

Dear CoWmunity and Grants DAO,

We are proposing an update to the Grant Terms and Conditions (T&Cs) for all future grant recipients. The updated document, detailed below, aims to streamline the grant process and clarify the relationship between Grant Recipients and Grants DAO, consolidating all relevant information into one comprehensive agreement.

This updated Grant Agreement will be attached to the upcoming Grant DAO CIP renewal

, solidifying its legitimacy under CoW DAO governance. This update is intended to improve transparency and efficiency for all parties involved.

We invite all community members to review and provide feedback on this updated Grant Agreement. Your input is valuable to us.

Thank you for your support.

CoW DAO Grant Agreement

Last Updated: January 2025

This Grant Agreement (the “Agreement

”) outlines the terms and conditions for any grant awarded by Grants DAO, to a Grant Recipient. The Grants DAO is mandated by CoW DAO as per the provisions of CIP-X [with passing to be numbered]

, to act for the name and on behalf of CoW DAO in all matters pertaining to the CoW Grants Program. The Agreements governing this program have been formally ratified and approved by CoW DAO through the aforementioned CIP.

CoW DAO is represented by the public wallet address on Gnosis Chain mainnet blockchain:

0xcA771eda0c70aA7d053aB1B25004559B918FE662. Grants are paid out via the CoW Grants Program’s public wallet address on Gnosis Chain: 0xDA00000B30dCf0C3f5d968e4451Ebdee6950d63e [with passing of newest renewal CIP to be updated]

. Grant awards follow the decision (“Grant Decision

”) of a committee (“Grants Committee

”) of the Grants DAO, formed according to CoW DAO’s Governance Mechanisms.

CoW DAO and the Grant Recipient are together referred to as the “Parties”.

By submitting a Grant Proposal to Snapshot, the Grant Recipient acknowledges and agrees to be bound by this Agreement, and additionally by the CoW DAO Participation Agreement. In the event of any conflict between the terms of this Agreement and a Grant approved via Snapshot, the terms of the Snapshot-approved grant will prevail. However, the CoW DAO Participation Agreement holds the highest authority, and its terms will supersede both this Agreement and any approved Grant in case of any conflict.

1. Definitions & Interpretation

1.1 Definitions

- Commencement Date

: The start date defined in the Grant Proposal, or if none, the date the Grants Committee approved the Grant.

- Confidential Information

: any and all non-public information of any kind, communicated under any form or material in the framework of the present Agreement by CoW DAO to the Grant Recipient, including but not limited to, trade secrets, proprietary information, technical data, customer information, business plans, financial information, product specifications, methodologies, software, intellectual property, know-how, or any other business or technical information that:

- is marked or designated as “Confidential” or “Proprietary”;
- is identified as confidential at the time of disclosure, whether orally or in writing; or
- should reasonably be understood to be confidential given its nature and the circumstances of disclosure.
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- is identified as confidential at the time of disclosure, whether orally or in writing; or
- should reasonably be understood to be confidential given its nature and the circumstances of disclosure.

- Grant

: A financial award provided by the Grants DAO to a Grant Recipient, as outlined in the approved Grant Proposal, to support the completion of a defined Project.

- Grants DAO

: A sub-DAO of CoW DAO that is mandated by CoW DAO for managing the CoW Grants Program, including reviewing Grant Proposals, making Grant Decisions, and overseeing the disbursement of funds to Grant Recipients for and on behalf of CoW DAO. While operating with a degree of autonomy, the Grants DAO remains subject to the overarching governance of the CoW DAO and adheres to the principles and objectives outlined in the CoW DAO Participation Agreement. The Grants DAO is represented by the Grants Committee, as defined above.

- Grant Period

: The period the Grant is awarded, starting on the Commencement Date or as specified in the Project.

- Grant Proposal

: A formal post submitted on <https://forum.cow.fi> by a prospective Grant Recipient to the Grants Committee outlining a proposed project for which grant funding is requested. The Grant Proposal serves as the foundation for the Grant Agreement and must include, at minimum:

- A detailed description of the authors, project, its objectives, and intended outcomes.
- The type of Grant requested.
- For Milestone-Based Grants, a clear breakdown of project milestones, deliverables, and associated timelines.
- For Time-Based Grants, a clear outline of the scope of work, responsibilities, and estimated time commitment.
- A comprehensive budget outlining the total funding request as well as separated into milestones (where applicable) and its justification based on the project's scope and potential impact.
- The recipient's Gnosis Chain wallet address to which grant payments will be disbursed. It is expected that this address is the same as the signed proposal signed on Snapshot.

The Grant Proposal - with it's final wording on Snapshot and upon approval by the Grants Committee, forms an integral part of the Grant Agreement between the CoW DAO and the Grant Recipient.

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- The type of Grant requested.
- For Milestone-Based Grants, a clear breakdown of project milestones, deliverables, and associated timelines.
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- The recipient's Gnosis Chain wallet address to which grant payments will be disbursed. It is expected that this address is the same as the signed proposal signed on Snapshot.

The Grant Proposal - with it's final wording on Snapshot and upon approval by the Grants Committee, forms an integral part of the Grant Agreement between the CoW DAO and the Grant Recipient.

- Grant Recipient

: An entity or individual, or a group of entities or individuals, that has been awarded a Grant by the Grants DAO and to which this Agreement applies.

- Intellectual Property Rights

: All inventions or creations, designs or models, trademarks, trade names, logos, patents, design rights, software, databases, domain names or other materials and know-how (including trade secrets), whether registered or not, and regardless of their patentability, registrability or fixation.

- Know-How

: Information, data, or experience, whether patentable or not, including technical and commercial information related to research, design, development, manufacture, use, or sale.

- Milestones

: Specific project scopes, deliverables, or time that a Grant Recipient agrees to provide, as outlined in the Project.

- Milestone Grants

: Are Grants awarded for projects with clearly defined deliverables and outcomes

- Project

: The project for which the Grant is awarded.

- Services

: Work performed by the Grant Recipient as part of a Project.

- Snapshot

: The governance tool used by GrantDAO to vote in all matters pertaining to the CoW Grants Program

- Time-Based Grants

: Are Grants awarded for contributions to CoW DAO's ecosystem where the focus is on consistent effort and engagement over a defined period.

1.2 Interpretation

A Grant is deemed approved upon the successful completion of the Grants DAO's voting process on Snapshot (<https://snapshot.box/#/s:cowgrants.eth>), subject to the terms and conditions outlined in this Agreement. The successful completion of the voting process signifies the Grants Committee's formal acceptance of the Grant Proposal.

1. Purpose of the Grant

The Grant Recipient shall use the Grant solely for the Project and in line with this Agreement.

Using the Grant for any other purposes than the Project or making significant changes to the Project requires approval by a successful completion of the Grants DAO's voting process on Snapshot.

1. Types of Grants

CoW DAO offers two primary types of Grants: Milestone Grants and Time-Based Grants. The type of Grant awarded will be determined by the nature of the Project and as specified in the Grant Proposal.

3.1 Milestone Grants

Milestone Grants are suitable for projects where progress can be measured by tangible outputs, such as a deliverable or a volume target. The Grant Proposal for a Milestone Grant will outline the project's milestones.

Each Milestone should include a detailed description of the tasks, deliverables, due dates, associated funding request and anticipated outcomes, and their significance to the overall project.

3.2 Time-Based Grants

Time-Based Grants are suitable for roles or projects that require ongoing involvement, such as community management, ongoing research, specific short-term tasks, or core protocol development. Unlike Milestone Grants, Time-Based Grants are not tied to specific deliverables but rather to the provision of time and effort.

The Grant Proposal for a Time-Based Grant will outline the scope of work, responsibilities, expected time commitment, and the unit of time for which the grant is awarded. This could be:

- Hours: For short, focused tasks or specialized expertise needed for a limited time.
- Days: For projects or roles requiring a dedicated effort over a few days or weeks.
- Months: For ongoing roles or longer-term projects.

3.3 Other types of Grants

In some cases a Grant may be structured as a hybrid of a Time-Based Grant and a Milestone Grant, or in a completely different manner. In these cases it will be clearly specified in the Grant Proposal which parts of the Grant are to be considered Time-Based and which parts are to be considered Milestone based. Payment will be determined accordingly, as outlined in this agreement and in the Grant Proposal. The most suitable type of Grant for a particular project will be determined by the Grants Committee, in consultation with the Grant Recipient, based on the project's nature, goals, and

deliverables.

The Grant type will be clearly specified in the Grant Proposal and confirmed upon the Grant's approval. The Grant Recipient is encouraged to carefully consider which Grant type best aligns with their project and to clearly articulate this in their Grant Proposal.

For Grants structured with multiple recipients (similar to a bounty), an intermediary must apply as the single Grant Recipient. This intermediary is solely responsible for ensuring the full disbursement of the Grant Funding to the intended recipients. Should the intermediary fail to distribute the full Grant, any upfront payments received and not distributed must be reimbursed to GrantsDAO.

1. Payment Terms of the Grant

4.1 General Payment Terms

Grants DAO will pay the Grant in xDAI or COW to the Gnosis Chain address specified in the Grant Proposal. It is expected that this address is the same as the signed Snapshot proposal.

Grants DAO will use a standard exchange rate to equate the Grant currency to USD (at the time the transaction is proposed) and settle the Grant in xDAI (or COW) on Gnosis Chain; currently used by the Grant Committee is xe.com with the assumption that 1 xDAI = 1 USD. Any changes to this method are at the Grant Committee's sole discretion.

For Time-Based Grant, any period of time in which services or Milestones are provided only partially will be paid pro-rata of the time effectively worked.

4.2 Completion and Payment Process

Upon completion of a Milestone or, in the case of Time-Based Grants, upon the fulfillment of the agreed-upon time commitment, the Grant Recipient is responsible for notifying the Grants Committee via the initial Grant Proposal thread on CoW DAO Forum.

- The Grants Committee will review the milestone or time commitment and may request confirmation from the designated reviewer.
- Following confirmation, the approved funding for the completed milestone or time-based disbursement will be included in the next scheduled payout cycle. Payout cycles usually occur at the end of each month.
- Due to potential transaction processing and signature requirements, payment can be expected by the 15th of the following month.
- Standard payment terms are 30 days after the receipt of the payment request.

4.3 Withholding or Denial of Payment

The Grants Committee reserves the right to withhold or deny payment of any portion of the Grant, including individual milestone payments or scheduled Time-Based Grant installments, under the following circumstances:

- Non-Compliance with Milestones

: If, in the Grants Committee's sole judgment, a Grant Recipient fails to satisfactorily achieve a milestone as defined in the Grant Proposal, including failing to meet the specified deliverables, outcomes, quality standards, or deadlines.

- Non-Fulfillment of Responsibilities

: If a Grant Recipient fails to fulfill the responsibilities, duties, or time commitments outlined in the Grant Proposal for Time-Based Grants.

- Breach of Agreement

: If a Grant Recipient materially breaches any term or condition of this Agreement, including but not limited to the warranties, representations, or obligations outlined herein.

- Misuse of Funds

: If the Grants Committee determines that Grant funds have been used for purposes other than those specified in the Grant Proposal or this Agreement, or if there is evidence of financial mismanagement or impropriety.

- Damage to CoW DAO

: If a Grant Recipient's actions, whether intentional or unintentional, cause significant harm to the reputation, operations, or community of the CoW DAO.

- Lack of Communication or Responsiveness

: If a Grant Recipient fails to maintain adequate communication with the Grants Committee, fails to provide requested reports or updates, or becomes unresponsive to reasonable inquiries.

- Force Majeure

: In the event of unforeseen circumstances beyond the control of either party that prevent the Grant Recipient from fulfilling their obligations under the Grant Proposal or this Agreement. In such case, the Grant Committee shall determine, at its sole discretion, whether to withhold or deny payment, or whether to make alternative arrangements with the Grant Recipient.

Before withholding or denying payment, the Grants Committee will, where practicable, provide the Grant Recipient with written notice of the issue and a reasonable opportunity to rectify the situation. However, the Grants Committee retains the ultimate right to make the final determination regarding payment.

Any decision to withhold or deny payment by the Grants Committee shall be communicated to the Grant Recipient in writing, including the reason(s) for the decision.

The Grant Recipient shall have the right to appeal the Grants Committee's termination decision through the CoW DAO's established Governance Mechanism, as outlined in section 12.8 (Governing Law and Dispute Resolution) of this Agreement.

1. Use of the Grant

The Grant must be used solely according to the budget and plans laid off in the Project.

The Grant Recipient is responsible for managing and paying any liabilities at the end of the Project, including redundancy liabilities for staff, using the Grant or other resources. No additional funding will be available from the Grants DAO unless a new Grant Proposal is submitted and approved.

1. Obligations of the Grant Recipient

The Grant Recipients should use their own work instruments, be responsible for their own insurances, not appoint a substitute, and not have conflicts of interest.

The Grant Recipient is responsible for paying any taxes related to the Grant. CoW DAO, Grants DAO and the Grant Committee make no representations regarding the tax treatment of the Grant.

The Grant Recipient must closely monitor the Project's delivery and success throughout the Grant Period, ensuring aims are met and this Agreement is followed.

A final report must be provided to CoW DAO as a Forum post upon completion of each Milestone or, in the case of Time-Based Grants, upon the fulfillment of the agreed-upon time commitment as detailed in the Project, confirming whether the Grant over the relevant period or its relevant Milestone was successfully completed.

Ongoing communication will be conducted via CoW DAO Forum or other communications channels. The Grant Recipient must use the same Forum handle as in their original Grant Proposal.

The Grant Recipient must follow reasonable CoW DAO branding guidelines when using CoW DAO's name and logo.

The Grant Recipient agrees to participate in promotional activities related to the Project, organized by the CoW DAO.

1. Warranties

The Grant Recipient warrants that they:

- Have the necessary resources, approvals, powers, and expertise to deliver the Project.
- Will comply with relevant legislation and codes of practice in all relevant jurisdictions and will notify CoW DAO of any significant departures.
- Have procedures for dealing with conflicts of interest.
- Have systems to prevent fraud and/or administrative malfunction.
- Are not restricted by any rules or regulations that would prevent them from meeting obligations related to the Grant.
- Have disclosed anything that might have influenced the Grants Committee's decision to award the Grant.
- Are not a United States citizen, permanent resident alien, entity organized under United States law, or any person in the United States.
- Are not a person or a citizen, resident, or member of any jurisdiction subject to economic sanctions by the EU, an EU member state, the US, or other relevant jurisdiction, nor do they act on behalf of a sanctioned person.
- Confirm that all financial and other information disclosed to CoW DAO is, to their knowledge, true and accurate.

- License Requirements

All rights, title, and interest in information, data, reports, documents, procedures, forecasts, technology, Know-How, and other Intellectual Property Rights owned by the CoW DAO or its affiliates before the Commencement Date remain the property of the CoW DAO.

Software or copyrightable work developed as part of a project conducted under a Milestone-Based Grant must be licensed under GNU LESSER GENERAL PUBLIC LICENSE Version 3 (or later), MIT LAB/Apache 2.0 Licenses, or another suitable open-source license approved by CoW DAO.

All rights related to works, new products and processes, or correction or improvement of products or processes already existing in CoW DAO's works, and all Intellectual Property that the Grant Recipient, individually or jointly, has created or whose creation has provided during the present the Grant Period to provide services that relate, directly or indirectly, to the business of CoW DAO, belong by origin and since their creation to CoW DAO.

1. Confidentiality

The Grant Recipient acknowledges that it may have access to Confidential Information of CoW DAO in connection with this Agreement.

The Grant Recipient shall:

- maintain the Confidential Information in strict confidence;
- use the Confidential Information solely for the purposes of performing its obligations under this Agreement and the Grant Proposal;
- protect the Confidential Information using at least the same degree of care it uses to protect its own confidential information of similar nature, but no less than reasonable care;
- limit access to Confidential Information to those employees, directors, representatives, and advisors who:
- have a need to know such information for the purposes of this Agreement; and
- are bound by written confidentiality obligations no less restrictive than those contained herein.
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- are bound by written confidentiality obligations no less restrictive than those contained herein.

Notwithstanding the above, Confidential Information does not include, and the restrictions in this section will not apply to:

- information already known by the Grant Recipient on the day of execution of the Agreement if it may prove that such information was gathered by itself or provided by a third party prior to the execution of the Agreement;
- information, legally obtained, by the Grant Recipient from a source independent to CoW DAO and not owing an obligation of confidentiality to CoW DAO;
- information which is in or enters the public domain during the term of the Agreement, other than by a breach of the Agreement by the Grant Recipient; and
- information which is legally required to be disclosed by law, contractual obligation or by any regulatory body or competent authorities, provided that, to the extent legally permissible, the Grant Recipient receiving such request for disclosure will inform the Grant Committee and cooperate with its attempts to limit the scope of such disclosure. Disclosure to authorities under this provision will not excuse the obligations of the Grant Recipient to other entities respecting the information so disclosed.
- Liability

10.1 Limitation of Liability

In no event shall CoW DAO, Grants DAO, or the Grant Committee be liable for any direct, indirect, incidental, consequential, special, or exemplary damages arising out of or in any way connected with the Grant Recipient's delivery, maintenance, or any other activity related to this Agreement, the Grant, the Project, or the use of the Grant by the Grant Recipient. This exclusion of liability includes, but is not limited to, damages for loss of profits, goodwill, use, data, or other intangible losses, even if CoW DAO, Grants DAO, or the Grant Committee have been advised of the possibility of such damages

10.2. Grant Recipient's Liability

The Grant Recipient is liable for and shall indemnify CoW DAO, Grants DAO and the Grant Committee for any loss, liability, costs, damages, or expenses from material breaches arising out of or in connection with this Agreement, Grant, the Project, or the use of the Grant, including negligent or reckless acts, omissions, or defaults in providing the Services.

1. Duration & Termination of a Grant

11.1 Duration

Except where otherwise specified, this Agreement shall apply from the Commencement Date for the duration of the Grant Period.

Except where otherwise specified, a Grant Period should never exceed six (6) months which, if needed, is to be actively renewed after the initial period through a new Grant Proposal and be approved by the Grants DAO.

The obligations of the Parties of these Terms and Conditions that by their nature would continue beyond the Grant Period or the expiration, termination or cancellation of the Project (including, without limitation, the warranties, indemnification obligations, confidentiality requirements and ownership and property rights) shall survive beyond the Grant Period or beyond any such expiration, termination or cancellation.

11.2 Termination by the Grant Recipient

The Grant Recipient may terminate this Agreement for any reason by providing a 30 days written notice to the Grants Committee via the CoW DAO Forum. Such termination may be due to, but not limited to:

- Circumstances Preventing Project Completion

: The Grant Recipient may encounter unforeseen circumstances that prevent them from completing the Project, such as a lack of resources, personnel changes, or technical challenges.

- Change in Priorities or Objectives

: The Grant Recipient's priorities or objectives may change, rendering the Project no longer aligned with their goals.

- Better Opportunity

: The Grant Recipient may receive a more favorable opportunity that conflicts with the Project's requirements.

- Dissatisfaction with CoW DAO Collaboration:

The Grant Recipient may experience difficulties or dissatisfaction with the collaboration with CoW DAO, hindering the Project's progress.

Upon termination by the Grant Recipient, the Grants Committee will determine, at its sole discretion, whether the Grant Recipient is entitled to any payment for completed work, considering the reason for termination, progress made, and expenses incurred. The Grant Recipient will not be entitled to payment for any unachieved Milestone or for any time not yet worked in Time-Based Grants.

The Grants Committee will communicate any decision regarding payment upon termination to the Grant Recipient in writing, including the reasons for the decision. The Grant Recipient may appeal the Grants Committee's decision through the CoW DAO's established Governance Mechanism.

11.3 Termination by the Grants Committee

The Grants Committee reserves the right to terminate any Grant, whether Time-Based or Milestone-Based, at any time, with or without cause following the successful completion of a Snapshot vote on the matter. In normal circumstances, the Grants Committee will provide the Grant Recipient with a 30-day notice period via the CoW DAO Forum from the date the vote has successfully passed. However, the Grants Committee may terminate a Grant immediately in exceptional circumstances. Reasons for immediate termination may include, but are not limited to:

- Misuse of Funds:

if Grant funds have been for another purpose than the one set in the Grant Proposal or this Agreement.

- Damage to CoW DAO

: if a Grant Recipient's actions cause significant harm to CoW DAO.

- Lack of Communication or Responsiveness

: if a Grant Recipient fails to maintain adequate communication or becomes unresponsive.

- Force Majeure

: in the event of unforeseen circumstances beyond the control of either party.

In the event of termination, the Grants Committee will determine, at its sole discretion, whether the Grant Recipient is entitled to any payment for work completed up to the termination date, taking into account the reason for termination, the

progress made, and any expenses incurred. The Grant Recipient will not be entitled to payment for any Milestone not yet achieved or for any time not yet worked in the context of Time-Based Grants.

The Grant Recipient shall have the right to appeal the Grants Committee's termination decision through the CoW DAO's established Governance Mechanism, as outlined in section 12.8 (Governing Law and Dispute Resolution) of this Agreement.

11.4 Mutually agreed early termination

Irrespective of the above clauses can a Grant always be terminated early by mutual agreement: For this, the Grant Recipient must submit a Snapshot vote detailing the Termination suggestion (termination date, final payment requested), subject to successful approval by the Grant Committee.

1. Miscellaneous

12.1 Assignment

The Grant Recipient cannot assign, transfer, or subcontract the Grant or this Agreement to a third party without prior written consent from the CoW DAO, except as part of the Project.

12.2 Waiver

No failure or delay by either party to exercise a right or remedy under this Agreement is a waiver of any other right or remedy.

12.3. Notices

All notices related to this Agreement must be submitted in the same Forum thread as the one created by the Grant Recipient for their Grant Proposal on CoW DAO Forum and are deemed received on the second working day after posting.

12.4 No Partnership or Agency

This Agreement does not create a partnership, joint venture, or principal-agent relationship between the CoW DAO and the Grant Recipient. Neither party can make commitments for the other.

12.5 Relation to CoW DAO

Grant Recipients are independent of CoW DAO and other Service Providers. Nothing in this Grant makes them an employee, worker, agent, or partner. They cannot bind CoW DAO. They must provide Services autonomously without integration into CoW DAO's organization.

12.6 Rights of Third Parties

This Agreement does not confer any contractual benefit on any person other than the Parties.

12.7 Entire Agreement

This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter herein and supersedes all prior or contemporaneous communications, representations, or agreements, whether oral or written.

12.8 Governing Law and Dispute Resolution

This Agreement is governed by the law of England and Wales. Disputes should first be referred to the CoW DAO through a proposal in accordance with the Governance Mechanism. If not resolved, disputes will be settled by the Kleros General Court, without recourse to ordinary courts.