InterValue Ecosystem Construction Foundation Principles and InterValue Ecosystem Policy

V 0.9.0

Catalog

1. Overview

The main purpose of this document is to depict InterValue's Ecosystem Construction Foundation operational procedures, rules, and incentives, which are applicable to all participants in the InterValue ecosystem.

2. Main duties of the Ecosystem Construction Foundation

(1) Formulating and amending the Constitution of the InterValue Ecosystem Construction Foundation;

(2) Organizing and maintaining the structure of the InterValue Ecosystem Construction Foundation in accordance with the Constitution;

(3) Developing and maintaining InterValue Token issuance rules and strategies;

(4) Formulating a strategy for controlling the integrity of InterValue client software and reviewing major update proposals;

(5) Formulating an incentive mechanism for participating in InterValue's network as a computing node;

(6) Incubating or investing in selected application projects based on InterValue's infrastructure;

(7) Elaborating marketing and promotion strategies for InterValue and push adoption;

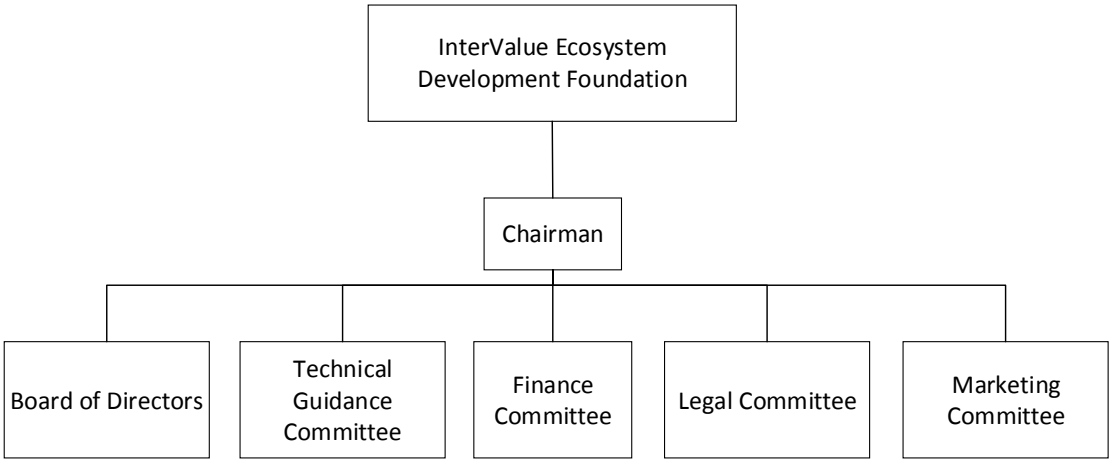
(8) Assisting the InterValue technical team in formulating a

government compliance program;

(9) Conducting an assessment of InterValue's economics.

3. Ecosystem Construction Foundation Organizational Structure

The InterValue Ecosystem Foundation includes the Chairman, the Board of Directors, and several committees.



Chairman: The chairman's term is set at one year and it cannot exceed two years. The chairman is elected by the InterValue Ecosystem Construction Foundation.

Board of Directors: It is the permanent office of the InterValue Ecosystem Construction Foundation. It is responsible for making important decisions regarding the Foundation, holding meetings and electing the Chairman.

Technical Guidance Committee: It is responsible for selecting the

members of InterValue’s core technical team and hiring experts in the blockchain field. The Technical Guidance Committee is also responsible for formulating strategies related to InterValue client software, reviewing major update proposals and evaluating projects applying for incubation or investment from the Foundation.

Finance and Economics Committee: It is responsible for formulating and maintaining InterValue Token issuance rules and strategies, conducting InterValue Ecosystem’s benefits assessment and evaluating projects applying for incubation or investment from the Foundation. The Finance and Economics Committee reports to the Chairman.

Legal Committee: It is responsible for assisting the InterValue technical team in developing a governance program in compliance with regulations. It reports to the Chairman.

Marketing Committee: It is responsible for elaborating the InterValue marketing and promotion strategy as well as performing the evaluation of InterValue’s economics. The marketing committee reports to the Chairman.

4. Token distribution mechanism and plan

4.1 Token Distribution Plan and Purpose

InterValue's native Token is called INVE. Its total supply is limited

to 10 billion, 6 billion will be issued as incentives for transaction confirmations, while the remaining 4 billion will be used for fundraising, foundation establishment, project incubation, and team incentives:

(1) Transaction confirmations reward: 6 billion INVE will be issued as an incentive for maintaining regular operations on InterValue's main chain. This includes incentives for full-nodes and local full-nodes supporting operations and maintenance of InterValue's main chain.

(2) Project fundraising: 900 million INVE. This amount is mainly allocated to the regular operations of the Foundation: renting a workplace, purchasing office and R&D equipment, setting up a project team to carry out operations and paying for general expenses. The purpose of this Foundation is to ensure the smooth development of InterValue's main chain in accordance with the established Roadmap.

(3) Ecosystem Foundation reserve: 2.6 billion INVE. This amount is mainly allocated to the construction of InterValue's ecosystem.

(4) Project promotion: 200 million INVE. This amount will mainly be used to reward early-users and participate in project promotion. The purpose is to create a network effect before the implementation of InterValue main chain and to provide fuel for running applications when the InterValue main chain goes live.

(5) Team incentives: 300 million INVE. This amount is mainly used for technical team incentives, improve the technical team's work

efficiency and stimulate its innovation ability.

The purpose of the Token distribution plan is to generate a virtuous circle around the development of the InterValue ecosystem. The Foundation will actively promote the development of this ecosystem. Besides, mining rewards and project promotion will also have a positive impact on the ecosystem. The economic incentive serves as fuel to accelerate the formation of the InterValue ecosystem.

4.2 Token allocation mechanism

The Token allocation mechanism is divided into two types: technical distribution and market-based distribution. Technical distribution is led by the InterValue team, through mechanisms described in the whitepaper. It includes transaction confirmation rewards and transaction fees. Market-based allocation is led by the InterValue Foundation, which distributes tokens through economic behavior and market matching.

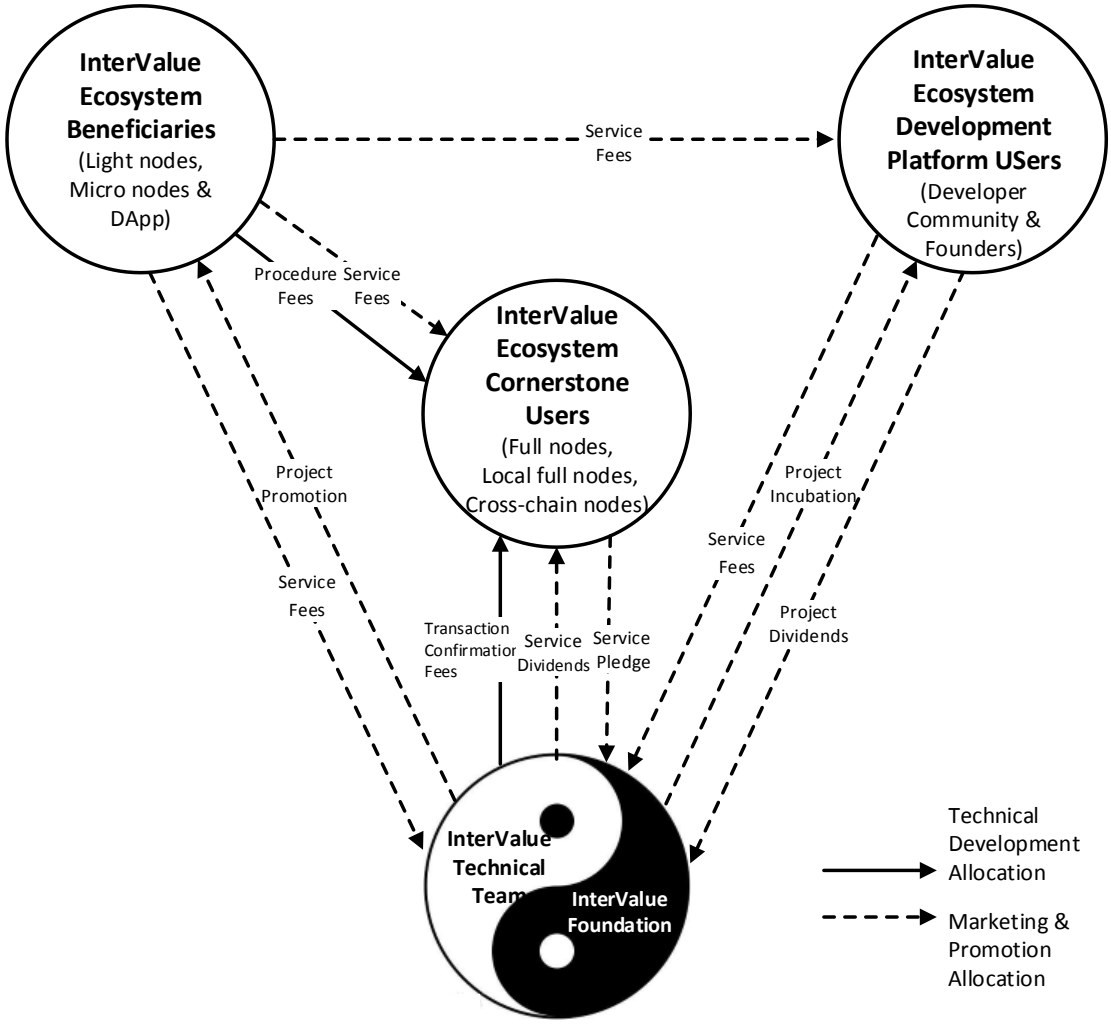


Figure 1. Diagram of Token dynamic allocation

InterValue's business level ecosystem is mainly composed of InterValue's technical team, InterValue Foundation, InterValue's ecosystem cornerstone users, InterValue's ecosystem development platform users and InterValue ecosystem users. The dynamic Token distribution within the ecosystem is shown in Figure 1:

(1) InterValue's technical team/foundation: promotes and leads the ecosystem construction. Although the InterValue technical team and the InterValue Foundation are two separate organizations, they promote and

supervise each other. The InterValue technical team will join the Foundation's daily management as a member of the InterValue Foundation, which provides technical support for decision-making related to operations management. Members of the InterValue Foundation can apply to become part of the InterValue Governance backbone (ie, the InterValue nodes) and maintain the safe operation of the InterValue network. The InterValue technical team/foundation provides the impetus for the continued growth of InterValue's economy by improving the quality of the ecosystem and providing support for application development to attract users. The InterValue technical team helps ecosystem beneficiaries to reduce costs through project promotion, community growth initiatives and provides services for application and platform development for beneficiaries and developers through light nodes and micro-nodes. The InterValue Foundation supports projects to enrich the ecosystem diversity. In order to maintain the inherent vitality of the InterValue ecosystem, the InterValue technical team/foundation uses mining incentives and bonuses to encourage ecosystem users to participate in the ecosystem construction. Besides, it provides users with reliable support through service pledge managed by the InterValue Foundation.

(2) InterValue ecological cornerstone users: composed of full nodes, local full nodes, and relay nodes. Full-nodes and local full-nodes users

are the core strengths of InterValue's main chain governance and consensus. Consensus algorithms and reward mechanisms can prevent these nodes from having any malicious behavior and guarantees a smooth maintenance of the main chain. It is necessary to stake a certain amount of Tokens as a margin to increase the cost of malicious behavior. Full-Nodes and Local Full-Nodes maintain the sustainability of service quality by charging transaction fees and winning service bonus awards during transaction confirmation period. Cross-chain relay nodes and distributed storage nodes are InterValue’s core ecosystem service providers who provide cross-chain asset exchange services and data distributed storage services to ecosystem users. Service quality is maintained by market competition, obeying to the principle of “survival of the fittest”.

(3) InterValue ecosystem development tools users: composed of InterValue technology community and InterValue platform-based entrepreneurs. The InterValue technology community consists primarily of contributors who refine and enrich the core code of InterValue. The InterValue Foundation will dynamically differentiate the technology community based on the quality and adoption of the submitted code. Entrepreneurs based on the InterValue platform are important builders of InterValue applications within the ecosystem and users of InterValue's core services. They can provide innovative InterValue-based

decentralized application services. This type of user builds an application ecosystem in a specific field, using InterValue as an infrastructure, indirectly contributing to the InterValue ecosystem prosperity. The InterValue Foundation reviews and selects entrepreneurial projects to provide incubation, funding, and support for entrepreneurial projects.

(4) InterValue ecosystem user: consists of light nodes, micro-nodes, and third-party applications. Light nodes and micro-nodes are built by the InterValue's technical team, and third-party applications are built by InterValue-based entrepreneurs. Ecosystem users pay when they use the services provided by the applications to get the desired service experience. The service fee is completely regulated by the market, providing a cost-effective service experience for ecosystem users through market competition.

5. Nodes incentive mechanism

5.1 Full-nodes ecosystem construction strategy

Full-nodes are equivalent to the InterValue management committee. They are mainly responsible for the registration, maintenance, and management of local full-nodes and relay nodes as well as shard management. Full-nodes are part of the invitation system, which consists in inviting several well-known organizations across various industries to provide the computing power and serve as full-nodes to provide a range

of services in the ecosystem.

The main mechanisms to stimulate the full-nodes ecosystem are:

(1) Periodic dividends

Dividends are mainly derived from InterValue's income, which will be further explained in the next chapters. The dividend ratio for each full-node mainly depends on the computing power and the amount of INVE purchased in the previous period. The higher the performance provided, the more INVE shares are purchased, and the greater the proportion of dividends.

(2) Consensus award fee

Full-nodes are responsible for managing local full-nodes and lower layer shards. When a new local full-node or shard is generated, a consensus is needed. In addition, relay-nodes information needs to be registered with full-nodes, which then run the consensus mechanism. As part of the token release process, some of the 60% of total supply will be allocated to full-nodes as consensus incentives.

5.2 Local full-nodes ecosystem construction strategy

Local full-nodes are subject to the application-audit system, which means that ecosystem beneficiaries submit the application materials and the ecosystem construction foundation conducts the audit. After a successful audit of local full-node ability to provide services, they are

allowed to participate in the consensus process.

The main benefits for local full-nodes are:

(1) Node agency fee

Light nodes use InterValue ecosystem services, such as transactions, file storage, smart contracts, etc. In order to do so, they must send a request to a local full-node, which then helps the service request to be fulfilled. Local full-nodes charge an agency fee to the light node, in an amount which is determined by negotiation. The agency fee varies for different services and markets.

(2) Consensus reward fee

Local full-nodes run the HashNet consensus mechanism to confirm the uplink data and provide efficient and high-quality consensus services for stimulating local nodes. As part of the token release process, some of the 60% of total supply will be allocated to local full-nodes as consensus incentives.

5.3 Cross-chain Relay Nodes ecosystem construction strategy

The goal of the cross-chain relay nodes ecosystem construction strategy is to attract users to join the InterValue ecosystem as relay nodes.

When registering as a cross-chain relay node, one need to pledge a deposit, which is settled in INVE and used to punish any misbehavior. The total amount of the deposit should be equal to twice the total amount

covered by each of the other chains. When a dispute arises, the amount of the dispute is deducted twice and settled in INVE.

The benefits for cross-chain relay nodes include:

(1) Node agency fee

Similar to the node agency fee charged by the local full-nodes, the amount is negotiated by the light node with the relay node.

(2) Cross-chain transaction fee

The cross-chain transaction fee is the same as the fee charged by other chains involved in the cross-chain transaction, and is settled in INVE. A single cross-chain transaction involves the transfer of assets on two chains. The transaction fees on the two chains are different. When the transaction fee for cross-chain transactions is charged, the transaction fees for these two transactions are accounted for by INVE, which is cumulative. For cross-chain transaction fees, it is charged by the cross-link relay node.

(3) Service incentive fee

If the cross-chain relay node has been performing well in the past, it will receive a reward fee. Each time a cross-chain transaction is completed, it will receive an INVE reward.

5.4 Light Nodes ecosystem construction strategy

Light Nodes have four main roles: introducing new users, providing

users with various services, promoting user usage and generating user revenue. Introducing new users refers to increasing the number of new users of light nodes; providing users with various services helps with user retention; promoting user usage is to increase user activity; user revenue means converting users into revenue.

(1) Introducing new users

There are economic incentives, channel promotion, and offline promotion for new user acquisition methods.

- **Economic incentives:**

a. Incentives

The INVE certificate is given to registered users who download the client and complete KYC certification.

b. Inviting incentives

The INVE certificate is given to users who successfully invite new users to download, register and complete KYC certification.

- **Channel promotion:**

a. Media promotion

Crypto community, specialized media, own channels, etc.

Newsletter - Chain Finance, Coin Express, Planet Daily, etc.

b. Community promotion

Sending messages to an existing community (in English or Chinese) to promote the network.

- **Offline promotion:**

Cooperate with ecosystem strategic partners to promote light node usage and support the adoption of light node wallet payment facilities in real stores. Incentives to open a Merchant payment account and support crypto payment via QR code.

(2) Provide users with various services

The most important way to improve user retention is to provide users with a large range of functions and services and truly solve the daily needs of users, which can also reduce the user churn rate. Combined with the features of the InterValue network and the positioning of light nodes, the functions or services that can be provided to users include: news, DApp, decentralized communication applications, multi-chain wallets and cross-chain operations.

The news service mainly provides industry news, newsletters and dynamic market information on the blockchain space. The newsletter is mainly focused on the InterValue ecosystem and pushes content according to the user's settings.

Light nodes can provide users with various DApp services, mainly based on high-quality DApps developed on the InterValue public chain, such as distributed storage services. In addition, some high-quality centralized services can also be integrated into light nodes, such as cryptocurrency management services.

Users can save their own files into the distributed network by consuming a certain number of INVEs through the distributed storage service of the light nodes. Distributed storage networks have the characteristics of decentralization and data encryption. Compared with centralized storage services, they are more secure and cheaper.

Cryptocurrency management services mean that users can invest idle digital assets to obtain a certain amount of returns. Generally, it can be divided into two major categories of current and regular.

The communication application service provides the user with a decentralized instant messaging function. The user can send messages, emoticons, pictures, audio, video to the user through the light node. Users can also send tokens, participate in group chat, voice call or video call.

The multi-chain wallet feature allows users to create or import BTC, ETH and other public chain wallets in light nodes and support cryptocurrency exchange between different public chains. Through cross-chain technology, light nodes can provide cross-chain payment services. For example, the user only has INVE, and needs to pay a certain amount of BTC to the merchant. The light node directly converts a certain amount of INVE into BTC and pays according to the current exchange rate, thereby eliminating the friction to exchange the currency.

(3) Promoting usage

Improving usage through advanced functionalities. One way to

promote it is sign-in incentives.

Sign-in incentives

After the user “checks-in”, they can get other rewards such as tokens, loyalty points, and coupons. In order to receive these rewards, the user will “check-in” according to the requirements of the platform. The existence of the check-in activity can not only improve the user's activity, but also stimulate users to complete the specified tasks. It can guide the user to experience the DApp, and thus stay in the DApp and become a loyal user.

(4) User revenue

User revenue is not limited to economic gains. Ways to convert include bidding rankings and merchant deposits.

Bidding ranking

Provide DApp bidding ranking advertising service to users.

Merchant deposit

Open a merchant payment account for merchants, and support payment by QR code. The merchant deposit is charged and the amount paid is refunded.

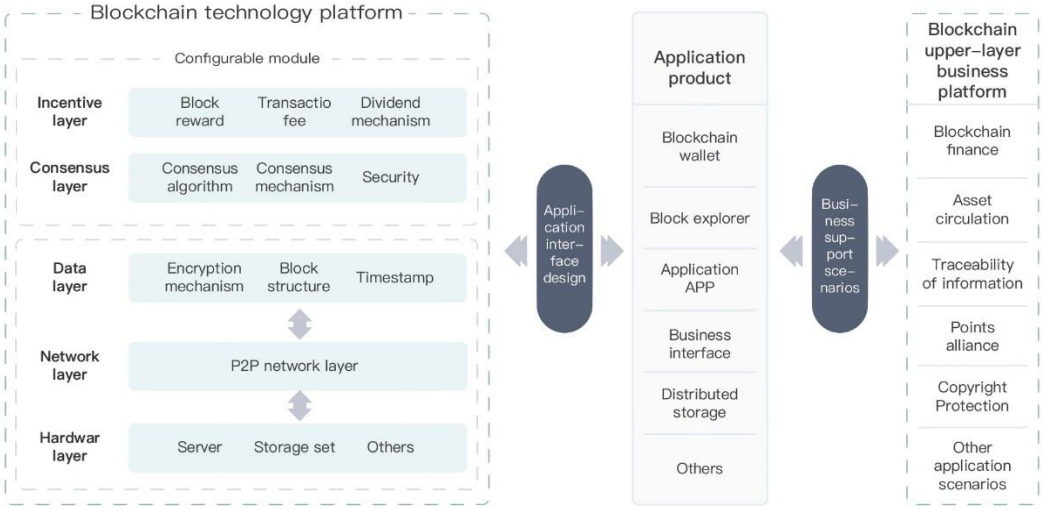
6. Application-oriented ecosystem construction strategy

6.1 Application Ecosystem Construction Platform

InterValue is committed to building a global public chain that

provides the underlying technology platform for applications. The products supporting the application ecosystem construction mainly include two types of blockchain underlying technology and blockchain business platform. The underlying technology platform mainly includes a data layer, network layer, consensus layer, incentive layer, contract layer and application layer technology. The service platform mainly provides business support capabilities for real-life business scenarios based on the underlying blockchain technology platform.

The blockchain underlying technology platform is mainly as a blockchain operating system. It can provide basic technical support for various high-frequency commercial application development, and is the core foundation for the application of blockchain technology. Covering consensus mechanisms, smart contracts, cross-chain technologies, these technologies combine to build high-performance commercial blockchain platforms. Around the blockchain underlying technology platform, a series of ecosystems including blockchain wallets, blockchain browsers, node campaigns, mining machines, development components, development modules, technical communities and project communities. The blockchain business platform is built on the underlying blockchain technology platform, and the DApp application is built for the real business through the API interface provided by the technology. The overall framework of the platform is shown below



6.2 Application Ecosystem Construction Strategy

In terms of the application ecosystem, InterValue will provide support for application development in addition to providing a basic underlying operating system platform. It can attract enough application developers and content producers to reduce development and operational costs. To this end, InterValue integrates main network development, third-party application development, project operations, and community management to provide strong support for ecosystem applications.

(1) Ecosystem construction platform, dedicated to providing comprehensive application development interfaces, documentation and common components. Providing free services and interfaces to third-party developers greatly shorten the DApp development cycle.

(2) The InterValue Ecosystem Foundation will strongly support ecosystem construction projects to evaluate, invest and serve potential

projects.

(3) Establish a DApp application mall and community, and reward the developer who successfully submitted the DApp. Token rewards for premium original content producers in the app.

(4) Provide security audit, technical support, community operation and other services for applications within the InterValue ecosystem.

6.3 Safety Ecosystem Construction Strategy

InterValue's information and network security ecosystem is built into the application ecosystem, with the main goal of ensuring the safe operation of the InterValue project application ecosystem. At the same time, it provides reference and supplement for the information and frontier security technologies of the blockchain industry.

InterValue security ecosystem construction draws on the operation mode of the traditional Internet company Security Response Center. Moreover, it uses the implementation code of data, algorithm, network, storage in the InterValue project as the guaranteed target. Full-category digital assets such as exchanges; exchanges with the security team of the InterValue project team, using the basic composition of the technical team and the White Hat community; rewarding the contributions of white-cap security researchers through Token and contributing Values give different identities to community white hats.

InterValue security ecosystem construction mainly covers the following aspects:

(1) Research on security mechanism, which oriented to the full node (including contract system, transaction system, storage system, communication network system, etc.). Light nodes are mainly used to exchange and other information systems, from security management and auditing, cryptography technology, authorization and comprehensive research on authentication, access control, anonymity, and privacy data protection. It tracks the latest research results in the industry, and attempting to apply to the InterValue project to ensure the safe operation of all types of assets in the project;

(2) DApp application security system is committed to providing a safe DApp ecosystem construction. It aims to build a security chain and smart contract security environment. The system designs and implements a smart contract compiler with multiple functions. Besides, drawing on the security mechanism of the mobile platform App Store to build a DApp security detection. Then, reporting system for developers to submit DApps and conduct security checks;

(3) Building an InterValue security community, providing blockchain security technology learning and communication platform with high quality information, security situation data, security technical documents, security testing tools, seminars and competitions as a carrier.

The content resources attract high-level security to join, which provide technical advice and resources for the safe operation of the InterValue project, and promote the benign development of information technology in the blockchain industry;

(4) Set the Bounty Hunter Plan, it can set up the submission procedure, and establish the Token system. Setting up a reasonable and effective incentive system can give the Token reward to the white hat that submitted the security vulnerability of the InterValue project code in the security community, and after the bug is fixed. The appropriate timing to disclose the technical details of security vulnerabilities, to provide the reference for other blockchain projects.

7. Government Compliance Strategy

Under the global compliance, blockchain projects that actively embrace regulation can be the beneficiaries.

The InterValue Foundation established a legal committee to study relevant national laws and regulations. As a blockchain public chain service project, it must obey the laws of the country where it is located. Because different countries have different laws to study and find the greatest common divisor, InterValue will adopt a gradual expansion of the scope of services to carry out services. The scope of expansion includes the national scope of the country. It means that starting from a part of

countries and regions, and then continue to expand. Besides, the continuous expansion of service content, that is, the services allowed by a large number of national laws, and then according to laws and regulations to increase service content.

Specifically, the InterValue Ecosystem Foundation will work with government regulations to develop the following policies:

(1) Full node real name authentication

All nodes are required to provide personal identification or organization identification.

(2) Local full node information review

Provide relevant government departments with relevant information such as distribution information and registration information of local nodes.

(3) Light node users

Provide real-name authentication function that users can choose. If users pass real-name authentication, they can get more good services.

(4) STO real-time monitoring

InterValue can provide STO functionality in the compliance area, and the STO process provides supervision to the government.

8. InterValue eco-economic benefit assessment

The economic benefits of InterValue are shown in Table 1. The

specific benefit values are developed in the form of mathematical models.

Revenue party / **Expenditure party**		**60%INVE**	**Wallet user** **Contract user**	**InterValue Foundation**
InterValue Foundation	Service Fees	×	Request a payment once, the price is determined by the InterValue Foundation	×
	INVE Transaction Fees	×	In proportion to the byte size of TX	×
	Cross-chain Transaction Fees	×	Divided into a certain proportion with the Relay node	×
Full node	Periodic Dividends	×	×	Expenditure from InterValue's profits
	Consensus Award Fees	Get rewards in turn according to the PBFT mechanism	×	×
Local full node	Node Agent Fees	×	The quota is negotiated by the Light node and the Local full-node	×
	Consensus Award Fees	Get rewards according to the HashNet mechanism	×	×
Relay node	Node Agent Fees	×	The quota is negotiated by the Light node and the Relay node	×
	Cross-chain Transaction Fees	×	Divided into a certain ratio with the InterValue Foundation.	×
	Service Incentive Fees	×	×	Assigned to relay nodes that provide premium service.
Dapp Provider	Depends on The Business Model	×	Depends on The Business Model	Investment, Reward, Service Support