

□ Governance Constitution

- **Governance TFO (gTFO)** is designated as the governance token.
- n number of DAO members shall be finalized at the end of each quarter.
- Genesis mint for gTFO voted and formulated as

$$n \times 100 = 100n = N \text{ gTFO // gen. Q1 2025}$$

- At the end of each FQ, 'r' members left/removed/inactive shall be liable to burn

$$r \times 100 = 100r = R \text{ gTFO}$$

- At the end of each FQ, 'a' members added, subject to approval, shall be issued

$$a \times 100 = 100a = A \text{ gTFO}$$

- At the end of each FQ, total circulating supply for gTFO after adjustments

$$C_A = 100n - 100r + 100a = N - R + A \text{ gTFO}$$

- To ensure stability, integrity and confidentiality within DAO premises, minimisation of frequency is desired. Hence, DAO implements a cap on “maximum” mint for gTFO within a year.

Maximum annual mint cap is:

$$1200 \text{ gTFO} = 100 \times 12 \text{ gTFO} = 100 \times m \text{ gTFO}$$

=> Where 'm' implies the maximum number of additions to DAO ≈ 12 (Initial Cap)

Hence,

Maximum annual supply cap is:

$$S = C_I + 100m = C_I + 1200 \text{ gTFO}$$

Note: 'm' is subject to voting proposal if required.

- DAO agrees to strictly abide by the **LEGISLATION** framework.
- Each DAO member is assigned only **one vote per proposal**. Attempt to influence, persuade, or promote bias among the members towards a decision is discouraged.
- Addition/Removal/Suspension of any member to or from the DAO shall strictly be carried out based on the principle of majority voting. Private invitation to the DAO is restricted.
- Governance TFO (gTFO) represents voting power only. gTFO is allocated on a 1:1 basis to the eligible members. **Delegation** is prohibited within the DAO. Any activities involving transfer/buy/sell of gTFO will result in strict actions against the member, including, but not limited to, suspension from the DAO.
- DAO, at current, does not intend to associate gTFO with any financial incentives. gTFO may be treated as a presentation of stake holding for future endeavours. Such plans shall be subject to detailed scrutiny and distribution. In the unforeseeable future, gTFO may be associated with incentivization subject to voting.
- In exceptional cases or unforeseen circumstances, the existing DAO stack shall be migrated to a fresh stack with revised tokenomics. In all cases, the principal governance issuance is formulated on

$$n \times 100 = 100n = N \text{ gTFO}$$

- In the case of a near-impossible event, such that the DAO needs to be dissolved, the dissolution of DAO shall be carried through a “**VOTE OF NO CONFIDENCE**” that requires all the ‘n’ members of the DAO, at the time of proposal, to vote in the favour of the dissolution. VNC, if successful, shall dismantle the current DAO and further actions be adjudged through the majority consensus in The Family Office group.
- To adhere by the true principles of decentralization, DAO does not appoint or promote any leaders for its internal operations. All members of the DAO are referred to as “**Contributors**”. The DAO, when necessary, shall delegate leadership roles to individuals to handle external affairs. Such delegations shall only be granted after comprehensive analysis of the scenarios, requirements and expertise of the concerned individuals.

Tokenomics

1. Initial Parameters

- **Initial Members:** n
- **Initial Tokens Allocated per Member:** 100 gTFO
- **Total Initial Supply:** $n \times 100 = 100n \text{ gTFO}$

2. Membership Dynamics

- **Maximum Annual Member Additions:** $12 \text{ members} = m$
- **Maximum Members Added Per Quarter:** $3 \text{ (subject to annual cap)}$
- **Maximum Members Removed Per Quarter:** $2 \text{ (based on governance decisions)}$
- **Net Membership Growth Per Quarter:** $3 - 2 = 1 \text{ (Idea Case)}$

Removals:

- Tokens allocated to members who leave or are removed are to be burned by the concerned member.
- **Scenarios for removals:**
 - **Inactivity:** Members inactive for more than the allowed period shall be removed.

- **Voluntary Exit:** Members may choose to leave voluntarily with proper justification, clearance of debt and reimbursement of any active role.
- **Governance Removal:** Members can be voted out for non-adherence to the Legislation.
- **Burned Tokens:**

$$\text{Burned gTFO} = r \times 100$$

where r = number of members left (quarterly)

Net Membership Growth:

- Total members at the end of each quarter:

$$n_{\text{current}} = n_{\text{previous}} + \text{Additions} - \text{Removals}$$

3. Mint Rules

- Tokens Minted per Member: 100 gTFO
- Annual Mint Cap: $12 \times 100 = 1,200$ gTFO
- Quarterly Mint Limit: $3 \times 100 = 300$ gTFO
- Model Curve: Piecewise Linear Curve

4. Supply Formulae

- Theoretical Circulating Supply (Per Quarter Start):

$$C_Q = 100 \times n = 100n$$

- Adjusted Circulating Supply (Per Quarter End):

$$C_A = 100n - 100r + 100a = C_Q - R + A$$

Where:

- n: Initial members (Cumulative Per Quarter)
- r: Removed members
- a: Added members

4. Example Projections (Quarterly)

Quarter	New Additions	Removals	Total Members	Circulation
0	-	-	25	2500
1	1	0	26	2600
2	3	0	29	2900
3	1	2	28	2800
4	0	1	27	2700

Quorum

1. Definition of Quorum:

- Quorum shall be defined as the minimum percentage of active DAO members required to participate in decision-making processes for the outcome of a proposal to be considered valid and binding.

2. Initial Quorum Threshold:

- The initial quorum requirement for all proposals is set at 60% participation of active DAO members. Proposals failing to meet this threshold will be deemed invalid and will require resubmission.

3. Quorum Applicability:

- **Regular Governance Proposals:** A quorum of 60% is required for proposals related to general governance or operational matters.
- **Critical Governance Proposals:** Proposals involving amendments to governance rules, migration to a new stack, or changes to tokenomics require a higher quorum of 80% participation to ensure broader consensus among members.
- **Dissolution of the DAO:** Proposals to dissolve the DAO, such as a Vote of No Confidence (VNC), require a unanimous quorum of 100% participation for approval.

4. Verification of Quorum:

- Quorum shall be calculated based on the total number of active DAO members at the time of voting. Members deemed inactive as per the inactivity policy shall be excluded from the quorum calculation and further considered for review for further actions.

5. Proposals Without Quorum:

- Proposals that fail to meet quorum requirements will not be considered valid and will require resubmission. Resubmitted proposals may only be introduced after a minimum cooling-off period of two weeks, allowing for further discussion and member engagement.

6. Dynamic Quorum Adjustments:

- Quorum thresholds may be subject to revision based on changes in membership size or activity levels. Any revisions to quorum requirements must be approved through a governance vote, meeting the quorum and approval thresholds in effect at the time of voting.