FACTOM COMMUNITY

Authority Server Application Process DOC 104



VERSION	DATE	CHANGED BY	CHANGES
0.1	2018-04-17	David Chapman	First draft
1.0	2018-04-18	Niels Klomp	First version
1.1	2018-04-18	Tor Hogne Paulsen	Amended chapter 6 to include link to "server location form".
1.2	2018-07-04	Centis BV (Niels Klomp)	Updated for batch 2. Removed pre-M3 texts
1.3	2018-07-04	The 42ND Factoid (Tor)	Tidying up some stuff
1.4	2018-07-07	The 42ND Factoid (Tor)	Changes to section 6. Created section 7.
1.5	2018-07-08	The 42ND Factoid (Tor)	Changed text in section 6.
1.6	2018-07-08	DBGrow(Julian)	Changed text in section 6.
1.7	2018-07-10	The 42ND Factoid (Tor)	Updated max number of selected ANOs in this round.
1.8	2018-07-11	The 42ND Factoid (Tor)	Added minimum score required to be selected as an ANO.
2.0	2018-07-15	The 42ND Factoid (Tor)	Small change to section 4.
			Final version for ANO application round #2.
2.1	2018-07-16	The 42ND Factoid (Tor)	Added new forum link (section 6)

1. Introduction

Factom Community,

We are as excited as you to announce the second election round for future Authority Node Operators after the successful rollout of Milestone 3 (M3) bringing full decentralization to the Factom protocol. We feel it is important that we set proper expectations. The M3 code is still early in its development; as such we will have challenges in this process. There are components that need more testing. The rollout will be phased in over a period of time, so set your expectation appropriately. Not everyone who applies for an Authority Node will be approved and even selected applicants have to wait in a queue before going live on the mainnet. As such, take this into account when deciding how much time, energy, and money you put into this project. The overall crypto market is also not doing us any favors currently. In general, the protocol and community are moving as quickly and prudently as possible, but all parties should understand that everything is still pretty fluid. In short do not take undue risks.

In this selection round a maximum of **6** Authority Node Operators will be selected.

Sincerely,

The Factom Protocol Guides

2. Governance

Pursuant to Section 3 of the <u>Factom Protocol Governance Document</u>, membership in the Authority Set will currently be granted by the Guides.

V. 2.1

3. Current Authority Set

As of 4th of July 2018 there are 14 Authority Node Operators (ANOs) live on the Factom mainnet, with an additional 7 in the queue waiting to be onboarded. The waiting parties will not receive FCT until they are live on mainnet. This application may result in additional Entities being elected to join the queue. Each Entity will operate two Factom authority servers with the knowledge that some point in the future, this will become one. Queued entities will be onboarded at a pace decided by the Guides in cooperation with core personnel at Factom inc. The onboarding will happen in order of election; and the elected ANOs will be divided into groups (batches) of 3-4 entities each. Once the total queue nears completion, the guides will decide if a new campaign round should be initiated or put off a while. Newly elected Authority Node operators will fall in line behind the original Queue if any of those entities are not yet onboarded and running Authority Servers on Mainnet.

4. Scoring - How

Each Guide will have 100 points they can award per Entity <u>using this</u> scoring matrix. The total of the five Guides scores will be divided by five to make the final score for each entity. If a Guide or Guides have to recuse themselves, the total score will be divided by the number of Guides who were able to vote. Scores for each Guide and Entity will be posted at the same time and shared publicly <u>in this Google sheet</u>. The guide scores will be normalized in order to make sure individual guides do not influence the scores, by for instance having a different standard deviation and average from each other. This especially would come into play when a guide would have to recuse himself.

Guides may discuss applicants and scores together in private, in public, or work separately.

Guides reserve the right to reject your application.

There will be no appeals but Applicants can re-submit in future elections.



Due to the governance maturity, the campaign criteria will be 100% weighted on the decision of the Guides and a couple variables. A matrix Guides will use <u>can be seen here</u>. Over time, Guides will add in additional variables and hand over voting control to the Standing Parties as outlined in the Governance Document.

A minimum average guide score of 60 out of 100 (60%) is required to be included in the Factom Authority Set.

6. How to apply

To apply for becoming a Factom Authority Node Operator, complete steps 1-5 below between July 16th (00:00 UTC) and <u>July 30th 2018 (23:59 UTC)</u>. Note: All steps MUST be completed prior to the deadline above (green text). No applications filed after this date and time will be considered in this round (batch #2).

Fill out this Google Form regarding your server's location.
 Note: All current and submitted server locations is visible in this spreadsheet. Reference to in use below includes any servers currently in the Authority Set, or already elected and in queue for onboarding.

The server location score is determined by the following variables:

0 points: Server with cloud "availability zone" (or similar) or datacenter already in use.

5 points: Server in an unused cloud "availability zone" (or similar) or in a datacenter not in use.

As each ANO will be allowed to operate two servers, the scores for the two servers will be added together.

- Review the technical specifications sheet to help you determine your server specs.
- 3. Fill out the following two Google forms. We made a distinction because the private form captures personal data, that will not be shared outside of current and future guides and onboarding members, whilst the application information in the public form will be shared in public.

Please fill out both forms:

PRIVATE Application.

PUBLIC Application.

- 4. Join this discussion forum.
- 5. Create a thread in the "<u>Authority Node Applications</u>" forum.
 Note: The title of the thread should be the name of your entity applying such as, "Acme Hosting Services". <u>This thread will be public for everyone</u>. Guides and other community members will use this thread to ask questions until <u>August 18th, 23:59 UTC 2018</u>. Please respond as quickly as you can to all questions and prior to <u>August 20th, 23:59 UTC 2018</u> as the answers will be used in the scoring process. Please also note that your answers could lead to follow up questions, so do not postpone replying until the end.

7. Timeline (all dates 2018)

Application period opens: 16th of July at 00:00 UTC.

Application period ends: 30th of July at 23:59 UTC.

All applications are made public: 31th of July.

(Does not apply to the "private application document").

Forum threads opens for questions: 31th of July at 00:00 UTC.

Forum threads closes for questions: 18th of August at 23:59 UTC.

Forum threads closes for answers: 20th of August at 23:59 UTC.

Guides officially begin the scoring process: 21th of August at 00:00 UTC.

Final results of the Applications process posted: 27th of August at 00:00 UTC.

Note: The final results will be posted in this Google Sheet with individual guide scores. The entity name of accepted applications will be highlighted.