



Pixll Node Governance Charter

Adopted March 21, 2023

Pixll Node Network Charter Version 1.0

(the “Charter”)

1. Introduction to the Charter

Please read this Charter document carefully, as it sets forth the governance rules of the Pixll Node Network (the “**Node Network**”) and defines your rights and responsibilities for participating and interacting with the Node Network. The Charter also sets the rules for your relationship with other node operators validating transactions in the Node Network.

As a Node Operator of the Pixll Node Network, natural or legal person interacting with the Node Network, you accept and agree to act in good faith and be bound by this Charter, which acts as an agreement between you and anyone else that participates or otherwise interacts with the Node Network which shall be governed by the Node Network Agreement.

If approved by a majority of the node owners pursuant to the voting mechanism established herein, this Charter will govern the distribution of digital rewards to Pixll Nodes and certain other blockchain governance matters for the Pixll Blockchain.

This Charter is made available under a Creative Commons license Attribution-ShareAlike 4.0 (<https://creativecommons.org/licenses/by-sa/2.0/legalcode>).

2. Applicable rules to the Node Network

These rules form together the Charter that lays out the basic principles required for participation in the Node Network and are comprised of the following documents:

- i. DGF Distributed Governance Framework (DGF) Charter;
- ii. Node Network DGF Agreement;
- iii. Node License Agreement;
- iv. The Pixll Parameters;
- v. Community Guidelines;
- vi. Node Network Governance Framework;
- vii. Node Network Mediation Body.

In the event any conflict arises between paragraphs of these agreements, the above rank shall be used with “i” being the most important agreement that supersedes and prevails over all others.

3. Definitions

Brand: means Pixll United DAO LLC

DGF: means Distributed Governance Framework - an open-source blockchain coordination protocol based on open blockchain technology governed by a set of rules, with fluid affiliation through participation as a Node Operator, and that automatically execute certain actions without the need for intermediaries.

Participant(s): any Node Operator participating in the Node Network DGF using L3 software or Node Network Community Platforms.

Distribution Algorithm: the software code defining the parameters for the distribution of PXL tokens for the active participation of the Oracles in the L2 Network.

Guardian(s): Node Operator(s) that is/are eligible to rule upon disputes in Node Network Mediation Body.

Governance Framework: refers to the governance process(es) of the Node Network DGF.

L1 Network: means the blockchain referred to as “Ethereum” made available by the owner of the Ethereum trademark, the Ethereum Foundation (Stiftung Ethereum), which is used as layer 1 network by the Node Network.

L2 Network: means a distributed network of Node Operators of Pixll Nodes that maintains an open bidirectional communication channel open between the L2 Network and the L3 Network using a proof-of-authority consensus mechanism (also known as a blockchain).

L2 Network Trust: means the purpose trust entrusted to ensure the security, maintenance, update and improvement of the L2 Network.

L3 Technology: means the software layer constituted of the source code of the Node Network DGF, the Oracle Network and the Smart Contract(s) built on top of the L2 Network.

L3 Technology License: means the license granted by Node Governance LLC to Node Operators to use the L3 Technology in relation to their node running on the L2 Network.

Node Network DGF: a DGF constituted by Node Operators that aims at allowing the governance of the Node Network’s tools, the features of the Distribution Algorithm, the L3 Network the infrastructure and other common resources. The DGF is constituted by node operators of the Node Network. The Node Network DGF is governed by node operators according to the Node Network Process.

Node Network Charter: The whole of this document, which consists of the human-interpreted rules of the Node Network and is subdivided in the following documents:

- **The Node Network DGF Agreement:** the responsibilities and rights of Node Operators.
- **The Pixll Parameters:** the actions and/or oracle activities rewarded by the Node Network DGF.
- **The Community Guidelines:** the norms of behavior between Node Operators and Token Holders;
- **The Node Network Governance Framework:** the process used by Node Operators to govern the Node Network DGF.
- **The Node Network Mediation Body:** the dispute resolution process to solve issues between the Node Operators or issues arising with respect to the validation process and/or the Distribution Algorithm.

Node Operators: means the person(s) or entities having installed the software to operate nodes in the L2 Network, either as Validator Node or as Licensed Node.

Pixll Node: The standard version of the node software licensed as a limited time (expiring) license or as a permanent license.

Pixll Foundation Node: Node software with enhanced capabilities licensed as a limited time (expiring) license or as a permanent license.

Pixll Foundation Apps: Software applications or smart contracts which have been approved by the DGF to give rise to actions or action points used within the PXL distribution algorithm.

Pixll Blockchain Apps: Software applications or smart contracts developed by any party which interact with Pixll Foundation Apps. Pixll Blockchain Apps do not require approval by the DGF but may give rise to action points based on their interactions with Pixll Foundation Apps.

Pixll Foundation Transaction Fees: The portion of any digital coins or tokens which are designated as Pixll Foundation Transaction Fees within Pixll Foundation Apps and are earned by and distributed to Node Operators from transactions processed by Pixll Foundation Apps.

Pixll NFT(s): non-fungible token or other digital receipt issued to the Oracles as rewards for inputting Off-Chain data to the L2 Network.

Pixll NFT(s) Holder(s): any entity or person that owns or controls a wallet on the Node Network with a positive balance of Pixll NFT(s).

PXL Token(s): the native token of the L2 Network, i.e., a transferable utility token allowing to pay for transaction fees on the L2 Network.

PXL Token(s) Holder(s): any entity or person that owns or controls a wallet with a positive balance of PXL Tokens.

Pixll Trust: means the trust ensuring that the intellectual property rights to the source code of Layer 2 made available under an open-source license (GNU GPL v3 license: <https://www.gnu.org/licenses/gpl-3.0.fr.html>) are respected and entrusted with part of the transaction fees of L2 Network in order to ensure its proper maintenance and security.

Node Network Governance Committee: means the committee elected by the Node Network DGF to make Proposals with respect to the governance of the Node Network DGF.

Node Network Mediation Body: a dispute resolution mechanism governed by PXL Token(s) Holder(s).

Node Network Community Platforms: the platforms used for regular communication by the Node Operators and managed by the Node Network DGF, including Node Network's Discord server, Node Network's Telegram group, Node Network Forum, Node Network DGF, Node Network's Github repository (if any), online and offline gatherings and/or other groups and platforms of the Node Network.

Network Parameters: The current parameters of Smart Contracts, Distribution Algorithm and L3 governed by the Node Network DGF, which can be modified without amending the source code of the Smart Contracts and/or Distribution Algorithm.

Off-Chain: refers to any action or data entry that is not recorded on a blockchain or other type of distributed ledger where the smart contract (or version of it) is deployed, interfaced with or connected to so as to have verifiable and tamper-proof records validated by the Oracle Network.

On-Chain: refers to any action or data entry that is recorded on a blockchain or other type of distributed ledger where the smart contract (or version of it) is deployed, interfaced with or connected to so as to have verifiable and tamper-proof records on the Node Network.

Oracle: refers to the person or entity confirming any Off-Chain data, action or interaction with L2 Network and input this data into the L2 Network using the L3 software technology.

Oracle Network: refers to the network of Oracle(s) active on the L2 Network using the L3 Technology.

Oracle Node: means a node providing input data and/or confirming data, information or actions and/or acting as Oracle on the L2 Network.

Proposal(s): any suggested amendment to this Charter, the Smart Contracts, the Node Network governance framework, Network Parameters, the Agreements of the Node Network.

Smart Contract: a computer-interpreted source code deployed on the L2 Network issuing the PXL Tokens and/or the Pixll NFTs and whose private keys are controlled by the DGF.

Validator Node: means a node part of the L2 Network using its computational power and software resources to provide Verifiable Randomness Function and to ensure that the bidirectional communication channel open between the L2 Network and the L3 technology remains open at any point in time without any central authority being able to close the gate.

Verifiable Randomness Function (VRF): means a public-key using pseudo-random function that provides proofs that its outputs were calculated correctly.

4. General principles

You hereby understand and agree that Node Governance LLC's role is solely to provide a general software framework for the structuring and governance of L2 Network through a Distributed Governance Framework composed of Node Operators (the "**Node Network DGF**").

The L2 Network is made available by the Pixll Trust based on an open-source license (GNU GPL v3 license: <https://www.gnu.org/licenses/gpl-3.0.fr.html>).

Node Governance LLC is not part of the Node Network DGF, has no control over the L2 Network source code, the Pixll Trust or the Node Network DGF, neither directly nor indirectly, and shall not be held liable in any way for the actions or negligence or failures or damages caused by the Node Network DGF, which is fully independent and autonomous from Node Governance LLC. You hereby waive any right or claim towards Node Governance LLC resulting from the operation of the Node Network and/or your participation in the Node Network DGF.

Node Governance LLC and the Node Network DGF are fully independent from each other, and the Node Network DGF is fully decentralized and is not controlled, directly or indirectly, by Node Governance LLC. Therefore, except for tasks that may be delegated to Node Governance LLC by the Node Network DGF through a vote (in which case its liability shall be limited to fraud), Node Governance LLC shall have no liability for the outcome of the votes and/or for the decisions taken and/or actions rewarded by the Node Network DGF which is fully decentralized.

You understand and agree that, as Node Operator, you are fully part of the Node Network DGF and solely responsible for the operation of the L2 Network as well as for the decisions taken by the Node Network DGF and their proper implementation.

Except for any indemnification obligations or specific liability set out in this Charter, the liability of any natural or legal person that has drafted any part of this Charter or supported the initiation of this Charter or of the L2 Network, each employee, advisor or member of a governing body of Node Governance LLC and each natural or legal person interacting with the L2 Network shall be limited to the fullest extent permitted by applicable law. Any residual liability resulting from mandatory law of each of the aforementioned is several and not joint and each of the aforementioned shall be liable only for its obligations (and not those of anyone else) under this Charter or in connection with this Charter or with the L2 Network.

Neither Party participating or interacting with the L2 Network shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of anyone else participating or interacting with the L2 Network or to bind anyone else to any contract, agreement, or undertaking.

To the fullest extent permitted by applicable law, in no event shall Node Governance LLC be held liable for damages of any kind, under any legal theory, or be held liable of any breach of law or regulations arising out of or in connection with Node-related operations, transaction validation and/or use, making available the L3 Network software, participating or interacting with the L2 Network and/or decisions taken by the Node Network DGF, including any direct, indirect, special, incidental, or consequential damages, including but not limited to, loss of revenue, loss of profits, loss of business or anticipated savings, loss of use, loss of goodwill or loss of data, even if foreseeable. Node validators agree that there are solely liable for the operation of the Node Network DGF and for the actions taken by it.

Except as otherwise set out in this Charter, any claims, disputes or controversies arising out of this Charter or in connection with the access, interaction, use or governance of the Node Network or in connection with the node license, the node operation and/or with any relationship among the Node Operators or anyone else interacting with the Node Network shall be settled:

- By mutual agreement between the parties through the Node Network Mediation Body;
- If no mutual agreement can be reached, by the courts of Lausanne (Switzerland).

This Charter shall be governed by and construed and enforced in accordance with the laws of Switzerland.

5. The Pixll Parameters

Validator Nodes on the L2 Network are rewarded in PXL Tokens paid as transaction fees.

To receive rewards, Node Operators must have a working wallet identified on the Node Network.

The Node Network DGF shall be exclusively entrusted with the definition of the Node Network Parameters which might give rise to rewards in PXL Tokens, as well as for defining the parameters of the Distribution Algorithm and the level of rewards.

The Node Network DGF is also responsible to define the terms and the scope of the Smart Contract issuing the PXL Tokens and controls the private key of such Smart Contract.

The distribution algorithm and Initial actions / Oracle activities that earn points giving rise to a reward in PXL Token are the following:

Max Supply

The max supply of PXL Tokens shall be fifty billion (50,000,000,000) PXL.

Daily Distribution

The PXL distribution shall occur daily and distribute PXL Tokens using the following distribution schedules.

PXL Token distribution amounts may be approximate due to limitations of precision, rounding, or amounts allocated for transaction fees required to execute the daily distributions.

Time-Based Distribution Schedule:

Twenty-five billion (25,000,000,000) PXL Tokens shall be distributed to active Node Operators using a time-based daily distribution schedule.

During the first distribution year, starting April 6, 2023, 12.5 billion PXL Tokens shall be distributed to Node Operators. The yearly distribution amount shall be halved every year on or about April 6. For example, 6.25 billion PXL Tokens shall be distributed in the second distribution year starting April 6, 2024, and half of that amount the following year. This shall continue in perpetuity or until all PXL Tokens allocated under this schedule have been distributed.

The daily amount of PXL Tokens distributed under this schedule shall be the yearly distribution amount divided by the number of days in the distribution year. The number of days in the distribution year shall be 366 days for distribution years which contain a leap day, otherwise 365 days.

Node Activation Distribution Schedule:

Twenty-five billion (25,000,000,000) PXL Tokens shall be distributed over time to active Node Operators using a schedule which distributes PXL Tokens daily whenever a new licensed Pixll Node or Pixll Foundation Node is added to the node network.

For each distribution day, beginning April 6, 2023, the amount of PXL Tokens to be distributed under this schedule shall be 2,500 PXL Tokens per Pixll Node license and 250,000 PXL Tokens per Pixll Foundation Node license which was newly issued and assigned to a Node Operator that day.

When half of the allocated PXL Tokens have been distributed, the rate of distribution for each Node license added to the network shall be halved.

For example, once 12.5 billion PXL Tokens have been distributed under this schedule, the rate of distribution shall be halved to 125,000 PXL Tokens per qualifying Pixll Foundation Node license added to the network. Once an additional 6.25 billion tokens have been distributed, the rate of distribution shall be halved again to 62,500 PXL Tokens per qualifying Pixll Foundation Node license added to the network.

This shall continue in perpetuity or until all PXL Tokens allocated under this schedule have been distributed.

For each distribution day, the amount of PXL distributed shall be limited to the amount required so that the cumulative total of PXL Tokens distributed under the Node Activation Distribution Schedule does not exceed the cumulative total of PXL tokens distributed under the Time-Based Distribution Schedule (inclusive of all distributions on or after April 6, 2023).

For each distribution day the total PXL Tokens scheduled for distribution shall be distributed to active Pixll Node Operators within the following Reward Blocks:

- Node Operator Rewards (50%) – All Node Operators qualify to earn a share of the daily distribution through operation of an active Pixll Node or Pixll Foundation Node.
- Proof of Action Rewards (50%) - Node Operators may qualify to earn an additional share of the daily distribution by ranking within one or more Proof-of-Action Reward Blocks determined using a scoring and ranking algorithm.

Node Operator PXL Distribution Rewards

For each distribution day, 50% of the total PXL Tokens scheduled for distribution shall be distributed to active Node Operators based on the following actions:

Actions (Table 1)	Points
Every day you operate an active Pixll Node	1 point
Every day you operate an active Pixll Foundation Node	100 points

Each node operator shall receive a share of the Node Operator Rewards which is equal to the ratio/percentage of their personal Pixll Node action points (Table 1) divided by the total of all Pixll Node action points (Table 1) earned by all Pixll Node operators for the distribution day. For example, a node operator earning 1% of the total Pixll Node action points for a given day, shall receive 1% of the total allocated to the Node Operator Reward Block.

Proof-of-Action PXL Distribution Rewards

For each distribution day, 50% of the total PXL Tokens scheduled for distribution shall be distributed to active Node Operators based on the following actions:

Actions	Points
Every day you operate an active Pixll Node	1 point
Every day you operate an active Pixll Foundation Node	100 points
Every \$1 (USD equivalent) in Pixll Foundation Transaction Fees generated as the sender or recipient in a transaction using a Pixll Blockchain App.	1 point
Every \$1 you earn in Referral Rewards.	1 point
Every \$1 donated to charity through a Pixll Blockchain App.	1 point
Double Points for PXL	
Every \$1 (USD equivalent) you earn in Referral Rewards received in PXL Tokens from referred transactions executed using the PXL Token	2 points
Every \$1 (USD equivalent) in Pixll Foundation Transaction Fees generated as the sender or recipient in a transaction executed using the PXL Token in a Pixll Blockchain App.	2 points
Every \$1 (USD equivalent) in PXL tokens donated to charity through a Pixll Blockchain App.	2 points

Double points for PXL are not cumulative with the single point action items other than the actions items for operating nodes. For example, action points earned for using a Pixll Blockchain App either earn 2 points if the transaction executes in PXL or 1 point if it executes in some other medium of exchange.

Node Operators who operate at least 1 Pixll Node or Pixll Foundation Node will receive an **Action Score**. This score is calculated daily based on the history of your accumulated action points and the accumulated action points for all other Node Operators. The scoring is described later in this section.

Every day, all active Node Operators will be ranked based on their Action Score for the day with higher scores receiving a higher rank. Rank 1 is the highest, followed by rank 2 as the second highest, rank 3 as the third highest and so on.

Each Node Operator may qualify in one or more of four Proof-of-Action Reward Blocks:

Top 50 Block – The top 50 highest ranked Node Operators.

Top 500 Block – The top 500 highest ranked Node Operators.

Top 5,000 Block – The top 5,000 highest ranked Node Operators.

Top 50,000 Block – The top 50,000 highest ranked Node Operators.

A Node Operator may qualify in multiple reward blocks. For example, a Node Operator ranked 325 will qualify in the top 500, top 5,000, and top 50,000.

Each of the four reward blocks will be allocated 25% of the PXL Tokens to be distributed for Proof-of-Action Reward Blocks on a given day.

For each reward block, each Node Operator qualifying for the block shall receive a share of the PXL Tokens allocated to the reward block which is equal to the ratio/percentage of their Action Score divided by the sum of all same-day Action Scores of all Node Operators qualified in the reward block.

For example, using only Action Scores calculated for a given distribution day, if the sum of Action Scores for all Node Operators in the reward block was 2500.0, a Node Operator in the reward block with an Action Score of 25.0 would receive 1% ($25.0 / 2500.0$) of the PXL tokens allocated to the block. A Node Operator with an Action Score of 50.0 in the same reward block would receive 2% ($50.0 / 2500.0$) of the PXL Tokens allocated to the reward block.

Action Score

Your Action Score is a score from 0 to 10,000 which is calculated daily based on action points earned during five different time periods (inclusive of the distribution day):

Up to 5,000 points of your score is based on action points earned during the distribution day.

Up to 2,000 points of your score is based on action points earned in the previous week (7 days).

Up to 1,500 points of your score is based on action points earned in the previous month (30 days).

Up to 1,000 points of your score is based on action points earned in the previous year (365 days).

Up to 500 points of your score is based on all action points earned (all-time).

The points contributed to your Action Score will be your total action points within each time period, or the maximum points (if lower), multiplied by a score multiplier (up to 100%) determined by how your total action points rank when compared with the total action points for all Node Operators in the same look-back time period.

Your score multiplier for each time period is 100% minus the percentage of Node Operators who ranked higher in total action points within the look-back time period.

For example, if your total action points for a given day is 3,200 points and this is greater than all other Node Operators, your score multiplier is 100% for the daily portion of your score and you would receive 3,200 out of 5,000 points toward your Action Score.

Also, if your total action points in the past week is 2,000 points or greater and 40% of all active Node Operators ranked higher in total action points in the past week, your score multiplier is 60% for the weekly portion of your score and you would receive 1,200 out of 2,000 points toward your Action Score.

The same calculation is performed for the past month, past year and all-time action points. This is calculated every day and all 5 scores are added to determine your Action Score from 0 to 10,000.

Action Point Qualification

Action points may be earned by licensed Node Operators who are active and qualified for the daily distribution period. A Node Operator is active and qualified for action points if:

- a) They operate an active Pixll Node during the daily distribution period.
- b) They have operated an active Pixll Node for at least 8 of the past 30 days (inclusive of the distribution day).
- c) They have purchased or received their first ever Pixll Node license within the previous 15 days (inclusive of the distribution day).

Active Pixll Node (Definition)

Operating an active Pixll Node means operating the Pixll Node or Pixll Foundation Node software with an active license on a supported computer or device which is connected to the network and contributing the minimum required time, power, processing, and/or storage, and meets the established minimum operating requirements. Each node must be online, connected and contributing to the network for a minimum of 6 hours within the daily distribution period.

Referral Rewards (Definition)

Referral Rewards are digital tokens (such as ETH or PXL) earned for referring others to join the Pixll Community as Node Operator. They are distributed under the terms established by the Pixll Blockchain Referral Rewards Program and outside of the distribution of PXL rewards described herein.

USD Value

Regarding action points, \$1 shall mean any digital token with an equivalent market value of \$1 USD at the time of the transaction and is subject to rules and market value oracles established by Pixll Foundation Apps. Prorated points will be awarded for all values (including amounts less than or more than \$1 USD value).

Undistributed Tokens

All PXL tokens released by the Smart Contract supporting the daily PXL distribution which are not yet qualified for distribution under the distribution schedules herein or cannot be distributed for any reason may be held in reserve within wallet(s) under the control of Brand for the benefit of the DGF (which shall own the reserved PXL) and used solely for distribution to qualified Node Operators under the Pixll Parameters established herein.

Pixll Foundation Apps

The following applications are approved and established under this Charter as Pixll Foundation Apps which shall give rise to action points as established in this section (Table 2).

Pixll Escrow Foundation App: A Pixll Foundation App to be deployed by Brand after adoption of this Charter which enables development of Pixll Blockchain Apps to provide secure, non-custodial escrow transactions.

Pixll Marketplace Foundation App: A Pixll Foundation App to be deployed by Brand after adoption of this Charter which enables development of Pixll Blockchain Apps to provide services which create and/or transfer licenses, NFTs, digital assets, digital receipts, or digital tokens representing ownership of a physical asset.

Pixll Pay Foundation App: A Pixll Foundation App to be deployed by Brand after adoption of this Charter which enables development of Pixll Blockchain Apps to process payments for products or services using cryptocurrencies or other digital tokens.

Pixll Subscription Foundation App: A Pixll Foundation App to be deployed by Brand after adoption of this Charter which enables development of Pixll Blockchain Apps to provide services for recurring payments.

Pixll Donate Foundation App: A Pixll Foundation App to be deployed by Brand after adoption of this Charter which enables development of Pixll Blockchain Apps to accept donations of cryptocurrencies or other digital tokens for the benefit of charities.

Brand shall manage all terms and conditions of the above Pixll Foundation Apps including any algorithm which determines the Pixll Foundation Transaction Fees. Any Pixll Foundation Transaction Fees collected from the above apps and distributed to Node Operators shall be eligible for action points as defined in this section (Table 2).

Additional Pixll Foundation Apps that give rise to actions or action points used within the PXL distribution algorithm must be approved by the DGF as a proposal/amendment to this Charter.

6. The Node Network

1. Guidelines

The guidelines in this section shall apply to all proposals submitted to the Node Network DGF.

The guidelines in this section may be amended using the voting mechanism set forth in this Charter.

If any other terms in this Agreement conflict with these guidelines, the latter shall take precedence for enforcement purposes.

2. Proposals

Proposals are governed by this Charter, or a future version of this Charter as amended in accordance with the terms of this Charter as well as by the Node Network DGF Agreement.

Proposals must be submitted to the vote of the Node Network DGF using the interface of the L3 Technology and is therefore subject to a L3 license to be granted by Node Governance LLC.

PXL Tokens held on the Node Network DGF public address must not be used to influence Proposals or votes.

3. Proposal compliance

Proposals must comply with the following rules:

- i. Proposals must be consistent with the Pixll Parameters, Community Guidelines, and comply with the Node Network Governance Framework, or a revised version of these documents approved as defined in the Charter by the Node Network DGF.
- ii. Proposal must not contain directly, by direct link, or indirectly any Non-Consensual Imagery (NCI), Child Abuse Imagery (CAI), threats of violence and incitement, hate speech, bullying and harassment, sexual or human exploitation, illegal or certain regulated activities or matters, malware, spyware, or material that is owned via copyright, trademark or otherwise by someone other than one of the proposal initiator(s) (unless use of said material is permitted by the copyright owner or otherwise protected under other legal standards).

- iii. Proposals must be accompanied by the following information in human readable language (English):
 1. The name(s) and/or username(s) and/or public address of the initiator(s) of the proposal. The initiator(s) should be the primary point of contact for any questions or comments regarding the proposal.
 2. The initiator's preferred contact method in case anyone has questions or comments regarding the proposal.
 3. An accurate summary of the proposal in 280 characters or less.
 4. A rationale section detailing the initiator's reason(s) for creating the proposal.
 5. An accurate, long-form description of what the proposal will do if enacted, including the collective benefit for the Node Network DGF.
 6. The limitations of any benefits mentioned above or otherwise unaddressed areas of the problem space or possibility space.
 7. A section acknowledging, by title and initiator(s), any similar or related prior work known to the proposal initiator(s).
- iv. If the proposal amends one or more Smart Contracts, then a security audit report of the proposed amendment may be carried out and deemed passed. The proposal shall include a proposal for paying for audit.
- v. The requirements set forth in the Node Network Governance Framework (Section 9)

4. Disputes

- i. Disputes over any proposal relying on this Agreement must be resolved by the Node Network Mediation Body.
- ii. Other disputes between Token Holders should be resolved according to the Community Guidelines or by the following incremental processes as needed: dialogue, facilitation, mediation through Node Governance Mediation Body.

5. Representation & Warranties

- i. Node Operators and other participants or natural or legal persons that interact with the Node Network represent and warrant that:
 1. They can be legally bound by this Charter according to their applicable laws;

2. They can legally operate a node part of the Node Network in their jurisdiction;
3. They can legally receive PXL Tokens and/or Pixll NFTs from the Smart Contract controlled by the Node Network DGF;
4. Their participation to the Node Network DGF, confirmation, validation of transactions or interaction with the L2 Network software is always in compliance with applicable laws, including but not limited to anti-corruption and anti-money laundering laws;
5. They are solely responsible to comply with all applicable laws and regulations, including, but not limited to the reporting and payment of income tax, social security, wealth tax or similar taxes that may be due as a result of their participation in the Node Network DGF and receipt of the PXL Tokens and/or Pixll NFTs;
6. Blockchain technology and distributed-ledger technology in general is untested and outside anyone's exclusive control, and adverse changes in market forces or the technology, broadly construed, may affect the proper performance of the L2 Network and/or L3 Technology interfaced with it;
7. They understand the governance procedures and applicable rules of the Node Network and especially the Smart Contracts' functioning and limitations;
8. They understand the risks associated with the use of blockchain, crypto-assets and therefore the Node Network, which they agree to take at their sole responsibility, including but not limited to risks associated with:
 - a. Ethereum or L2 source code or Smart Contract malfunction or error (or any other protocol used);
 - b. Unfavorable regulatory actions in one or more jurisdictions against the Node Operators;
 - c. Theft and hacking of PXL Tokens or data resulting from defects in the source code of L2 Network and/or of the Smart Contracts;
 - d. Security weakness in the L2 Network components or in the Smart Contract;
 - e. Weaknesses or exploitable breakthroughs in the field of cryptography, including through quantic technologies;
 - f. Smart Contracts may be subject to fraud and failures or include weaknesses or bugs;
 - g. The tax treatment of crypto-assets is uncertain and there may be adverse tax consequences when participating to or

- interacting with the Node Network, operating a node or holding any PXL Token and/or Pixll NFTs;
- h. Losing of credentials to access to the wallet results in the PXL Token and/or Pixll NFTs becoming unrecoverable and permanently lost;
- i. Uninsured losses;
- j. Internet transmission risks;
- k. Insufficient participation in the Node Network DGF;
- l. Unanticipated risks and force majeure.

6. Discharge of future claims

- i. To the fullest extent permitted by the applicable laws in Switzerland, each Node Operator agrees to indemnify, hold and defend the other Node Operators from and against all claims, liabilities, damages, judgments, losses, costs, expenses or fees (including reasonable attorneys' fees) that arise from or related to:
 - 1. your breach of this Charter;
 - 2. your use or interaction with the Node Network DGF;
 - 3. your Node operation and transaction validations;
 - 4. your wrongful or misleading transaction validation or any form of collusion on the L2 Network;
 - 5. your interaction(s) with other Node Operators or third parties in the framework of the Node Network DGF.
- ii. You agree that your interaction(s) with the Node Network DGF as well as with other Node Operators or third parties in the framework of the Node Network DGF is at your sole risk, especially acknowledging the risks described in this Node Network DGF Agreement (which are not meant to be exhaustive).

7. Legal personality

The Node Network does not have any legal personality.

However, all Node Operators will be part of the Node Network DGF and will be liable for its proper functioning, including for the maintenance and security of the L2 Network source code.

To be valid, notifications to the Node Network DGF shall be made via interface made available by Node Governance LLC as part of the L3 Technology License to the attention of every Node Operator of the Node Network DGF.

8. Modifications to the Node Network DGF Charter

Node Operators may only modify the terms of this Charter as set forth in Section 9: The Node Network Governance Framework.

7. The Node Network DGF Agreement

1. Node Network DGF

The Node Operators form a simple governance body as part of the Node Network (the “**Node Network DGF**”).

The Node Network DGF is managed by Node Operators to the exclusion of any third party, including Node Governance LLC.

The Node Operators are collaborating through the Node Network DGF with the purpose of governing the Node Network, the L2 Network source code and the Smart contract(s) jointly.

Node Operators agree to entrust Node Governance LLC with the following tasks:

- overseeing the genesis of the L2 Network and attendant private keys that secure the L2 Network; ensuring private keys are delivered to the parties responsible for custodying such keys; and certifying the foregoing to the Node Network DGF;
- making proposals, when required by the Node Network Governance Committee, with respect to the improvement of the Distributed Governance Framework, although such proposals may also come from other parties;
- implementing and enforcing decisions taken by the Node Network DGF when required to do so by the Node Network DGF;
- organizing the Node Network Mediation Body, electing the Guardian(s) and the Mediation procedure;
- submitting quarterly reports of these activities to the Node Network DGF;

- holding certain private keys on behalf of the Node Network DGF that can be used to fix distributions of digital rewards that are not in accordance with the Node Network DGF rules (whether through malicious activity, software bug, or otherwise).

- enabling ministerial corrections to distribution errors to ensure the distribution algorithm contained herein is carried out to the greatest extent possible without interrupting the immutability of the distribution.

The delivery of Pixll NFTs and/or PXL Tokens shall be made available by the Smart Contract on the public address controlled by each Node Operator or Oracle based on their contribution to the Node Network DGF and as defined by the Distribution Algorithm.

Pixll NFTs and/or PXL Tokens cannot be held by any person or entity that resides or is otherwise established in a jurisdiction:

- (i) in which applicable laws prohibit or otherwise restrict owning NFTs, tokens or transacting therewith, or in which public authorities inflicted administrative or criminal sanctions which result in a prohibition of specific activities involving tokens, such as the People's Republic of China;
- (ii) In which NFTs or tokens are deemed securities and/or in which their issuance would require the Node Network to comply with financial regulations, notably any filings and authorizations required thereby;
- (iii) which is subject to economic and financial sanctions as imposed by the United Nations and transposed by an ordinance adopted by the Federal Council under the Federal Act on the Implementation of International Sanctions, such as Russia;
- (iv) which is blacklisted by the Financial Action Task Force.

(all the foregoing hereinafter referred to as "**Restricted Jurisdiction(s)**").

THEREFORE, EACH NODE OPERATOR AND ORACLE REPRESENTS AND WARRANTS THAT:

- A. he/she/it is not residing or otherwise established in a Restricted Jurisdiction;
- B. he/she/it is not acting on behalf of a person or entity established in a Restricted Jurisdiction;
- C. that he/she/it will not redistribute this Agreement or any other related marketing materials in a Restricted Jurisdiction;
- D. that he/she/it will not transfer the Membership Tokens to anyone residing or otherwise established in a Restricted Jurisdiction.

IF THE NODE NETWORK DGF BECOMES AWARE THAT A NODE OPERATOR OR AN ORACLE RESIDES OR IS OTHERWISE ESTABLISHED IN A RESTRICTED JURISDICTION, INSTRUCTS TO TRANSFER THE PIXLL NFTS OR THE PXL TOKENS TO AN ACCOUNT LOCATED IN A RESTRICTED JURISDICTION, OR INTENDS TO TRANSFER THE PIXLL NFTS OR THE PXL TOKENS TO SOMEONE RESIDING OR OTHERWISE ESTABLISHED IN A RESTRICTED JURISDICTION, THE NODE NETWORK DGF WILL IMMEDIATELY GATHER TO DECIDE ON A SOLUTION, WHICH, IN THE EVENT THE SITUATION CANNOT BE SOLVED, WILL RESULT IN THE EXCLUSION OF THE NODE OPERATOR FROM THE NODE

NETWORK DGF. THE NODE OPERATOR SUBJECT TO THE EXCLUSION VOTE WILL NOT BE ALLOWED TO VOTE ON THIS PROPOSAL.

IN THE EVENT OF EXCLUSION OF THE NODE OPERATOR FROM THE NODE NETWORK DGF, THE LICENSE TO OPERATE A NODE ON THE NODE NETWORK WILL BE AUTOMATICALLY TERMINATED WITHOUT ANY REFUND TO THE NODE OPERATOR.

Any Node Operator can submit a Proposal to the Node Network DGF and/or call for a meeting of the Node Network DGF by posting a notification specifying the date, hour, and topic of such meeting (“**Invitation**”). Meetings are by default held online, through the interface made available by Node Governance LLC as part of the L3 Technology License.

It is the responsibility of each Node Operator to follow the notifications on his/her account and to update the contact details.

2. Representation

The Node Network DGF appoints Pixll Node Network Governance Committee as representative of the Node Network DGF towards third parties and grants Pixll Node Network Governance Committee the power to validly negotiate the terms and engage the Node Network DGF towards third parties.

PIXLL NODE NETWORK GOVERNANCE COMMITTEE SHALL EXECUTE ITS REPRESENTATIVE ROLE IN ACCORDANCE WITH THE DECISION-MAKING PROCESS DEFINED HEREIN AND IS RESPONSIBLE FOR IMPLEMENTING DECISIONS TAKEN BY THE NODE NETWORK DGF IN ITS REPRESENTATIVE CAPACITY IN ACCORDANCE WITH THE DECISION-MAKING PROCESS.

Pixll Node Network Governance Committee shall provide the Node Network DGF with a regular report of actions, not less frequent than twice per year, including details about the number of Node Operators having joined the Node Network DGF, the main decisions taken by the Node Network DGF and the state of their implementation.

Pixll Node Network Governance Committee may at any time be revoked as representative by a decision of the Node Network DGF or terminate its Node Network representative mandate at any time.

In the event of termination of the representative mandate, the Node Network DGF shall appoint another representative no later than ten (10) business days following such termination.

The representative function of Pixll Node Network Governance Committee pursuant to this Article does not entrust the Pixll Node Network Governance Committee to receive notifications on behalf of the Node Operators of the L2 Network.

3. Termination

Node Operators may leave the Node Network DGF at any time by terminating their Node license.

In such event, the Node Operator shall only be liable for decisions taken by the Node Network DGF up until the termination of the license.

4. Loyalty

Node Operators shall always act with loyalty towards the Node Network DGF. They shall refrain from any activities which could be deemed detrimental or disparaging to the Node Network DGF and/or the L2 Network source code or the L3 technology.

If a Node Operator suspects another Node Operator of any activity which is contrary to this Article, he/she/it shall immediately gather a meeting of Node Network Mediation Body (via the process set forth in Section 10) to decide on the issue, including a potential ban of the suspected Node Operator. The Node Operator whose activity is at issue cannot vote at the occasion of such meeting.

5. Expenses

The Node Operators agree that the expenses of Node Governance LLC for its representative role shall be covered by the Node Network DGF, either in Pixll Oracle Nodes, in Pixll NFTs or in PXL Tokens.

Transaction fees that go to the L2 Network Trust for the maintenance, security, improvement or update of the L2 Network source code shall be decided by the Node Network DGF in accordance with the Node Network Governance Framework.

6. Confidentiality

As used in this Agreement, "Confidential Information" means all non-public information, data or material disclosed by or relating to the Node Network DGF, L2 Network and/or the L3 technology that are designated as confidential or that, given the nature of the information or the circumstances surrounding its disclosure, reasonably should be considered as confidential. Confidential Information includes, without limitation:

- (i) All data and information relating to the Node Network DGF;
- (ii) All non-public information relating to the L2 Network and/or the L3 technology;
- (iii) All non-public information relating business plans, business strategies, promotional and marketing activities, fundraising activities, finances, codes, algorithms and other business affairs; and
- (iv) All third-party information that the Node Network DGF shall keep confidential. Confidential Information and which may be contained in tangible materials, such as designs, data, specifications, reports and computer programs, codes or may be in the nature of unwritten knowledge.

Confidential Information does not include any information that:

- (i) is or becomes publicly available without breach of this Agreement;
- (ii) can be shown by documentation to have been known to the Node Operators at the time of its receipt,
- (iii) is received from a third party who did not acquire or disclose such information by a wrongful or tortious act, or
- (iv) can be shown by documentation to have been independently developed by the Node Operators without reference to any Confidential Information (including Proprietary Information, as defined below).

NODE OPERATORS MAY USE CONFIDENTIAL INFORMATION ONLY IN PURSUIT OF THE PURPOSES OF THE NODE NETWORK DGF.

Except as expressly provided in this Agreement, Node Operators will not disclose Confidential Information to anyone without the Node Network DGF's prior consent. Node Operators will take all reasonable measures to avoid disclosure, dissemination, or unauthorized use of Confidential Information, including, at a minimum, those measures he or she takes to protect his own Confidential Information of a similar nature. Node Operators will segregate Confidential Information from the confidential materials of third parties to prevent commingling.

Node Operators will hold in confidence and not directly or indirectly use or disclose to any third parties, both during and after the Node Operators relationship with the Node Network DGF, any Confidential Information that Node Operators obtain or create during the participation to the Node Network DGF, except to the extent authorized by the Node Network DGF, or until such Confidential Information becomes generally known. Node Operators agree not to make copies of such Confidential Information, except as authorized by the Node Network DGF. Upon termination of the Node Operator's relationship with the Node Network DGF or upon an earlier request of the Node Network DGF, Node Operators will return or deliver to the Node Network DGF all tangible forms of such Confidential Information in the Node Operator's possession or control, including but not limited to drawings, specifications, documents, records, devices, models or any other material and copies or reproductions thereof.

6. Termination

THE NODE NETWORK DGF IS MADE FOR AN UNLIMITED DURATION.

The Node Network DGF will be terminated immediately in the following events:

- a. A unanimous decision of all Node Operators;
- b. Regulatory decision or judgement ordering the liquidation or dissolution of the Node Network DGF in a particular jurisdiction, but the termination shall only apply to such jurisdictions.

In the event of termination of the Node Network DGF, Node Operators shall endeavor to mutually agree on a split of the rights and assets of the Node Network DGF. In the event that Node Operators are unable to agree to a mutually agreeable separation, Node Operators agree that they will submit the case to the Node Network Mediation Body. Failing an agreement, Node

Operators will remain joint holders of any rights and obligations of the Node Network DGF.

Node Operators agree and acknowledge that all confidentiality provisions shall remain binding after the termination of this Agreement.

7. Amendment

The Node Network DGF Agreement may be amended as set forth in Section 9.

8. Choice of law and jurisdiction

This Agreement shall be governed by and construed in all respects in accordance with Swiss law. The Courts of Lausanne, Switzerland, shall have exclusive jurisdiction.

8. The Community Guidelines

1. Code of Conduct

Participating and interacting within the Node Network DGF is a collaborative experience. The goal is to create an environment that will allow its members to thrive. The Node Operators shall promote the rules incorporated in the Community Guidelines and remain vigilant on any behavior which is in violation of the foregoing.

2. Values

The Node Network DGF is based on the values of business ethics, inclusivity, diversity, representation and respect.

3. Guidelines for behavior

- Compliance with laws

The Node Operators must at all times comply with all applicable laws, regulations, and recognized standards of good practice. They also must use reasonable care and judgment to achieve and maintain independence in their capacity of Node Operators.

- **No Collusion**

The Node Operators shall in no event come together to intervene to collude or influence any transaction on the L2 Network. Should this happen, the Node Operators that participated in such collusion might be banned by the Node Network DGF and their L3 Technology License granted by Node Governance LLC might be terminated with immediate effect.

- **Discrimination and harassment policies**

Discrimination, harassment and insulting in any form are strictly prohibited according to the laws of the jurisdictions where Node Operators operate.

- **Communication rules**

The Node Operators shall be respectful and courteous towards each other. They must behave with the highest integrity standards. They must accept the results of the votes, unless there was a fraud in the voting process.

4. Reporting

In order to report a violation of the Community Guidelines, the Node Operators may send a notice to the Node Network Governance Committee via the means set forth in Section 9.1.

5. Disciplinary process

Any report regarding a potential breach of the Community Guidelines will be investigated thoroughly by Node Network Governance Committee, and may result in a warning, written warning, final written warning, and, in the case of egregious misconduct subjecting the Node Network DGF to potential legal or financial liability, temporary or permanent ban and/or termination of the L3 Technology License.

9. The Node Network Governance Framework

The Node Network Governance Framework provides the fundamental rules for the Node Network Proposals process. It seeks to ensure the involvement of all the Node Operators in the decision-making process, and is based on the principles of transparency, inclusion and direct/participatory decision making. The Node Operators are encouraged to express their opinions and to propose innovations contributing to the DGF prosperity.

1. Node Network Governance Bodies

- Node Network Governance Committee

Node Network Governance Committee serves as the collective head of Node Network DGF and is responsible for organizing the votes.

Node Network Governance Committee is elected by the Node Network DGF and by a majority vote of the Node Operators. There shall be a presumption of five members of the Committee unless a different number is authorized via an accepted Proposal hereunder.

The members of the Node Network Governance Committee are elected for a one (1) year term of office.

The Node Network Governance Committee shall post on the interface an email address or other means of communication for Node Operators that need to provide notice to the Committee hereunder.

- Node Network DGF

The Node Network DGF possesses the legislative power, along with the separate right of the Node Operators to make Proposals.

The Node Network DGF consists of all Node Operators of the Pixll Node Network.

2. Proposal Approval Process

Votes for Node Operators are weighted. Each Pixll Node shall receive 1 vote. Each Pixll Foundation Node shall receive 250 votes. A single Node Operator may vote all nodes under his/her/its control.

A proposal is deemed approved and scheduled for execution if the two following conditions are met:

- A quorum minimum of 50% of the Nodes have voted or have been represented in the vote through proxy.
- A 75% majority of participating Nodes have voted in favor of the Proposal.

3. Types of Proposals

The following modalities of proposals apply:

- **Initiative right**

The initiative right allows Node Operators to propose an amendment or addition to the DGF Charter, the Smart Contracts, the Distribution Algorithm parameters, the Node Network Governance Framework, Node Network Parameters.

For an initiative to be accepted, a Node Operator shall stake 30,000,000 (thirty million) PXL Tokens along with the initiative Proposal. Staking shall involve sending the tokens to an escrow wallet controlled by the Node Network Governance Committee. Ten (10) days after the stake, assuming all other requirements for a Proposal are met, the Node Network Governance Committee shall submit the initiative to the vote of the Node Network DGF.

The Node Network Governance Committee shall release the stake after the vote is complete. The stake may be slashed if the Proposal does not meet Charter requirements or is found to be in direct violation of Charter rules around collusion, fraud or any illegal activity. Additionally, as noted herein, the cost of a required audit may be deducted from the stake. To discourage frivolous Proposals, the stake shall be slashed by 50% if the Proposal does not garner at least 10% of the participating Nodes voting in favor.

The Node Network Governance Committee may also submit a direct counter-proposal to a Proposal of the Node Network DGF to ensure appropriate governance.

- **Referendum right**

Node Network DGF decisions are subject to referendums. These allow the Node Operators to demand that approved Proposals are put to a vote of the Node Operators. In order to bring about a referendum, signatures representing 75% of the Licensed Nodes must be collected within 10 days of publication of the Node Network DGF decision. Signatures must be delivered to the Node Network Governance Committee.

Should the Node Operators vote with 75% against the decision of the Node Network DGF, the decision shall be cancelled, and the Node Network Governance Committee may prepare a new Proposal taking into account the referendum vote, if necessary.

- **Amendments to the validation process or the consensus mechanism**

For an amendment to be put for a vote, the collection of signatures representing 75% of the Licensed Nodes who support the Proposal must be collected and delivered to the Node Network Governance Committee.

4. Proposal Requirements

Additional requirements related to the Proposals are listed in Sections 6.2 (Proposals), 6.3 (Proposal compliance) and 6.4 (Disputes).

5. Validator Nodes Governance

Governance of the Validator Nodes is separate from and not controlled by the Node Network DGF. Validator Nodes have the authority to add or subtract the number of Validator Nodes in operation and add or remove Validator Nodes from operation.

10. The Node Network Mediation Body

1. Scope of Application of Rules

The Node Network Mediation is a dispute resolution mechanism governed by Node Operators. It assures the dispute resolution process to solve issues between the Node Operators or issues arising with respect to the Charter, the Smart Contract terms, the validation process, the consensus mechanism, the Node Network Parameters, the Distribution Algorithm or the reward mechanisms.

Disputes over any Proposals or votes must be resolved by Node Network Mediation Body.

Disputes between the PXL Token Holders and/or Pixll NFT Holders should be resolved according to the Community Guidelines or by the following incremental processes as needed: dialogue, facilitation, mediation through Node Governance Mediation Body.

2. Commencement of the Mediation

The Node Operators or the PXL Token Holder wishing to commence a mediation shall submit a request for mediation in writing to the Node Network Governance Committee. The request for mediation shall be delivered by email. The request for mediation shall contain or be accompanied by:

- a brief statement of the nature of the dispute;
- the name, email of the initiator of the request for mediation;
- an alternative proposal to solve the dispute (if any).

The date of the commencement of the mediation shall be the date on which the request for mediation is received by the Node Network Governance Committee. The Node Network Governance Committee shall transmit the mediation request to the Node Network Mediation Committee.

The Node Operators or the PXL Token Holder wishing to commence a mediation must transfer 10,000,000 (10 million) PXL Tokens to the Node Network Mediation Body public address to initiate the mediation process.

Upon receipt, the Node Network Mediation Body shall forthwith inform the parties in writing of the receipt by it of the request for mediation and of the date of the commencement of the mediation.

3. Appointment of the Guardian(s)

Guardian(s) are Node Operators that are eligible to rule upon disputes in Node Network Mediation Body. The Guardian(s) shall be neutral, impartial and independent.

The Guardian(s) shall be elected in a random way by the L2 Network randomness algorithm. The Node Network Governance Committee decides the number of Guardians required to complete the mediation process successfully.

Incorporation of the Guardian(s) in the Node Network Mediation Body shall be part of the Node Network Parameters and will be rewarded by the Node Network as a validator action.

The Guardian(s) shall promote the settlement of the issues in dispute in any manner that he/she believes to be appropriate and shall have authority to enforce a settlement.

4. Representation of Parties and Participation in Meetings

The Node Operators or the PXL Token Holder that filed a request for mediation may be represented or assisted in the meetings with the Guardian(s).

5. Confidentiality

The mediation procedure is confidential and commences upon the signature of the confidentiality undertaking.

6. Applicable rules

The mediation process shall be carried out in accordance with the Swiss Rules of Mediation of the Swiss Arbitration Centre in force on the date when the request for mediation was submitted in accordance with these Rules

The mediation shall be done online, although the meetings may be held in Geneva, Switzerland.

The mediation shall be conducted in English.

7. Termination of the Mediation

The mediation shall be terminated by the signing of an agreement covering any or all of the issues in dispute raised in the request for mediation; or by the decision of the Guardian if, in the Guardian's judgment, further efforts at mediation are unlikely to lead to a resolution of the dispute; or by a written declaration of a party at any time.



**CORPORATE RESOLUTION OF
PIXLL DAO LLC**

03/21/23

I, the undersigned, **HEREBY CERTIFY** that at a meeting of the members of **Pixll DAO LLC**, (hereinafter the “Company”), a Limited Liability Company organized under the laws of the State of Wyoming, at a meeting duly called and held on 03/21/23 the following resolution was duly adopted and entered into the minute book of the Company:

RESOLVED that the Company has adopted that certain Pixll Node Network Charter as of the date above. The governance of any private blockchain created by the Company will henceforth be subject to the DGF Charter.

FURTHER RESOLVED that the undersigned, as Managing Member of the Company, hereby certifies that this Corporate Resolution has not been revoked, annulled, altered, or amended in any way and that it remains in force, and it has been duly adopted and that it is in conformity with the Certificate of Formation of the Company and of its Operational Agreement.

FURTHER RESOLVED that the Company shall undertake all further actions necessary to effect the blockchain governance contemplated by this Resolution and ensure future node sales by Company are subject to such governance.

IN WITNESS THEREOF I have hereunto set my hands as Managing Member of this Company and executed this instrument this date and sign the present and stamp the seal of the Company.

A handwritten signature in blue ink, appearing to read 'D. Bryan Ferre', written over a faint blue circular stamp.

D. Bryan Ferre
Managing Member

SHA 256 Checksum Hash: oNaeX6hNKz5m/kACWTvaNgZh6SJYJtEV1iYcA6GN7uk=