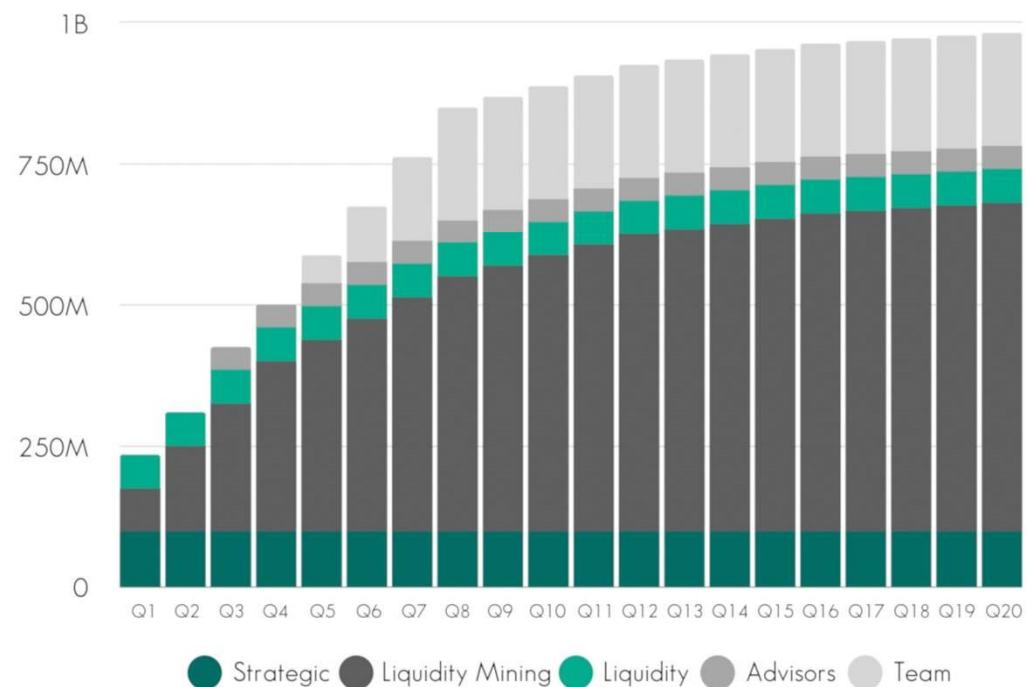
Token Distribution.

- Strategic sale with **10%** of the total token distribution
- **60%** of total supply unlocked via liquidity mining
- Team and advisors with a **24%** of total token distribution
- Liquidity will provide funds for uniswap and other exchanges



Token Release Schedule.

- Strategic sale unlocks **8.33%** weekly over **12 weeks**.
- Advisor tokens unlock **6 months** after initial token release with **6 month cliff**.
- Team tokens fully locked for **1 year**, then released **8.33%** monthly over **12 months**.



Leadership Team.



Nathan Varty
CEO

Nathan is an experienced entrepreneur specialized in IoT development and operations. He has been successfully overseeing SpiderVPN since 2017.



Žiga Flis
Co-Founder

Before joining SpiderDAO, Žiga was the Chief Technology Officer of RiverX studio, where he led the development of several blockchain technologies.



Anas Sayed
CTO

Acting as Project Manager and working with teams of Developers and Administrators. Anas has a background in hardware engineering and full network stack development.

Advisors.



Dr. Alphie Zhao
Hardware Specialist

Chief Technology Officer, GL Technologies (Hong Kong) Limited. Winner of CES innovation awards in 2019 and 2020. His PhD in engineering management compounds has a proven track record in hardware IoT since 2012.



Pierre Laurent
Blockchain Specialist

Pierre holds a Master of Engineering in Computer science from a French Engineering School, he joined the cryptocurrency exchange Gatecoin in 2018 to oversee the development of the European office as Blockchain Partnerships Manager. After that, he Co-founded Atka advisory.

Strategic Partners.

