

GOVERNANCE OVERVIEW

The Kalima Blockchain has two on-Chain governance mechanism.

These governance mechanisms are here to managed important changes such as White Paper evolutions, governance evolutions, consensus parameters, Validation Pools remuneration or transaction fees level etc.

There are two types of proposal regarding the Kalima Governance with two different voting process:

- General governance.
- Kalima Network governance.

This document provides background information on these different kinds of proposals and best-practices for drafting them and proposing them.

In this document “holder of KLX” means to own On-chain KLX, which can be verified with MetaMask, or to own KLX in cliff or in vesting which are registered in the governance Kalima Blockchain at the corresponding addresses.

All governance proposals submissions, proposals deposits, proposals status and votes are registered in the governance Kalima Blockchain at the corresponding addresses.

• KALIMA NETWORK GOVERNANCE PROPOSALS

Kalima Network governance proposals are proposals about financial and technical parameters of the Kalima network management process and general governance proposals.

These parameters change can be for example the following:

- Transaction fees level
- Validation Pools cost and rewards.
- Validation Nodes and Master Nodes costs and rewards
- Developer’s fund usage
- Any protocol changes.

Who can participate in the voting process of Network Governance proposals?

Kalima network management actors can participate in the voting process of Kalima Network Governance proposals. These Kalima network management actors are considered as the following:

- Validation Pool Owners
- Validators (Master Nodes & Validation Nodes operator)
- Kalima Consortium composed of the following:
 - Kalima Blockchain advisors
 - Kalima Blockchain Team
 - Any holder with more than 2% of the total KLX supply

Proposal Submission process

1. Proposal Submission.

Governance proposals can only be submitted by the Kalima network management actors.

Proposal is submitted by the submission mechanism available to the Kalima network management actors on the voting page after authentication and then are accessible to any Kalima network management actor.

2. Voting Process

Voting Period for Kalima Network governance proposals:

The voting period is currently a fixed 7-day period.

During the voting period, participants, in this case only Kalima network management actors may select a vote of either 'Yes', 'No', 'Abstain'.

- **Abstain:** The voter wishes to contribute to quorum without voting for or against a proposal.
- **Yes:** Approval of the proposal in its current form.
- **No:** Disapproval of the proposal in its current form.

Voters may change their vote at any time before the voting period ends.

How does the vote work?

When a proposal is submitted, Kalima network management actors can vote during the voting period on the voting page after authentication.

For each actors 1KLX = 1 vote.

Several of the numbers involved in governance are parameters and can thus be changed by passing a parameter change proposal.

- Voting period: 7 days
- Quorum: 40% of participating voting power
- Pass threshold: 50% « Yes » votes of participating voting power

• **GENERAL GOVERNANCE PROPOSALS**

General governance proposals are proposals that concerns every user of Kalima Blockchain, meaning holders, stakers, users and developers of the community.

These changes can be for example the following:

- Staking rewards changes
- Whitepaper changes
- Governance changes

Who can participate in the voting process of General governance proposals?

Every “holder of KLX” can participate in the voting process of General governance proposals.

Submitting a proposal

Community proposal can only be submitted following the General governance proposal submission process.

Proposal Submission process

1. Proposal Submission.

Governance proposals can only be submitted by the Kalima network management actors.

Proposal is submitted by the submission mechanism available to the Kalima network management actors on the voting page after authentication and then are accessible to any Kalima network management actor.

2. Voting Process

Voting Process for General governance Proposals

Voting Period for General governance proposals:

When a proposal is submitted every “KLX holder” can vote during the voting period.

The voting period is currently a fixed 7-day period.

During the voting period, participants may select a vote of either 'Yes', 'No', 'Abstain'.

- **Abstain:** The voter wishes to contribute to quorum without voting for or against a proposal.
- **Yes:** Approval of the proposal in its current form.
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How does the vote work?

1KLX = 1 Vote

Several of the numbers involved in governance are parameters and can thus be changed by passing a parameter change proposal.

- Voting period: 7 days
- Quorum: 40% of participating voting power
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