

## **EmpowerX Project Selection Procedure (Public Version)**

Updated: March 2025

This document outlines the public selection process adopted by EmpowerX Holding and EmpowerX DAO for the evaluation and support of Web3 and DeFi startups. It is intended for full transparency and community awareness.

All procedures, roles, and governance mechanisms described herein are valid and enforceable within the EmpowerX ecosystem. Any member or external applicant is encouraged to read this document before submitting a project proposal.

### **1. Introduction and Purpose**

This procedure defines the methods for selecting projects seeking access to EmpowerX's incubation and funding program. Its goal is to ensure a transparent, merit-based, and sustainable process that rewards real innovation and measurable impact.

### **2. Project Eligibility Criteria**

Projects must meet the following minimum requirements:

- Identifiable and verifiable team with at least one founder having documented experience.
- Clear and sustainable business model.
- Technological or social relevance in Web3, DeFi, NFT, or token economy.
- No serious reputational or legal issues.
- Willingness to operate transparently with on-chain verifiable milestones.

### **3. Selection Process Phases**

The process includes five phases:

1. Application: submission of pitch, whitepaper, roadmap, and documentation via the EmpowerX platform (Appendix 1 lists ineligible projects).
2. Due diligence: technical and strategic evaluation by the expert committee (Appendix 2).
3. DAO Voting: EMX token holders vote on project admission (Appendix 3).
4. Formal Approval: final decision by the EmpowerX Governing Body.
5. Onboarding: agreement signing, issuance of 'Selected Project' NFT, and operational support activation.

#### **3.1 DAO-Initiated Proposals**

In addition to external applications, EmpowerX allows its DAO to propose projects. DAO-originated proposals may come from:

- Individual active members with at least X EMX staked;
- Organized groups of token holders (minimum quorum);
- Internal advisors or recognized contributors.

These proposals follow the same evaluation path (due diligence + DAO vote), but benefit from an internal fast-track channel if they meet all eligibility requirements.

#### **4. Roles Involved in the Selection**

- Proposer: the project team.
- Evaluators: expert committee.
- EmpowerX DAO: community members voting on proposals.
- Governing Body: final decision-making authority.

#### **5. Milestones and Fund Disbursement**

Funds are released in tranches according to milestone achievements.

Example:

- 10% at company incorporation;
- 20% upon MVP delivery;
- 30% at public launch;
- 40% upon quarterly performance.

All milestones must be verifiable on-chain or via certified reports.

##### **5.1 Role of the Governing Body in Fund Release**

Fund disbursement is not subject to DAO vote to avoid conflicts of interest and ensure efficiency.

The EmpowerX Governing Body evaluates milestone achievement and authorizes releases based on:

- Contractual milestones;
- Verifiable documentation;
- Technical and progress reports.

Decisions are publicly documented and transparent. The DAO can propose the withdrawal of support in severe cases (e.g., fraud, inactivity, deviation from objectives).

#### **6. Controls and Risk Mitigation**

- Verification of self-declarations and fact-checking.
- Mandatory quarterly updates post-onboarding.
- Suspension clauses in case of fraud, inactivity, or serious inconsistencies.

#### **7. Transparency and Community Involvement (DAO)**

- All proposed projects are visible on the platform.
- Community feedback is collected and added to evaluations.
- DAO votes are recorded and viewable on-chain.

#### **8. Traceability and Documentation**

- Each phase is documented and archived in PDF.
- The selection process includes a full audit trail.

## **9. Conflict of Interest and Disclosure Requirements**

All parties involved (team, evaluators, DAO, governing body) must:

- Declare absence of conflicts of interest;
- Sign a transparency statement;
- Abstain from voting when linked to the project in question.

## **10. Evaluation Outcomes**

- Approval: project proceeds to incubation and funding.
- Postponement: project receives improvement guidance and may reapply.
- Rejection: decision documented and archived.