

[DRAFT] BLOCKCHAIN GOVERNANCE INITIATIVE NETWORK PROCESS DOCUMENT

1. **Definitions.** Each of the following initially capitalized terms has the respective meaning stated below. All other initially capitalized terms have the meanings assigned in this BGIN Process Document (“Processes”) or in the BGIN’s IPR Policy (“IPR Policy”).

1.1 “BGIN” means the Blockchain Governance Initiative Network, an independent community formed and temporarily organized under BN Association, a Japanese [not for profit] Corporation..

1.2 “Coordinator(s)” means, for a particular Group, the individual Contributor(s) selected to coordinate development of, and transcription of the work of relevant group, as well as (together with any other Coordinators) to administer the Group’s operation.

1.3 “Coordinating Council” means the individuals listed in **Appendix A**.

1.4 “Charter” means a Group’s organizational document, which will include the information in the proposal to form the Group and such other information as described in Section 4.2.

1.5 “Group” refers to either a Study Group or Working Group.

1.6 “Minimum Membership” means five Contributors.

1.7 “Study Group” refers to a study group formed pursuant to Section 4.1, to explore the feasibility of forming a Work Group or for any other purpose as may be approved by the Coordinating Council from time to time.

1.8 “Work Group” refers to working group formed pursuant to Section 4.1.

2. **Coordinating Council.**

2.1 **Composition.** The initial Coordinating Council, as of the date these Processes are adopted, will be comprised of the individuals listed in **Appendix A**. The individuals include coordinator(s) and a responsible BGIN Steering Committee Member.

2.2 **Term.** The members of the Coordinating Council will serve for two-year terms. Members of the Coordinating Council, as applicable, may be re-select the same persons to serve for more than one term (consecutive or otherwise).

2.3 **Powers.**

(a) The coordinating council shall have the authority to create of a new legal entity and amend the process document. The decision to form a new legal entity or amend this document shall be confirmed via a formal vote performed in accordance with the procedure set forth in Section 3.3. The Coordinating Council shall ensure that any intellectual property or other rights arising from or relating to BGIN are assigned to the new legal entity.

(b) The Coordinating Council shall also have the power to approve the removal of the Coordinators and the authority to set rules and procedures for selecting members to the Coordinating Council following the creation of a new entity.

3. **Consensus and Decision Making.**

3.1 Consensus. Consensus is a core BGIN value. Each Group should strive to reach unanimous agreement. However, at times this is not possible and for sake of continuing to work on important topics the Group must arrive at a consensus decision and move forward. To promote consensus, Coordinators should ensure that all participants and Contributors to a Group have the opportunity to express their view for consideration so that all relevant information can be used in arriving at the conclusion. It is important to clarify the difference between unanimity and consensus as the distinction is relevant. Consensus does not imply unanimity, although there should be substantial support for consensus decisions.

3.2 Reaching Consensus. Consensus can be achieved in many ways and the BGIN shall not proscribe formal processes to reach consensus. If a decision cannot be made by consensus, the Group should strive to defer decision until consensus can be reached. If deferral would limit a Group's work product or operation, however, the Coordinator(s) may call a formal vote in accordance with Section 3.3.

3.3 Formal Vote. If a formal vote is called, each person or entity (and not on a leave of absence, if applicable) will be entitled to a single vote, and no vote will take place unless a proper electronic notice has been provided to the person, entity, or Group, as may be applicable, or the notice has been prominently posted on BGIN webpage. Electronic notice shall be served at least fourteen (14) days in advance of any vote. The party calling the formal vote shall at least specify in the electronic notice the following:

- the purpose or issue on which the formal vote is called;
- the Group/ BGIN member entitled to a formal vote; and
- the time period within which the formal vote shall be cast.

Any vote pursuant to this Section 3.3 shall be conducted electronically, unless the Coordinating Council directs otherwise for the reasons to be recorded by the Coordinating Council. A Constituent Contributor and its Representatives will, in the aggregate, have only one vote, and legal entity members of the BGIN will have only one vote (no matter how many individuals from that entity are also members of the BGIN). All decisions, except for changing IPR Policy or Processes, shall be taken by a simple majority. The Coordinating Council will formulate the procedure and requirements of changing the IPR Policy or Processes as and when required.

4. Processes and Procedures Relating to Groups.

4.1 Creating a Group. Any group of at least Minimum Membership may form a Group by submitting a proposal to charter a group; such proposal will include the following items, will be written in English, and will be provided in a generally accessible electronic form (as determined by the Steering Committee from time to time), which will include plain text (in any reasonable character encoding) or HTML:

4.2 Group Charters.

- (a) A proposal to charter a group (a "Group Charter") shall include:
 - (i) the Group's name;
 - (ii) a clear statement of purpose;
 - (iii) an initial Scope, which must be related to the purpose of the BGIN and which will include a definition of what is and is not the envisioned work or scope of the Group;
 - (iv) a proposed list of contemplated Work Product, if a Working Group, including working titles, to be produced (and any other deliverables) and projected completion dates;
 - (v) the language in which the Group will conduct business;

(vi) the method of work including any virtual or planned face-to-face meetings, collaboration tools, etc.; and

(vii) a basis for assessing whether the Work Group should be formed.

(b) Background Information. The proposal will also include the following:

(i) any related work being done in other Groups or organizations, why the proposed new Group is necessary, and any proposed liaison with any such other Groups or organizations; and

(ii) the names, email addresses, and any Constituent affiliations of at least the Minimum Membership who support forming the Group (“Proposers”) and the proposed Coordinator(s).

4.3 Review. The Steering Committee will review each proposal within 15 days after receipt and promptly provide notice to the Coordinating Council to either accept or reject it, together with a brief statement of the rationale for its recommendation (including any findings or opinions by the Steering Committee regarding the criteria for rejection in the following clauses (a)-(d). If a proposal is rejected, it may be modified and resubmitted. The reasons for rejection will be limited to:

(a) an incomplete Proposal (i.e., failure to comply with Sections 4.1 and 4.2);

(b) a determination that the proposal contravenes the BGIN community’s purpose;

(c) a determination that the proposed Group does not have sufficient support to succeed or to deliver proposed deliverables, if a Work Group; or

(d) a determination that the proposal is likely to cause legal liability for the BGIN or others.

If no recommendation was issued within 15 days after receipt, the Proposal is deemed to be accepted. If the Steering Committee rejects a proposal, the Proposers may submit the Proposal for Consensus and Decision Making of the BGIN membership, in accordance with the procedures in Section 3. Depending on whether Consensus is achieved or the vote passes, the proposal is deemed to be accepted.

4.4 After Acceptance. Promptly after acceptance, a mailing list will be created for the Group, and one or more of the Proposers should notify the address of the new Group. This notice will announce the formation of a new Group, invite participation, and describe the Group’s proposed work, including any planned meetings (as based on the approved Charter).

4.5 Coordinators. A Group’s work is coordinated by one or more Coordinators. Each Group must have at least one Coordinator, and additional Coordinators may be selected at any time. If a Coordinator takes emergency leave, or is otherwise unavailable, an additional Coordinator will be selected. If a Group does not have a Coordinator, it will suspend work until a Coordinator is selected. The Coordinating Council may recommend closure of a Group at any time. A Coordinator may also be removed at any time by the Contributors to the applicable Group, if approved by the Coordinating Council.

4.6 Contributors. Only persons or entities that have properly agreed to the IPR Policy may become Contributors to (or participate in) a Group. Contributors may be members of BGIN, but BGIN membership is not required. A Group may, however, make copies of its Mailing List, drafts, and other documents available for review by non-members. A Group will not review or accept Contributions from, anyone other than Contributors. Without limiting the foregoing, the Group will restrict access to any online tools that it elects to use so that only Contributors to that Group will have access to “write,” “edit,” or otherwise submit any information to the Group via such tool. The Coordinating Council may recommend closure of a Group at any

time that the Group has not had Minimum Membership. Any such recommendations will promptly be submitted for Consensus and Decision Making of the BGIN membership, in accordance with the procedures in Section 3.

4.7 Group Processes and Procedures. Contributors may adopt any other reasonable rules desired (as long as such rules are consistent with this Agreement and the IPR Policy). Regardless of any rules adopted, however, a Group should exemplify civility and collegiality, with the primary goal of reaching consensus on all matters.

4.8 Meetings. A Group meeting may be called at any time by any of its Coordinator(s) (or by any other Contributor, if there is no Coordinator). Meetings may be conducted at any reasonable time, place, and manner as selected by the Group, with the goal of providing an environment conducive to the Group's work and to maximize participation.

4.9 Group Documents and Other Materials. All Group documents and other materials will be located on the BGIN online portal ("Webpage") in the manner proscribed by the Coordinating Counsel.

4.10 Withdrawal; Removal. An individual or entity may withdraw from a Group, as provided in (and subject to) the IPR Policy. The other Contributors to a Group may also remove an individual or entity from the Group if the Contributor is deemed disruptive to the Group's operation. Withdrawal or removal will automatically terminate the affected individual's or entity's right to participate in the applicable Group. An individual or entity that has been removed from a Group may rejoin as a new Contributor.

4.11 Presence. Any Contributor can attend a meeting via video conference, in person, by telephone, or by other reasonable means that allows the Contributor to perceive the opinions of, and interact with, other participants.

4.12 Development. A Group will:

(a) work diligently to complete all deliverables, if a Working Group, according to the schedule in its Charter; and

(b) at all times comply with these Processes and other requirements approved by the Coordinating Counsel or Consensus and Decision Making of the BGIN membership (e.g., naming schemes, document formatting requirements, file structures, copyright notices, etc.), in accordance with the procedures in Section 3.

4.13 Intellectual Property. The Group will at all times comply with the IPR Policy.

4.14 Charter Clarification. A Group may clarify its Charter only to narrow its Scope or to remove ambiguity; it may not broaden or otherwise change the Scope of its Charter (without re-Chartering). The list of deliverables may be expanded (without re-Chartering) only if the new deliverables are within the Scope of the original Charter.

4.15 Re-Chartering. A Group's Contributors may elect to re-charter the Group to expand its Scope. The re-chartered Working Group will retain its name, and all materials related to a Group if re-chartered. Each Contributor will remain bound by the IPR Policy as applied to Implementers Drafts and Final Work Product promulgated under the prior Charter. Any Contributions made under the prior Charter, however, must be affirmatively re-contributed before they apply to Implementers Drafts and Final Work Products promulgated under the new Charter, and Contributors under the prior Charter must affirmatively re-join the re-chartered Group to continue to participate in the re-chartered Group.

4.16 Closing a Group. A Group may be closed at any time by majority vote of all of its then-current Contributors, or as otherwise provided in these Processes. The Coordinating Council may also recommend

closure of a Group that has completed all deliverables in its Charter and has not agreed to develop new deliverables within the 180 days before closure; or that has not reasonably progressed to achieve its purpose, as defined by its Charter. Any such recommendation will promptly be submitted for Consensus and Decision Making of the BGIN membership, in accordance with the procedures in Section 3. A Group may not be closed in the event of the formation of a new legal entity. All Groups shall be deemed to be working for the new legal entity once it has been formed.

5. **Miscellaneous.** All notices and correspondence under these Processes will be by email. Unless stated, or context requires, otherwise: (1) “days” means “calendar days”; (2) “may” means that the applicable actor has a right, but not a concomitant duty; and (3) all decisions of the Coordinating Council, or a Coordinator under these Processes are in the Coordinating Council’s, or such Coordinator’s reasonable discretion. Examples following “including” are not exhaustive (i.e., are interpreted to include the words “without limitation”), unless qualified by words such as “only” or “solely.” These Processes will be interpreted according to the plain meaning of their terms. Section headings are for convenience only and will not affect the meaning of any provision.

Appendix A

<u>Name</u>	<u>Email Address</u>