



# AQUANA

## **Preliminary Governance Framework**





## Table of Contents

<b>Foundations</b>	<b>3</b>
<b>Roadmap to Full Decentralization</b>	<b>4</b>
<i>Phase 1: Foundation Governance and Initial Structure (Years 1-3)</i>	4
<i>Phase 2: Shared Governance (Years 4-8)</i>	5
<i>Phase 3: DAO Treasury Integration (Years 8-12)</i>	5
<i>Phase 4: Full Decentralization (By Year 12)</i>	5
<b>Governance Evolution</b>	<b>7</b>
<i>Why Centralization Matters Early</i>	8
<i>Community Participation and Incentives</i>	9
<i>Voting and DAO Governance</i>	9
<b>Preliminary Governance Framework for Aquana DAO</b>	<b>11</b>
<i>1. Foundational Principles</i>	11
<i>2. Governance Structure</i>	16
<i>3. Governance Mechanisms</i>	17
<i>4. Evolution and Review</i>	19
<i>5. Incentives for Participation</i>	19
<i>6. Long-Term Vision</i>	19
<i>Governance Evolution Notice</i>	20
<i>Aquana DAO Governance Model (End-State Vision)</i>	20



## Foundations

The Governance section covers three core pillars of Aquana's decentralized framework:

- 1. Roadmap to Full Decentralization**

Traces Aquana's evolution from Foundation-stewarded, professionally operated governance to a transparent, fully community-governed financial ecosystem administered by the Aquana DAO.

- 2. Governance and Community Participation**

Explains how AQA holders engage in decision-making, contribute to growth, and influence the future direction of the treasury and protocol.

- 3. Preliminary DAO Governance Framework**

Describes how governance proposals, discussions, and votes will be introduced and tested prior to complete decentralization.



## Roadmap to Full Decentralization

Aquana is designed to evolve from a Foundation-stewarded, professionally operated structure into a fully autonomous, community-governed financial protocol.

From inception, the Aquara serves as the legal steward and reserve holder of the ecosystem, while Kaitiaki Systems (KAI) is engaged under contract to support execution, treasury formation, and early operations.

Over a 12-year horizon (2027–2039), authority over treasury strategy, governance, and operational execution progressively transitions from Foundation-led oversight and contracted execution toward direct DAO governance, ensuring transparency, accountability, and long-term sustainability.

### Phase 1: Foundation Governance and Initial Structure (Years 1-3)

At launch, the Aquara is established as the legal steward and custodian of the treasury. During this phase, Kaitiaki Systems (KAI) supports the Foundation under defined contractual mandates, providing operational execution, treasury formation support, and early asset management in accordance with governance frameworks and reporting requirements.

This phase focuses on establishing institutional-grade processes, transparency, and trust, including third-party audits, public reporting, and early community engagement. Governance infrastructure is introduced to prepare the ecosystem for progressive decentralization.

#### Milestones

- Aquara established as treasury steward
- KAI operational mandate executed under Foundation oversight
- Launch of Aquana governance portal and forum
- Initial token release to support reserve-building and ecosystem seeding
- Treasury diversification into Bitcoin and water-sector assets
- Governance framework draft and community consultation
- On-chain voting pilots launched



## Phase 2: Shared Governance (Years 4-8)

As the ecosystem matures, governance responsibilities increasingly shift toward token holders under constitutional guardrails.

The Foundation continues to act as fiduciary steward and legal interface, while DAO-elected councils and committees emerge to review proposals, set strategic direction, and oversee execution.

KAI remains engaged as an operator where appropriate, subject to DAO-approved mandates and performance review.

### Milestones

- DAO councils and committees established
- Expanded community proposal rights
- Governance Incentive Pool activated
- Additional token releases aligned with ecosystem growth
- Treasury scale and diversification targets achieved

## Phase 3: DAO Treasury Integration (Years 8-12)

In this phase, the DAO becomes the primary strategic decision-maker for treasury allocation, governance policy, and ecosystem direction.

The Foundation transitions toward a supervisory and safeguarding role, while operational execution is performed by DAO-mandated entities under transparent reporting and accountability frameworks.

### Milestones

- Partial DAO-controlled treasury mechanisms
- Delegated governance and budget committees active
- Annual treasury performance and impact reporting

## Phase 4: Full Decentralization (By Year 12)



Aquana completes its transition into a fully autonomous, DAO-governed water investment protocol.

Strategic, operational, and financial decisions are executed through on-chain governance, with the Foundation serving as a legal steward and representative where required by law.

### **Milestones**

- 100% DAO-controlled treasury governance
- Fully automated governance and incentive mechanisms
- On-chain reserve management and audit systems
- Global ecosystem integration under decentralized governance



## Governance Evolution

Aquana's governance is designed to evolve from Foundation-stewarded, professionally operated oversight into a fully community-governed DAO. This phased approach balances early operational stability with a clear, deliberate path toward long-term decentralization.

### Foundation Structure and Initial Governance

From inception, the **Aquara** serves as the legal steward and custodian of the ecosystem and its treasury. The Foundation establishes governance frameworks, fiduciary safeguards, and transparency standards from day one.

During the initial phase, **Kaitiaki Systems (KAI)** is engaged under contract by the Foundation to support operations, treasury formation, and early asset management. KAI acts as an execution partner — not a governing authority — operating within defined mandates, reporting obligations, and oversight mechanisms established by the Foundation.

This structure ensures that reserves in Bitcoin and water-sector investments are held by a neutral steward while benefiting from professional execution, institutional-grade processes, and transparent reporting.

### Progressive Decentralization

As the ecosystem matures, governance authority is progressively delegated to the community through Aquana's DAO framework. Token holders gain increasing influence over treasury strategy, governance policies, and ecosystem priorities under constitutional guardrails.

Over time, the Foundation's role shifts from direct oversight toward facilitation, legal representation, and safeguarding of governance processes, while operational execution is performed by DAO-mandated entities.

By Year 12, Aquana operates as a fully DAO-governed ecosystem, with strategic, operational, and financial decisions executed transparently through on-chain governance and smart contract systems.



## The Role of Aquara Foundation

### Who We Are

The Aquara Foundation is the entity driving the mission of water equity and token stability.



### What We Do

Manages water reserves, builds Bitcoin holdings, and oversees the ecosystem's growth.

### Long-Term Vision

A key player in the journey toward decentralization, ensuring a transparent transition to community-led governance.

εσοχρηματιστική διαχείριση  
πρωτογενή προμήθεια και ολιγοπώληση με  
κλιμακωτές μετρίτες εσοχρηματιστικές

κοινωνικώς υπεύθυνη διαχείριση  
πρωτογενή προμήθεια και ολιγοπώληση με  
κλιμακωτές μετρίτες εσοχρηματιστικές

## Why Centralization Matters Early

### Operational Agility

Early-stage centralization under Foundation-led stewardship enables efficient decision-making and resource allocation, allowing the ecosystem to establish treasury reserves, partnerships, and operational infrastructure without governance fragmentation.

### Legal and Financial Clarity

Operating through a dedicated legal steward — the Aquara — ensures regulatory compliance, clear fiduciary responsibility, and transparent treasury custody. Professional execution is supported through contracted operators, providing institutional-grade processes while preserving governance neutrality.

### Accountability and Trust

Centralized oversight in the early phase establishes clear accountability, auditability, and reporting standards. This structure builds credibility with both decentralized finance participants and traditional institutional stakeholders.



## **Preparation for Decentralization**

A phased governance model allows time to build reserves, refine constitutional frameworks, and prepare the community for meaningful participation — ensuring a responsible and sustainable transition to full DAO governance.

## **Community Participation and Incentives**

Aquana’s long-term resilience depends on meaningful community participation aligned with transparent governance and long-term stewardship. Participation is introduced progressively, ensuring that responsibility, capability, and accountability evolve alongside decentralization.

### **Governance Participation**

AQA holders participate in governance through structured voting mechanisms, proposal review processes, and community consultation frameworks. Participation expands over time as governance authority transitions from Foundation-led oversight toward DAO governance.

### **Participation Mechanisms**

Governance participation may be supported by optional mechanisms — such as staking, delegation, or signaling — designed to encourage long-term alignment and active engagement. The specific design, activation, and parameters of these mechanisms are defined through governance and introduced only once operational, legal, and ecosystem readiness is established.

### **Contribution Recognition**

Community members contributing to governance processes, research, partnerships, education, or ecosystem development may be recognized through non-financial or governance-defined incentive mechanisms. Any token-based or economic incentives are subject to governance approval and aligned with sustainability, accountability, and long-term ecosystem health.

## **Voting and DAO Governance**

As Aquana progresses toward full decentralization, AQA holders gain increasing influence over defined governance domains, including:

- **Treasury and Reserve Strategy**  
Guiding capital allocation priorities across water-sector investments and digital reserves, subject to constitutional guardrails and expert review.



- **Protocol and Governance Evolution**

Participating in decisions related to governance frameworks, protocol upgrades, and long-term sustainability initiatives.

By combining phased governance rights, transparent decision-making, and clearly defined guardrails, Aquana positions its community as a long-term steward of capital — aligning participation with responsibility rather than short-term extraction.





# Preliminary Governance Framework for Aquana DAO

## 1. Foundational Principles

### **Transparency**

All governance decisions, votes, and treasury movements are verifiable on-chain, ensuring verifiable transparency and accountability.

### **Inclusivity**

AQA holders may participate in governance directly, within a constitutionally bounded governance framework supported by expert councils.

### **Progressive Decentralization**

Aquana transitions from a Foundation-led stewardship model to a community-driven DAO in measured phases — balancing stability, legal clarity, and decentralization.

### **Integrity & Sustainability**

Governance decisions align with Aquana's mission to fund sustainable water innovation while maintaining financial resilience and long-term capital discipline, as defined and protected by the Aquana Constitution (Draft).

## 1.1 Strengthening DAO Decision-Making & Accountability

### **Informed Decision-Making**

Aquana's governance system incorporates a structured proposal process supported by an open governance dashboard. All initiatives undergo formal review by expert councils to assess constitutional compliance, financial alignment, risk exposure, and intended impact before being eligible for community vote.

Council assessments are published alongside impact and investment reports, enabling AQA holders to make informed decisions without requiring deep technical or financial expertise.

### **Voting Scope & Thresholds**

Governance clearly distinguishes between strategic decisions requiring community approval and operational decisions executed under predefined mandates.



- **Strategic & Treasury Decisions**  
Subject to council review and eligibility approval, followed by binding on-chain voting by AQA holders.
- **Operational & Technical Execution**  
Conducted by mandated operational units within constitutional and treasury policy limits, with continuous transparency and post-execution reporting.

Material actions — including reserve allocation frameworks, mandate changes, and governance upgrades — require explicit community approval. Routine execution and technical adjustments occur under approved mandates to ensure continuity, efficiency, and resilience.

## Role of Councils

Councils are constitutionally defined governance bodies that serve as expert guardrails within the Aquana ecosystem. Their role is to preserve mandate integrity, enforce risk and eligibility constraints, and ensure informed decision-making — not to replace or override the sovereignty of AQA token holders.

Councils do not derive authority through delegation from token holders. Instead, their authority is granted directly by Aquana's Constitution and limited to clearly defined review, enforcement, and advisory functions.

**Constitution**



**Token Holders (Sovereign)**



**Councils (Guardrails & Review)**



**Mandated Execution**



## Council Responsibilities

Councils are responsible for:

- **Mandate Enforcement**  
Ensuring all proposals and execution activities remain within constitutional, legal, and risk boundaries approved by token holders.
- **Expert Review & Qualification**  
Assessing proposals for feasibility, financial alignment, sustainability impact, and operational readiness before they are submitted for community vote.
- **Risk Control & Safeguards**  
Applying predefined risk thresholds, cooling-off periods, and escalation mechanisms where proposals could materially affect treasury stability or long-term objectives.
- **Continuity & Execution Enablement**  
Enabling the protocol to function efficiently between governance cycles by overseeing execution under approved mandates, without requiring constant community voting.

## Financial Oversight

All treasury disbursements follow predefined policies and milestone-based schedules approved through governance and enforced by council review. Capital releases occur only within approved mandates and are subject to continuous transparency and reporting.

Independent audits, reporting dashboards, and proof-of-reserve disclosures provide ongoing visibility into treasury activity, including grants, operational expenditures, and investment allocations, ensuring accountability and misuse prevention.



## 1.2 Voting Rights & Representation

### Layered Governance Model

Aquana's governance is organized into four interconnected layers designed to balance constitutional integrity, expert oversight, operational efficiency, and community sovereignty.

#### 1. **Constitutional Layer**

Defines Aquana's mission, non-negotiable principles, and governance boundaries. The Constitution serves as the highest authority, ensuring long-term alignment with sustainability, transparency, and capital discipline.

#### 2. **Council Layer**

Constitutionally mandated expert bodies (including Treasury, Sustainability, Governance, Technology, and Infrastructure Councils) review proposals for eligibility, feasibility, risk alignment, and mandate compliance.

Councils do not allocate capital or replace community authority, but possess formal gatekeeping and enforcement powers to ensure that only compliant proposals reach community vote.

#### 3. **Operational Layer**

Executes governance-approved decisions and operates within predefined mandates and policies. This layer manages partnerships, technical implementation, and reporting obligations, ensuring continuity and transparency without requiring constant community voting.

#### 4. **Holder Layer**

AQA token holders are the sovereign decision-makers of the protocol. Holders vote directly on strategic matters — including treasury frameworks, mandate changes, and governance updates — within the boundaries defined by the Constitution and enforced by councils.



**Constitution**

**Councils**

**Operational**

**AQA Holders**





## 2. Governance Structure

### Community Assembly

The Community Assembly consists of all AQA token holders and serves as the primary governance body of the Aquana DAO.

Token holders participate in governance by proposing, deliberating, and voting on strategic, treasury, and ecosystem matters within the boundaries established by the Aquana Constitution.

### Voting Mechanism

All governance decisions within the Community Assembly are determined through token-weighted voting.

Voting power is proportional to the number of AQA tokens held or delegated at the time of the governance snapshot. Each AQA token represents one unit of voting weight.

Token holders may:

- vote directly on governance proposals;
- delegate voting power to other participants or representatives;
- withdraw or modify delegation in accordance with governance procedures.

All decisions of the Community Assembly remain subject to constitutional constraints, including the Capital Mandate, treasury protection rules, and the separation of governance, stewardship, execution, and financial exposure.

Accordingly, token-weighted voting may guide strategic direction and governance frameworks but cannot authorize actions that violate constitutional mandates or fiduciary safeguards.

### Aquana Councils

Aquana Councils are constitutionally mandated expert bodies that serve as formal review and guardrail mechanisms within the governance process. Their role is to ensure proposal quality, mandate compliance, risk discipline, and long-term alignment before any proposal is eligible for community vote.

Councils do not allocate capital or replace the authority of AQA token holders. Instead, they enforce governance boundaries and protect the integrity of decision-making by



determining whether proposals meet predefined constitutional, financial, and sustainability criteria.

**Example Councils include:**

- **Treasury Council**  
Reviews proposals for financial soundness, risk exposure, treasury policy alignment, and mandate compliance.
- **Governance & Ethics Council**  
Assesses proposals for consistency with Aquana’s constitutional principles, governance standards, and ethical commitments.
- **Technology & Transparency Council**  
Reviews protocol upgrades, smart contract changes, security considerations, and transparency mechanisms.
- **Water Innovation Council**  
Evaluates proposals related to water infrastructure, purification, technology, and sustainability impact.

Councils issue formal review outcomes (e.g., *Eligible, Requires Revision, Out of Scope*). Only proposals deemed eligible may proceed to community vote. Councils do not override community decisions but ensure that all voting occurs within approved mandates and governance safeguards.

### **3. Governance Mechanisms**

#### **Proposal Submission**

Governance proposals may be submitted by AQA holders or authorized delegates, subject to predefined eligibility criteria designed to ensure proposal quality, relevance, and mandate compliance.

All proposals must include:

- a clearly defined objective,
- rationale and mandate alignment,
- scope and risk considerations, and
- expected outcomes.



Prior to being admitted to a vote, proposals are subject to procedural review by the relevant council to confirm constitutional and mandate compliance. This review does not assess merit, only eligibility.

## Voting Process

Governance voting is conducted through structured on-chain processes designed to align decision-making authority with fiduciary responsibility and long-term capital exposure.

For binding decisions, voting power is **capital-weighted**, reflecting economic participation and risk borne within the system. Voting parameters—including voting periods, quorum thresholds, and approval requirements—are defined by governance policy and may evolve over time, provided such changes remain consistent with the Constitution and applicable mandates.

Different proposal categories are subject to differentiated thresholds and review requirements, reflecting their impact and risk profile.

Proposal categories include, but are not limited to:

- **Mandate & Strategic Proposals**  
Subject to elevated quorum and approval thresholds to ensure broad capital alignment and mandate integrity.
- **Operational & Policy Proposals**  
Subject to standard approval thresholds, as defined by governance policy.
- **Consultative & Signaling Proposals**  
Non-binding votes used to surface community sentiment, ethical considerations, or directional input without conferring decision-making authority.

Governance mechanisms are designed to be decisive, resistant to manipulation, and consistent with Aquana's role as a disciplined capital institution rather than a voice-based forum.

## Transparency & Accountability

All governance activity—including proposals, eligibility reviews, votes, council assessments, and approved actions—is recorded on-chain and made publicly accessible through Aquana's governance dashboards and reporting tools.

Regular reporting provides visibility into decision rationale, mandate compliance, and execution outcomes, supporting accountability without politicizing governance processes.



## 4. Evolution and Review

### Governance Upgrades

Governance processes are subject to periodic review to ensure effectiveness, resilience, and alignment with Aquana's mission. At regular intervals, the community may evaluate governance performance and propose adjustments to voting parameters, council composition, or procedural frameworks through structured governance updates.

All governance changes remain bound by the Constitution and require appropriate community approval.

## 5. Incentives for Participation

### Governance Sustainability Mechanism

As decentralization increases, Aquana introduces a governance sustainability mechanism designed to support long-term participation, operational continuity, and fairness. This mechanism is activated progressively and structured to fund governance tooling, audits, reporting, and council operations in accordance with approved policies.

### Participation Recognition

Active participation in governance — including proposal development, review contributions, and informed voting — may be recognized through governance-defined incentives or non-financial reputation systems.

Reputation mechanisms are designed to signal contribution quality and eligibility for governance roles, without altering core voting rights or sovereign authority.

## 6. Long-Term Vision

By the later stages of Aquana's roadmap, governance authority resides primarily with the Aquana DAO, with AQA token holders acting as the sovereign decision-makers for treasury strategy, governance frameworks, and long-term priorities. The Aquana continues to serve as a legal steward and safeguard, supporting compliance, continuity, and external interfacing as required.

Where appropriate, smart contracts and on-chain systems automate defined governance and treasury functions — including reporting, mandate enforcement, and execution logic — to enhance transparency, resilience, and operational efficiency. Not all functions are automated; execution remains bounded by constitutional mandates and governance-approved policies.

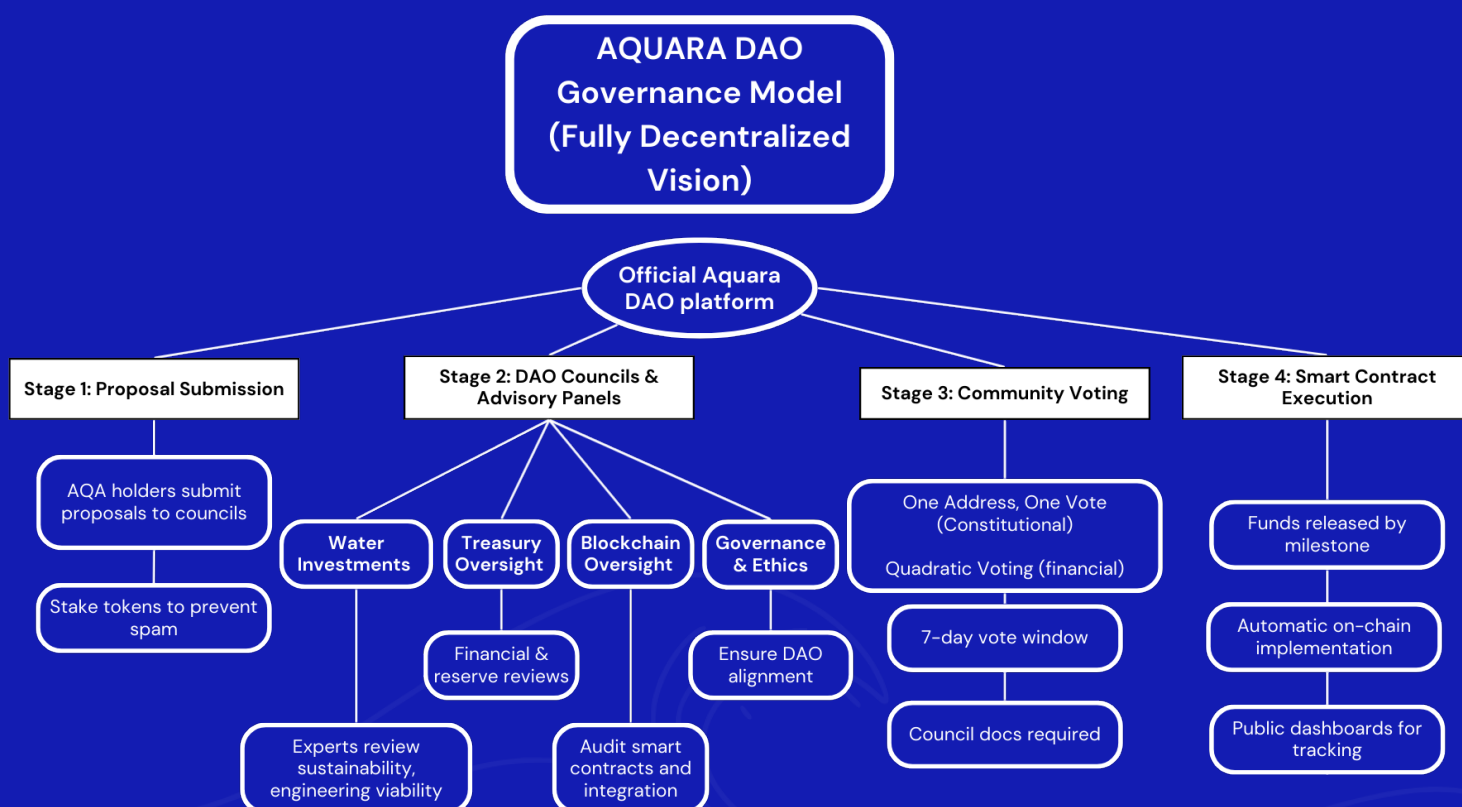


## Governance Evolution Notice

The governance framework described herein represents Aquana’s intended long-term structure. Decentralization is an iterative process, and specific timelines, mechanisms, and operational arrangements may evolve in response to regulatory requirements, technical maturity, and ecosystem development, while remaining consistent with Aquana’s constitutional principles.

### Aquana DAO Governance Model (End-State Vision)

The following model illustrates Aquana’s intended governance architecture once mature and decentralized, highlighting the relationship between token holder sovereignty, constitutional guardrails, council oversight, and mandated execution.





*To explore source materials and deeper context, see the Reference List at the end of the Aquana Whitepaper.*

