

Delegation Letter

[DATE]

[ENTITY]

Re: [PROTOCOL] Delegation Services

Dear [NAME]:

This letter memorializes the agreement (the "Agreement") between [TOKENHOLDER ENTITY] ("Tokenholder") and [DELEGATE ENTITY] ("Delegate"), pursuant to which Tokenholder will delegate a portion of its Governance Rights (defined below) to Delegate and Delegate will use those Governance Rights to participate in the governance of the [PROTOCOL NAME] protocol ("Protocol").

WHEREAS, [TOKEN] is an ERC-20 token on the Ethereum blockchain that empowers community governance of the Protocol (the "Token");

WHEREAS, the Token confers on its holders the right to debate, propose, and vote on all proposals relating to the Protocol ("Governance Rights"), as well as the right to delegate those Governance Rights to others;

WHEREAS, Tokenholder owns Tokens and wishes to delegate a portion of its Governance Rights in order to ensure the active and decentralized governance and development of the Protocol by those with expertise in and knowledge of the Protocol and its related technology; and

WHEREAS, Delegate has represented and Tokenholder has determined that Delegate has particular knowledge and expertise regarding the Protocol such that it is beneficial to the Protocol for Tokenholder to delegate a portion of its Governance Rights to Delegate to participate in Protocol governance.

NOW THEREFORE, in consideration of the mutual promises contained herein, and intending to be legally bound hereby, the parties agree as follows:

1. Delegation.
 - a. Promptly following the date first written above ("Effective Date"), Tokenholder shall delegate to Delegate the Governance Rights pertaining to [AMOUNT] Tokens (the "Delegated Portion"). Delegate shall provide Tokenholder with a wallet address to receive the Delegated Portion as well as any other instructions, information or assistance necessary to effect this delegation.
 - b. From time to time the parties may mutually agree in writing to increase or decrease the Delegated Portion by any amount.

2. Participation.
 - a. Delegate shall use the Delegated Portion to participate in Protocol governance matters in a manner that it reasonably deems to be in the best interest of the Protocol.
 - b. Delegate shall use its best efforts and conduct appropriate due diligence in the course of such participation.
 - c. Delegate shall keep Tokenholder generally informed as to the team members engaged in Protocol governance matters on its behalf and shall provide reasonable notice to Tokenholder of material changes to this team.
 - d. All parties acknowledge that Delegate's participation in Protocol governance shall be in the sole discretion of Delegate, and Tokenholder has not and will not provide voting instructions or otherwise attempt to directly or unduly influence Delegate's participation in Protocol governance matters. Delegate will under no circumstances be required to vote in alignment with Tokenholder or any of its other Token delegates.
 - e. Nothing in this Agreement shall be construed to create a relationship between the parties of a partnership, joint venture, or any other similar arrangement, or to render either party liable for any debts or obligations incurred by the other.
3. Reimbursement for Expenses and Services Related to Participation.
 - a. In connection with the exercise of Governance Rights as contemplated in this Agreement, Delegate may be required, among other things, to monitor and participate in community discussions regarding changes to the Protocol and research and review code related to certain proposed changes to the Protocol (the "Delegation Related Services"), and may also incur expenses and other costs in the course of performing Delegation Related Services.
 - b. As consideration for the Delegation Related Services, Tokenholder agrees to compensate Delegate in an amount equal to \$[AMOUNT][1] per month during the term of this Agreement.
4. Limitation of Liability.
 - a. In no event shall either party be liable to the other concerning the subject matter of this Agreement, regardless of the form of any claim or action (whether in contract, negligence, strict liability or otherwise), for any (a) loss or inaccuracy of data, loss or interruption of use, or cost of procuring substitute technology, goods or services, (b) indirect, punitive, incidental, reliance, special, exemplary or consequential damages including, but not limited to, loss of business, revenues, profits and goodwill or (c) damages, in the aggregate, in excess of \$[AMOUNT], even if such party has been advised of the possibility of such damages.
5. Communications; Proprietary Rights.
 - a. Neither party shall make any public statements regarding this Agreement or use the other party's name or logo without the prior written consent of the other party, unless required by applicable law or for audit or tax purposes; provided, however, that either party may disclose publicly that the Delegated

Portion has been delegated to Delegate.

b. Nothing in this Agreement shall be construed to create a license of intellectual property or other proprietary rights from one party to the other. Each party shall retain all right, title, and interest in and to its intellectual property and all of its financial, business, legal, and technical information that by the nature of such information would be understood by a reasonable person to be proprietary or confidential.

6. Term and Termination.

a. The initial term of this Agreement shall be [NUMBER] months from the Effective Date (the "Initial Term"). Thereafter this Agreement shall automatically renew for successive [NUMBER] month periods (each, a "Renewal Term" and together with the Initial Term, the "Term"), provided that neither party has notified the other party in writing at least [NUMBER] days prior to expiration of such Term that it wishes to not renew the Agreement, in which case the Agreement will terminate at the end of such Term.

Notwithstanding the foregoing, Sections 4, 5, 8, and 9 shall survive any termination of this Agreement.

b. Tokenholder may only terminate this Agreement prior to the expiration of the Term in the event that Delegate materially fails to satisfy its Protocol governance duties described in Section 2 herein, including, without limitation, continued non-participation in material votes, and does not cure such breach within [NUMBER] days.

c. Delegate may terminate this Agreement for any reason or no reason, upon providing [NUMBER] month's written notice to Tokenholder.

d. Following the termination or non-renewal of this Agreement by either party, Tokenholder will revoke the Delegated Portion in full. In such case, Delegate shall provide any assistance reasonably requested by Tokenholder for the purpose of revoking and returning the Delegated Portion and terminating this Agreement.

7. Entire Agreement; Amendment; Severability.

a. This Agreement is the final, complete, and entire agreement of the parties. There are no other promises or conditions in any other agreement, oral or written. This Agreement supersedes any prior written or oral agreements between the parties.

b. The Agreement may only be modified or amended if the amendment is made in writing and is signed by both parties.

c. If any provision of this Agreement is found by a proper authority to be unenforceable or invalid such unenforceability or invalidity shall not render this Agreement unenforceable or invalid as a whole and in such event, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law or applicable court decisions.

8. Governing Law; Waiver of Jury Trial.

a. This Agreement will be governed by and construed exclusively in

accordance with the laws of the State of California, without regard to its conflicts of laws provisions or rules. The parties hereby agree to submit to the exclusive jurisdiction of any appropriate federal or state court of competent jurisdiction located in the Counties of San Francisco and Santa Clara, California, as a forum for litigation. Each of the parties hereto hereby waives all right to trial by jury in any lawsuit, action, proceeding or counterclaim arising out of this Agreement.

9. Counterparts; Notice.

a. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

b. All notices or reports permitted or required under this Agreement shall be in writing and shall be delivered by personal delivery, electronic mail, facsimile transmission or by certified or registered mail, return receipt requested, and shall be deemed given upon personal delivery, five days after deposit in the mail, or upon acknowledgment of receipt of electronic transmission. Notices shall be sent to the addresses set forth at the end of this Agreement or such other address as either party may specify in writing.

IN WITNESS WHEREOF, by their duly authorized representatives, Tokenholder and Delegate hereby execute this Agreement as of the Effective Date.

[TOKENHOLDER ENTITY]

By: _____

Name:

Title:

[DELEGATE ENTITY]

By: _____

Name:

Title:

[1]: Amount should be sufficient to cover reasonable expenses but should otherwise not be excessive (e.g. \$500 or less).