# MR. CANCELLER

## AND JEDAO PROTOCOL

## WHITE PAPER

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## 1. Annotation

In an era where technological breakthroughs emerge at lightning speed, the decentralization of finance and the rise of cryptocurrencies are reshaping our world. The jeDAO Foundation proudly presents **Mr. Canceller (CNCLR)** — a memecoin with more than just comedic flair. Acting as the core utility token within the **jeDAO Protocol 's** comprehensive ecosystem, CNCLR merges playful creativity with serious financial innovation.

Built on proven models, the jeDAO Protocol incorporates **revolutionary solutions** in stablecoins and yield farming, offering a fresh take on how we interact with digital assets. Think of it as the perfect blend of fun and function—a memecoin with a mission to propel the next wave of financial evolution. Get ready to join the ride!

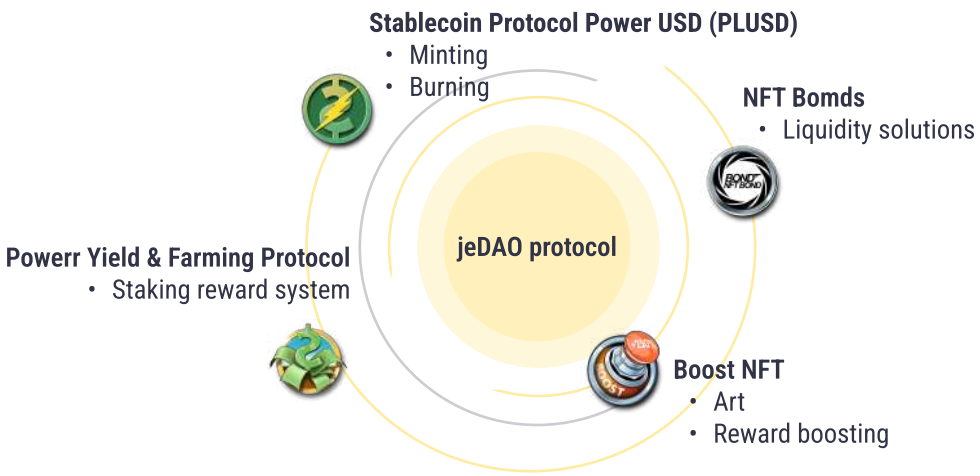
## 2. Introduction

The Foundation team drew inspiration from the following principles and objectives while developing the jeDAO Protocol:

- Community-driven Memecoin - Mr. Canceller
- Creation of Powerr USD (PLUSD): The aim was to create a decentralized and open cryptocurrency, soft-pegged to the US dollar, and backed by collateral.
- Implementation of farming/staking opportunities: A reward and incentivization system is integrated in the form of Powerr Yield&Farming Protocol to benefit participants who actively engage with the ecosystem.
- Integration of NFT Bonds: As an industry-first solution, NFT Bonds are introduced, leveraging NFTs as carriers of the Protocol 's financial obligations to asset owners. This innovative approach revolutionizes the use of NFTs in the context of financial instruments.
- Boost NFT: Participants can enjoy the benefits of Boost NFT, which combines the elements of digital art objects and financial instruments. These Boost NFTs provide flexible opportunities, allowing participants to earn rewards with multipliers of up to +250%.
- The project is launched on Base, which is a layer 2 solution based on Ethereum. Base network was created by cryptocurrency exchange Coinbase in partnership with Optimism to provide users with a secure, cost-effective and user-friendly environment for developing on-chain applications.

## 3. The general structure of jeDAO Protocol

**The jeDAO Protocol** is based on a combination of functionally interconnected smart contracts.



The interactions among smart contracts within the jeDAO Protocol , coupled with the financial resources offered by the jeDAO Foundation, provide participants of the ecosystem significant opportunities for rewarding engagements.

# 4. Stablecoin Powerr USD (PLUSD)

## 4.1 PLUSD DEFINITION AND BASIC CONCEPTS

**Powerr USD (PLUSD)** is an algorithmic, over-collateralized stablecoin (aiming for a target price of 1.00 USD). It is generated and backed by collateral assets. Any ERC-20 token approved by the jeDAO Foundation and protocol participants can serve as a collateral asset.

The initial collateral assets accepted by **the Powerr Yield & Farming Protocol** are:

- **ETH**
- **USDC**

Protocol participants may propose and vote on adding other collateral assets.

**Treasury Vaults** are non-custodial smart contracts that store the protocol's collateral. All interactions for generating or burning PLUSD in exchange for collateral are fully decentralized, with no custodial institution involved. Unlike some other stablecoin protocols, the Powerr Yield & Farming Protocol does not enforce liquidation ratios on Treasury Vault assets. Instead, vault exchanges occur at market rates based on oracle data from associated Uniswap DEX pairs.

When PLUSD is exchanged for a collateral asset, the protocol charges a burning fee of 1% of the underlying asset's value, after which the returned PLUSD is fully burned.

To manage the volatility of collateral assets, the protocol may impose a Collateral Asset Cap - a limit on the maximum allocation of a specific collateral within the portfolio.

**PLUSD Collateralization**

PLUSD is collateralized through two primary sources:

1. **Collateral Pool:** An aggregation of all active Treasury Vaults.

2. **Foundation Loan:** A unique mechanism where the protocol secures additional collateral from the Foundation Reserve Fund - without minting more PLUSD. The Foundation Reserve Fund is financed by both the Foundation's allocated resources and fees collected through the protocol. (Details on fees and allocations are provided in Section 8.)

This design ensures:

- **Initial Over-Collateralization:** At the protocol's launch, the value of collateral exceeds the stablecoins issued.
- **High Collateral Coverage Ratios (CCR):** The protocol maintains strong CCR levels even if the value of the collateral pool declines.

These safeguards promote stability and protect participants' interests during market fluctuations.

A **Foundation Loan** can be issued using any asset accepted by the protocol as collateral, offering participants flexible options to further collateralize PLUSD within the Powerr Yield & Farming Protocol.

## 4.2. PROTOCOL TVL AND CCR

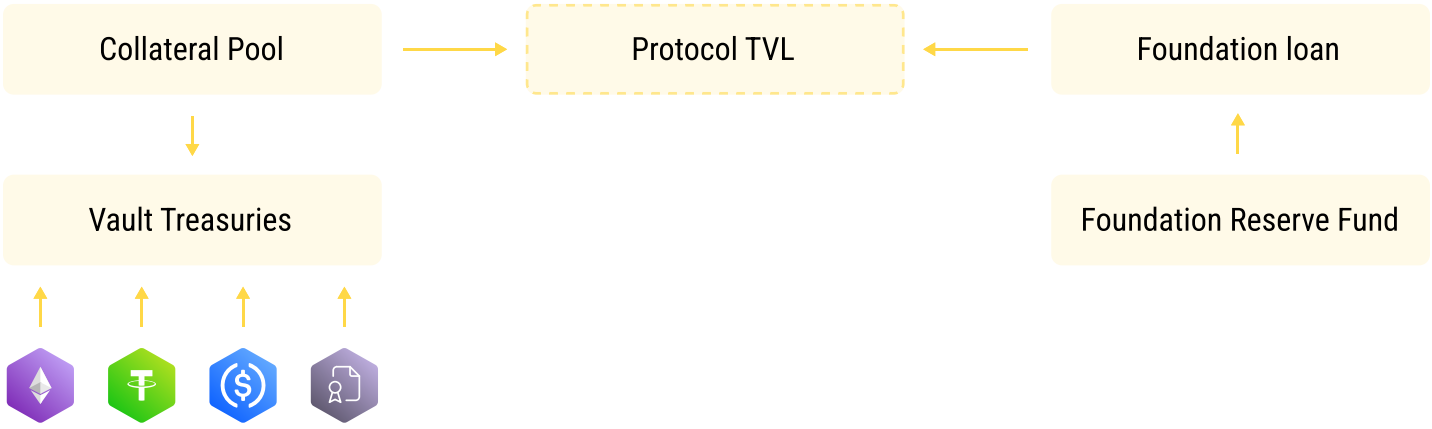
The Protocol TVL (total value locked) represents the combined value of various assets denominated in US dollars within the Powerr Yield&Farming Protocol I. It includes the following components:

- Value of assets sent by Protocol participants to the Collateral pool.
- Value of assets provided through Foundation loans.

The calculation for Protocol TVL is determined by adding the TVL of the Collateral pool to the TVL of the Foundation loans:

**Protocol TVL = Collateral pool TVL + Foundation loan TVL**

This metric provides an overview of the total value of assets locked and utilized within the Powerr Yield&Farming Protocol ecosystem.




**The Collateral Coverage Ratio (CCR)** serves as a crucial indicator of PLUSD stability within the Powerr Yield&Farming Protocol I. It is calculated by dividing the Protocol TVL by the total number of minted stablecoins (total supply) and the available stablecoins for minting (available Protocol reward).

**Collateral Coverage Ratio (CCR) = Protocol TVL / (Stablecoin total supply + Available reward)**

The CCR plays a significant role in various aspects of the Protocol 's functioning, including:

- Accrual/Cancellation of rewards for Protocol participants.
- Automatic loans from the Foundation Reserve to the Protocol TVL, ensuring a sufficient level of CCR is maintained.
- Ability of the Foundation to partially withdraw Foundation loans (only possible if CCR exceeds 150%).
- Handling of Protocol emergency events.

Further detailed information about this topic can be found in the upcoming section, providing a comprehensive understanding of the Protocol 's behavior in relation to the Collateral Coverage Ratio.

# 5. Powerr Yield&Farming Protocol I

## 5.1 GENERAL CONCEPTS AND FORMULAS FOR REWARD CALCULATION

The Powerr Yield & Farming Protocol offers guaranteed rewards to its members. Rewards are paid in PLUSD when the Collateral Coverage Ratio (CCR) exceeds 120%.
To be eligible for rewards, participants need to stake any of the following assets:

- Powerr USD (PLUSD)
- CNCLR
- CNCLR liquidity tokens
- NFT Bonds (NFTB)

The Foundation reserves the right to add additional collateral assets or delist existing ones.

The amount of a participant's reward depends on the following parameters:

- **Median Value of Staked Assets:** This is the weighted average market value of the participant's contributed assets denominated in USD over the entire staking period. The Protocol regularly (once per 6 to 12 Hrs) updates price values for volatile assets to ensure fair distribution of rewards.

- **Basic Annual Percentage Rate (APR):** The base level of annual profitability for the Protocol is set at 10 %.

- **Compound Function:** The Protocol includes an automated compound function to reinvest accrued rewards, eliminating the need for manual operations. The APY (Annual Percentage Yield) is calculated using the formula:

- **APY = [1 + (APR / Number of Periods)]^(Number of Periods) - 1.**

- **Dynamic Annual Percentage Rate:** After staking begins, this parameter linearly increases from 0% and reaches its maximum value of 15 % after 90 days. This means that the basic APR rate increases from 10% to 25% after 90 days of staking. Claiming rewards or redeeming assets resets the cycle, setting the Dynamic Annual Percentage Rate for the user back to a base value of 0%, followed by a similar increase cycle from 0% to 15% over 90 days.

In the case of multiple staking operations carried out at different times, the Protocol calculates both the median balance of assets and the median Dynamic Annual Percentage Rate to determine the appropriate reward. Additionally, certain assets hold great importance for the Powerr Yield & Farming Protocol ecosystem and provide multiplying coefficients for remuneration.

| Asset Type | Asset Coefficient |
|---|---|
| CNCLR liquidity tokens | 0.5 (+50%) |
| Smart USD (PLUSD) | 0 |
| CNCLR | 0 |
| NFT Bonds (NFTB) | 0 |

For example, if a participant stakes an equivalent of 1000 USD in CNCLR liquidity tokens, they will receive rewards based on a staking value of 1500 USD. This means that the reward calculations and distributions will be based on the higher staking value of 1500 USD, providing participants with increased rewards compared to their initial stake.

- The Powerr Yield & Farming Protocol incorporates **Boost NFT coefficients**, which provide an additional multiplier ranging from 10% to 250% for owners of specialized NFTs from a limited collection. Detailed information on this topic can be found in Section 7 of the documentation.

For instance, if a participant stakes an amount of 1000 PLUSD and also stakes a Mythical Boost NFT Level 5, they will accrue rewards as if they had staked 3500 PLUSD. This showcases the impact of owning a high-level Boost NFT on reward calculations.

The general formula for calculating remuneration in the Powerr Yield&Farming Protocol is as follows:

**APY = Collateral Asset Value (USD) * Collateral Asset Coefficient**
**(1 + Boost NFT Level coefficient + Boost NFT Rarity coefficient) * Compound interest function (Basic Annual percentage rate + Dynamic percentage rate)**

The reward accrual period in the Powerr Yield&Farming Protocol is one second. This means that participants will see an increase in their reward value every second, allowing for a dynamic and continuous reward accumulation process.

- **Important notice:** To maintain stability, the Protocol has implemented a Reward Lock-Up period lasting 30 days. During this designated period, the accrued rewards cannot be withdrawn (claimed) and may be subject to complete or partial cancellation if the Collateral Coverage Ratio of the Protocol falls below the required threshold.

## 5.2 INDICATIVE PROFITABILITY EXPECTATION FOR PROTOCOL PARTICIPANTS

In an optimistic scenario, supported by the positive growth of PLUSD collateral assets, the financial attractiveness indicators yield the following reward rates when combining the Compound function and the Dynamic Annual Percentage Rate:

| Reward percentage rates | APR % | APY (actual reward rate including auto compounding function) % |
|---|---|---|
| Basic APR | 10% | 10.52% |
| **Maximal APR (after 90 days)** | **25%** | **28.40%** |

| Coefficients impact (Assets and Boost NFTs) | Reward Impact | APY %, up to |
|---|---|---|
| LP tokens Asset Coefficient (+50%) | x1.5 | 42.6% |
| + Max NFT Level (+50%) | x1.5 | 42.6% |
| + Max NFT Rarity (+200%) | x3 | 85.2% |
| **Max possible profit common assets**<br>+ Max NFT Level (+50%)<br>+ Max NFT Rarity (+200%)<br>+ 250% | x3.5 | 99.4% |
| **Max possible profit LP tokens**<br>+ LP tokens Asset Coefficient (+50%)<br>+ Max NFT Level (+50%)<br>+ Max NFT Rarity (+150%)<br>+ 300% | x4 | 113.6% |

### 5.3 Powerr Yield&Farming Protocol Emergency Events

To ensure collateralization of the Stablecoin, the following mechanisms are implemented:

| Event | Protocol action | Collateral Coverage Ratio |
|---|---|---|
| Staking reward accrual | Powerr Yield&Farming Protocol reward accrual is suspended | <1.2 (120%) |
| Foundation Auto Loan | Funds from the Foundation Reserve are automatically allocated to the Protocol to ensure that the Collateral Coverage Ratio (CCR) reaches a value of 1.19 (119%). This means that the necessary amount of funds from the Foundation Reserve will be credited to the Protocol to maintain a CCR of 1.19, providing the desired level of collateralization for the stability and security of the Powerr Yield&Farming Protocol I. This automated process helps to maintain the appropriate financial backing and safeguard the interests of the participants. | <1.15 (115%) |
| Locked Reward Annulation (30D) | Any rewards that have been accrued within the last 30 days and are currently within the lock-up period will be canceled | <1.05 (105%) |
| PLUSD Rebase | Negative rebase operation of the PLUSD will be executed with coefficient of 2 | <1 (100%) |

## 6. Liquidity obligations: NFT Bonds

### 6.1 The concept of NFT Bonds

The concept of **NFT Bonds** is introduced within the jeDAO Protocol to address the stability of the ecosystem in the event of volatile asset value fluctuations in the Vault Treasuries. NFT Bonds serve as an obligation instrument that ensures liquidity for CNCLR.

NFT Bonds are particularly appealing to Protocol participants who prefer to retain their current assets and are not interested in converting them into assets that can be staked in the Powerr Yield & Farming Protocol.

By utilizing NFT Bonds, participants have the option to lend their assets to the jeDAO Protocol and subsequently withdraw them at their discretion.

Each NFT Bond is represented as an ERC 721 token, and all loan operations associated with NFT Bonds are recorded and stored directly on the BASE blockchain.

Participants have the ability to create an NFT Bond token by loaning the following underlying assets:

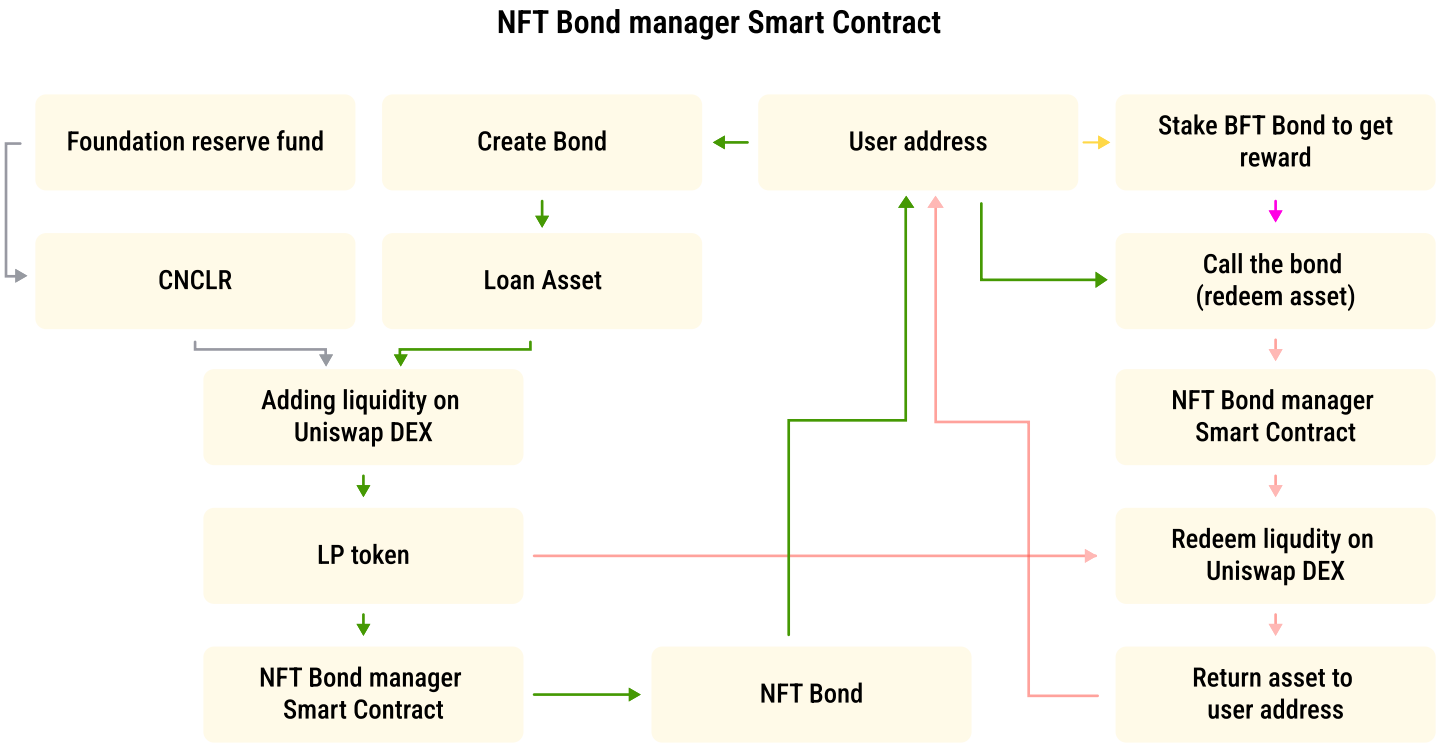
- **USDC**
- **ETH**

It is within the discretion of the jeDAO Foundation to expand the list of assets eligible for NFT Bonds in the future. This means that additional assets may be added to the list based on the decisions made by the jeDAO Foundation.

A Protocol participant has the flexibility to deposit and withdraw funds multiple times to/from a single NFT Bond. Furthermore, the Protocol allows for the creation of an unlimited number of NFT Bonds within each separate loan operation if desired by the participant.

Each loan made to an NFT Bond has a fixed expiration period of 30 days. However, participants can redeem their assets before the expiration period ends. In such cases, an Early CallTheBond Penalty Fee is imposed, which amounts to **30%** of the underlying asset being redeemed. This penalty serves as a disincentive for early asset redemption and encourages participants to honor the full duration of the loan period.

## 6.2 NFT BOND CREATION SCHEME AND USAGE OF RECEIVED ASSETS



The operating principle of NFT Bonds is facilitated by a dedicated smart contract known as the NFT Bond Manager. Here is an overview of the NFT Bond creation scheme and the usage of received assets:

- NFT Bond Creation: When a Protocol participant decides to create an NFT Bond, they initiate the process by sending their assets to the NFT Bond Manager smart contract.
- Foundation Reserve Allocation: As part of the NFT Bond creation, an equivalent amount of CNCLR tokens is automatically allocated from the Foundation Reserve Fund. These allocated CNCLR tokens, along with the participant's assets, are directed to the appropriate Uniswap decentralized exchange (DEX) liquidity pool.
- Liquidity Pool Participation: After adding liquidity to the designated pool, the NFT Bond Manager smart contract receives and stores liquidity tokens known as Uniswap LP tokens. These tokens represent the LP token owner’s position in the liquidity pool and entitle them to a proportionate share of the pool's fees.
- Representation of Obligation:The obtained liquidity tokens (LP tokens) reflect the extent of the Protocol 's obligations to the participant. The NFT Bond Manager keeps a record of the number of LP tokens received, ensuring accurate tracking for future actions such as the loan return process.
- Limits and Caps: the Foundation establishes limits and caps on the availability of underlying assets for participants to create NFT Bonds. Additionally, there is a limit on the number of CNCLR tokens provided by the Foundation Reserve specifically for this process. These limits ensure the proper management and control of NFT Bond creation within the Protocol.

The nature of the underlying assets in liquidity pools and the functioning of the Uniswap v2.0 Protocol introduce certain inherent risks and situations within the jeDAO protocol. These include:

- Impermanent Loss: Volatility of the underlying assets in liquidity pools can lead to impermanent loss. This occurs when the value of the assets held in the liquidity pool diverges from the value of those same assets if held individually. Impermanent loss is a temporary loss that can be experienced by liquidity providers due to price fluctuations.
- Mismatch of Assets: There may be instances where the number of underlying assets held in liquidity tokens does not perfectly align with the number of NFT Bond liabilities. This discrepancy can arise due to changes in asset prices and the functioning of the Uniswap Protocol.

To mitigate these risks, the Foundation takes on a significant portion of the associated risks. This means that the entire amount of CNCLR contained within the LP tokens can be utilized to cover potential risks to NFT Bond owners. The Foundation assumes responsibility for managing and addressing these risks to safeguard the interests of NFT Bond owners.

Further details regarding the risk management strategies employed by the Foundation can be found in the subsequent section of the Protocol documentation.

## 6.3 CALL THE BOND OPERATION (ASSET REDEMPTION)

When the NFT Bond owner calls the "Call the Bond" function to withdraw funds from the Protocol , the smart contract returns the corresponding number of LP tokens to the Uniswap liquidity pool and receives both CNCLR and the underlying asset in return. There are three potential scenarios for this:

1. **Sufficient or Surplus of the Underlying Asset:**

If there is a sufficient or surplus amount of the underlying asset after the LP token withdrawal, the following actions occur:

- The NFT Bond owner receives the initial loan amount of the underlying asset.

- The received CNCLR and any surplus of the underlying asset are transferred to the NFT Bond Manager Contract as a reserve. These reserves can be withdrawn at the discretion of the Foundation. The accumulation of underlying assets in the NFT Bond Manager contract creates stronger guarantees for NFT Bond owners.

2. **IInsufficient Amount of the Underlying Asset:**

If there is an insufficient amount of the underlying asset after the LP token withdrawal, the actions depend on the availability of corresponding asset reserves in the NFT Bond Manager:

- If there are enough reserves of the corresponding asset in the NFT Bond Manager, the shortfall is covered from the Protocol reserve.
- In the absence of reserves in the NFT Bond Manager, the smart contract automatically sells CNCLR. However, the amount of CNCLR that can be sold is limited to the amount received during the withdrawal of the liquidity token. The necessary amount of the missing underlying asset is purchased from the Uniswap DEX and paid to the owner of the NFT Bond.
- The remaining CNCLR is transferred to the NFT Bond Manager contract.

3. In the **rare scenario** where the price of the underlying asset increases by more than 300% compared to the CNCLR price at the time of the loan creation, it may result in the total value of the liquidity token assets being insufficient to fully cover a specific Bond obligation. In this case:

- The NFT Bond owner receives the liquidity token in full.
- The owner has the opportunity to dispose of the liquidity token at their discretion.

These scenarios are designed to ensure a smooth and secure process for NFT Bond owners when redeeming their assets from the Protocol.

## 7. Boost NFTs

### 7.1 BOOST NFT TECHNICAL DETAILS

The jeDAO Protocol introduces a collection of visual art objects in the form of NFTs (Non-Fungible Tokens). These NFTs have practical applications and provide additional rewards for participants in the Powerr Yield & Farming Protocol. Here are some important details about the Boost NFTs:

- Standard: The Boost NFTs follow the ERC-721 standard, which is a widely adopted standard for creating unique digital assets on the Ethereum-based blockchains.
- Primary Collection: The primary collection consists of 10,000 tokens. These tokens represent individual and unique art objects within the collection.
- Minting Price: The cost of minting a Boost NFT is determined by the MintingPrice formula, which is calculated as 1 ETH multiplied by the PriceCoefficient. The PriceCoefficient influences the minting price, allowing for flexibility in pricing, based on various factors.
- Initial minting Price: The initial PriceCoefficient for minting a Boost NFT is set as equivalent close to 50 USD. This means that participants can acquire a Boost NFT by paying 0.0125 ETH if ETH price = 4000 USD. The Foundation reserves the right to change the PriceCoefficient at its sole discretion.
- Maximum NFTs per Minting Operation: Each minting operation allows participants to acquire a maximum of 10 Boost NFTs. This limit ensures fair distribution and prevents concentration of NFT ownership in the hands of a few participants.

**Important notices:**

Freeminting of Boost NFT's: To promote the popularization of the Protocol , participants will have the opportunity to freemint Boost NFTs. Each participant can mint up to two Boost NFTs for free. This allows users to experience the NFT collection without any cost,other than the ETH blockchain fee.

Freeminted Boost NFT rarity attribute: Common **(Rarity Boost Coefficient = 0%)**
Minted Boost NFT rarity attribute: Uncommon **(Rarity Boost Coefficient = 20%)**

## 7.2 ATTRIBUTES OF BOOST NFT TOKENS AND THEIR IMPACT ON REWARD LEVELS

Each of the Boost NFT tokens has the following attributes:

- NFT Character attributes - determine the appearance of collectible pictures
- Boost attributes - determine the parameters of the coefficients that increase the reward for participants in the Powerr Yield&Farming Protocol l. There are two types of Boost attributes:

- **Rarity attribute** (Rarity boost coefficient)
- **Level attribute** (Level boost coefficient)

The attributes of Boost NFT tokens have a significant impact on reward levels within the Powerr Yield & Farming Protocol.

**Boost NFT Level:**

- Boost NFT Level ranges from 1 to 5
- The Level Boost coefficient increases with higher levels, from 0.1 to 1, resulting in a base reward boost ranging from 10% to 100%.
- The Level Boost coefficient directly affects the base value of the asset on which the reward is calculated.
- Higher levels also affect merging chances and the Token Lifetime price.

| NFT level | Level Boost coefficient |
|---|---|
| 1 | 0.1 (+10%) |
| 2 | 0.2 (+20%) |
| 3 | 0.3 (+30%) |
| 4 | 0.4 (+40%) |
| 5 | 0.5 (+50%) |

**Rarity boost coefficient**

- Boost NFT Rarity ranges from Common to Mythical, with increasing rarity levels.
- The Rarity Boost coefficient increases with higher rarity levels, ranging from 0 to 2, resulting in a base reward boost up to 200%.
- The Rarity Boost coefficient directly affects the base value of the asset on which the reward is calculated.

Higher **Rarity level** attributes can only be obtained by Boost NFT merging, as described in section 7.3

| NFT Rarity attribute | Rarity Boost coefficient |
|---|---|
| Common | 0 (+0%) |
| Uncommon | 0.2 (+20%) |
| Rare | 0.5 (+50%) |
| Epic | 0.8 (+80%) |
| Legendary | 1 (+100%) |
| Mythical | 2 (+200%) |

For a clearer understanding of the influence of Boost Attributes on the Protocol reward let's recall the formula:

**Profit = Staked Asset Value (USD) ***
**(1+**
**Collateral Asset Coefficient +**
**Boost NFT Level coefficient +**
**Boost NFT Rarity coefficient)**

*** Compound interest function (Basic Annual percentage rate + Dynamic percentage rate).**

As follows from the formula, the Boost NFT Level coefficient and Boost NFT Rarity coefficient increase the base value of the asset on which the reward is charged.

Here is **an example** to illustrate the impact of Boost Attributes on the reward:
Assuming a participant stakes an asset worth $1,000 and possesses a Boost NFT with the following attributes:

- NFT Rarity: Epic (Rarity Boost coefficient = 0.8 (+80%)
- Level: 4 (Level Boost coefficient = 0.4, (+40%))
-

The total boost, in this case, would be: 0.4 + 0.8 = 1.2 (+120%).
So, the staked asset value would be:
$1,000 * (1 + 0.4 + 0.8) = $1,000 * 2.2 = $2200

To receive an NFT boost, participants need to stake their Boost NFT tokens in the Powerr Yield & Farming Protocol. Initially, all newly created Boost NFTs have a Level attribute of 1 and a Rarity attribute of Common for freeminting and Uncommon for paid (minted) NFTs.

## 7.3 BOOST NFT LEVEL UPGRADE

To upgrade the Level of a Boost NFT and obtain a higher Level Boost coefficient, participants can use the LevelUp function in the Protocol . This function allows them to increase the Level of their Boost NFT in exchange for a commission paid in CNCLR tokens. The commission amounts for each level upgrade are as follows:

- Level 1 to Level 2: $5 USD equivalent in CNCLR tokens.
- Level 2 to Level 3: $10 USD equivalent in CNCLR tokens.
- Level 3 to Level 4: $30 USD equivalent in CNCLR tokens.
- Level 4 to Level 5: $50 USD equivalent in CNCLR tokens.

Participants have the flexibility to upgrade their Boost NFT Level in a single transaction, paying the cumulative cost of all intermediate levels in one operation. This means that they can directly increase the Level from, for example, Level 1 to Level 5 by paying the costs associated with Level 2, Level 3, and Level 4 upgrades in a single transaction.

Additionally, participants also have the option to set the Boost NFT Level at the time of NFT minting. The payment logic for setting the Level during minting follows the same commission amounts mentioned above.

## 7.4 BOOST NFT LIFETIME

Each newly created Boost NFT has a limited Lifetime of 14 days for both the Rarity and Level boost coefficients. Once the Lifetime of a token expires, the boost coefficients are set to zero, and the token no longer provides any increased rewards.

To continue receiving an increased reward, the owner of a Boost NFT token can purchase additional Lifetime. The price depends on the Boost NFT's Level and is paid in CNCLR tokens, as follows:

| NFT Level | Lifetime price (per year), USD |
|---|---|
| 1 | 10 |
| 2 | 25 |
| 3 | 50 |
| 4 | 100 |
| 5 | 250 |

It's important to note that the Rarity attribute does not affect the cost of the Lifetime.
Also - lifetime purchase is not possible if Boost NFT is staked into Protocol.

When a Boost NFT Level is upgraded, the Lifetime is managed as follows:

- The initial Lifetime assigned to a Boost NFT is the base Lifetime of 14 days.
- If the owner has purchased additional Lifetimes (convertible lifetime), those will be converted and added to the base Lifetime.
- The conversion rate for the purchased Lifetime depends on the Lifetime price ratio for different NFT Levels.

**Important:** Initially the base lifetime of a Boost NFT is used, and only then - the purchased one.

Here are a couple of examples to illustrate the concept:

**Example 1:**

Initial NFT Level: 1
- Basic lifetime left: 5 days
- Convertible lifetime: 0 days
-

New Level: 3
- Basic lifetime left: 14 days
- Convertible lifetime: 0 days
- Total Lifetime: 14 days

**Example 2:**

Initial NFT Level: 1
- Basic lifetime left: 5 days
- Convertible lifetime: 50 days

New Level: 2
- Basic lifetime left: 14 days
- Convertible lifetime: 50 * (10/25) = 20 days
- Total Lifetime: 14 + 20 = 34 days

## 7.5 BOOST NFT RARITY UPGRADE

The highest reward increase (up to +200%) can be obtained with a Boost NFT Rarity boost coefficient.

The merging procedure allows participants to obtain Boost NFTs with higher Rarity by merging two Boost NFTs. However, it's important to note that only two Boost NFTs with matching Rarity attributes (Common+Common, Legendary+Legendary, etc.) can be merged. The merging process involves burning the parent Boost NFTs and creating a new Boost NFT, which is then sent to the corresponding user's address.

There are two possible outcomes of a Boost NFT merge operation:

1. Successful merging: When two Boost NFTs with the same Rarity attributes are merged, the user receives a new Boost NFT with a Rarity boost of +1. The new Boost NFT will always have Level 1, and its Lifetime will be the sum of the basic Lifetime (14 days) and the convertible Lifetime of the parent NFTs.
2. Unsuccessful merging: If the merging operation is unsuccessful, the user receives a new Boost NFT with the same Rarity as the parent NFTs (no Rarity boost). However, the Level of the new Boost NFT will be the maximum Level of the parent NFTs plus 1, or 5 if one of the parent NFTs is already at Level 5. The Lifetime of the new Boost NFT will be the sum of the convertible Lifetimes of the parent NFTs.

The probability of a successful merging and obtaining a Boost NFT with a higher Rarity depends on the Level of the parent NFTs. The probability is determined by a probability table, which specifies the likelihood of successful merging based on the parent NFT Levels. Also the merging price is specified below.

| NFT Level | Merging chance, % | Merging price (USD equivalent) |
|---|---|---|
| 1 | 25 | 1 |
| 2 | 30 | 5 |
| 3 | 35 | 10 |
| 4 | 40 | 50 |
| 5 | 50 | 100 |

To calculate the overall success merging chance when merging two parent NFTs, you combine the individual success chances of the parent NFTs. For example, if you have a Level 1 NFT and a Level 4 NFT, the success merging chance would be:

Success merging chance = Level 1 success chance + Level 4 success chance = 25% + 40% = 65%
When merging two Level 5 NFTs, the probability of successful merging with a higher Rarity attribute is 100%. After each merge operation, an additional Boost NFT is made available to be minted via the Smart Contract. This ensures that the total number of NFTs remains fixed at 10,000, maintaining exclusivity while introducing fresh, upgraded assets into the ecosystem.

It's important to note that the total cost of merging is the sum of the individual merging costs for both parent NFTs. For example, if you are merging a Level 1 NFT and a Level 3 NFT, the total cost would be 11 USD (1 USD for L1 and 10 USD for L3).

**Important:** The Protocol participant can stake only one Boost NFT for one BASE address.

## 8. Smart Yield Farm Protocol Commissions

The Powerr Yield & Farming Protocol implements several fees to facilitate its operations and allocate resources appropriately. Here is a detailed description of each fee:

**NFT Bonds commissions:**

- **Early Call the Bond:** This fee applies when a participant withdraws their funds from the Protocol before the 30 days loan expiration. The fee amount is 30% of the underlying asset being withdrawn. It serves as compensation for the Protocol and helps maintain the reserve in the NFT Bond Manager contract, ensuring the Protocol 's stability and obligations to other participants. The fee can also be utilized for the CNCLR Buy Back program.

**A Boost NFT contract** has the following fees:

- **Boost NFT Minting Fee:** Participants are required to pay a fee when creating a Boost NFT. The specific fee

amount is determined by the jeDAO foundation. It is utilized for the development and maintenance of the Protocol 's systems and infrastructure.
- **Boost NFT Level Upgrade Fee:** When upgrading the level of a Boost NFT, a fee is charged. The fee amount depends on the particular level upgrade being performed and contributes to the Protocol 's revenue.
- **Boost NFT Lifetime Fee:** Participants can extend the lifetime of their Boost NFT beyond the initial period by purchasing additional lifetimes. A fee is charged for this service, and the amount varies based on the level of the Boost NFT being extended.
- **Boost NFT Merging Fee:** When merging two Boost NFTs, a fee is charged.

**Smart Stablecoin (PLUSD) standard commissions:**

- **Burning Fee:** When participants exchange PLUSD for a collateral asset through the smart contract, a Burning Fee is charged. The fee is calculated as 1% of the underlying asset value being exchanged. It contributes to the Protocol 's revenue and helps maintain its stability and integrity.
- **Stablecoin Transfer Fee:** A fee of 0.05% of the transacted amount is charged for transferring PLUSD. This fee is imposed on the recipient of the transfer and contributes to covering the operational costs of the Protocol.

**Commissions are distributed as follows:**

- **Early Call the Bond** - the fee remains on the NFT Bond Manager contract as a reserve to secure the Protocol obligations for other participants. Can also be used for the CNCLR Buy Back program.
- **Boost NFT Minting fee** - is allocated for Protocol development and system maintenance
- **Boost NFT Level upgrade, Boost NFT Lifetime, Boost NFT merging** - could be spent according to jeDAO foundation decision: to Protocol TVL (the same as a Foundation loan, without PLUSD generation) to support the Collateral Coverage Ratio (CCR) and stimulate Protocol rewards, maintenance costs, etc.

## 8.1 PLUSD REDEMPTION FEES APPLIANCE SCENARIOS

The protocol maintains prices for volatile assets (such as CNCLR, ETH, etc.) in a dedicated smart contract known as the Price Oracle. This mechanism ensures an accurate, weighted average valuation of assets staked within the protocol. Prices are updated every 6–12 hours, depending on system load, to reflect market conditions.

**Minting PLUSD:**

New PLUSD tokens are always minted using the most recent price recorded by the Price Oracle.

**Price Volatility and Discrepancies:**

Given the potential volatility of CNCLR, the current market price on Uniswap may sometimes differ from the price stored in the Price Oracle.

**Arbitrage Prevention:**

To prevent arbitrage opportunities arising from discrepancies between the Oracle's CNCLR price and Uniswap's current market price, the protocol imposes special arbitrage fees during redemption operations. These fees apply when exchanging PLUSD for an asset from the Treasury Vault, ensuring that such transactions account for price variances and maintain protocol integrity.

**Arbitrage fees calculations:**

If CNCLR market (Uniswap) rate< CNCLR  Oracle rate - no arbitrage possible, no fees applied.

**If CNCLR market (Uniswap) rate> Oracle rate:**

Fee (%) = (1 - Oracle rate/Uniswap rate)*100%

**Arbitrage fee = Asset amount*Uniswap price/Oracle price:**

For example:
CNCLR Uniswap price = 1.2 USD
CNCLR Oracle price = 1
Fee (%) = (1 - 1/1.2)*100% = 0.16(6)%

The Uniswap price reflects adjustments for the price impact of the corresponding amount of redeemed asset, ensuring that fees accurately account for market dynamics.

## 9. Partner program

The Foundation invites you to popularize the Mr. Canceller (CNCLR) coin and jeDAO Protocol. Multiple remunerations are available.

There are two affiliate programs implemented:

**a) Open-access program**

Anyone can join the affiliate program simply by inviting new participants via a special referral link:

http://178.170.48.156:9898/?affiliate=Your_BASE_Address

**Steps to Participate:**

1. **Set Up Your Referral Link**
   Replace the address after affiliate = with your own BASE address, or copy the link on affiliate dashboard.

2. **Share Your Link**
   Post it in social networks, messaging groups, or forums to reach a wider audience.

3. **Referral Cookie**
   Once a user clicks your link, a cookie with your address is stored in their browser. This guarantees that you receive credit and rewards for referring new members.

By following these steps, you can easily grow the community and earn rewards through the affiliate program.

You will be rewarded with the following remunerations:

| | Commission type | Affiliate remuneration (part of commission) | Currency of reward | Details | Reward trigger |
|---|---|---|---|---|---|
| 1 | Boost NFT minting fee | 50% | ETH | If participants mint Boost NFT reward is paid instantly to your address. This NFT gets your affiliate ID and you will be able to collect rewards 2-5 | Referral Cookie<br>* minted Bosst NFT gets your affiliate ID |
| 2 | Boost NFT Level Upgrade Fee | 25% | CNCLR | If participant upgrade Boost NFT Level reward is paid instantly to your address. | Referral Cookie |
| 3 | Boost NFT Merging fee | 25% | CNCLR | You will get your reward instantly when the user merges 2 Boost NFTs. | Referral Cookie |
| 4 | Boost NFT Lifetime Fee | 25% | CNCLR | You will get your reward instantly when the user buys Lifetime for Boost NFT. | Referral Cookie |
| 5 | Participant Reward Claims | 5% | PLUSD | The Protocol participant has to stake a Boost NFT with your Affiliate ID (address) for you to claim the reward. Paid when reward is claimed. | Boost NFT has your affiliate ID |
| 6 | NFT Bond creation/adding assets | 5% | CNCLR | When your referee creates the NFT Bond, you will get 5% of CNCLR required for Uniswap liquidity creation. This reward can be claimed according to the following conditions:<br>• If CCR>200%<br>• A 3 Month lockup is required if CCR<500%<br>• No lock-up period is required if CCR>500% | Referral Cookie |

**b) Whitelisted partners program**

**Whitelisted Partners Program**

Are you an influencer looking to collaborate? We offer diverse partnership opportunities tailored to your reach. Imagine becoming a character in a Mr. Canceller comic or even receiving a custom-branded Boost NFT!

To invite your community to an exclusive Boost NFT freeminting event, your Affiliate ID (address) must be whitelisted via a special smart contract.

If you're interested in being whitelisted and exploring these exciting possibilities, please contact us to discuss further.

## 10. Mr. Canceller (CNCLR) Token

### 10.1 GENERAL INFORMATION

The **CNCLR Token (Mr. Canceller)** is the native digital asset of the jeDAO Protocol. While it draws inspiration from memecoin culture with its fun and engaging persona, CNCLR goes beyond mere novelty. It serves as a core utility token within a comprehensive jeDAO Protocol built on the Base network.

**CNCLR max supply** - 100 000 000 000
**Network:** Base Ethereum L2, ERC-20

### 10.2 TOKEN DISTRIBUTION MODEL

CNCLR tokens will be initially distributed as shown below

| Mr. Canceller (CNCLR) SUPPLY DISTRIBUTION | | | |
|---|---|---|---|
| **TOTAL SUPPLY** | **100%** | **100 B** | |
| **Initial distribution phase (75%)** | | | |
| jeDAO protocol | Collateral Pool Smart contract | Ensure PLUSD overcollaterization | 50% / 50B |
| jeDAO protocol | NFT Bond Manager Smart Contract | Provide additional liquidity for CNCLR | 10% / 10B |
| jeDAO protocol | Foundation Reserve Fund Smart Contract | Secure CCR for PLUSD | 5% / 5B |

| | | | |
|---|---|---|---|
| Marketing purposes | Marketing, CEX listing, etc. | - | 5% / 5B |
| Team | Development and maintenance costs | - | 5% / 5B |

| **Public sale. UniSwap V2.0 Distribution - 25%** | | |
|---|---|---|
| Stage 1 | Whitelisted participants only<br>Protocol commissions applied:<br>Collateral pool to support CCR - **25%**<br>NFT Bond manager - **20%**<br>Foundation Reserve (CCR support) - **5%** | Up to 12.5% / 12.5B |
| Stage 2 | Whitelisted participants only | Up to 7.5% / 7.5B |
| Stage 3 | Open market UniSwap V2.0 | Up to 5% / 5B |

CNCLR Distribution via Uniswap DEX (V2) is structured into three distinct stages to ensure broad and fair participation, with the first two stages requiring whitelisting.

**Stage 1 – Whitelist with 50% Contribution to Protocol**

During Stage 1, only whitelisted addresses can participate. Each whitelisted participant receives an equal allocation to purchase CNCLR using USDC. While the presale function is enabled, only whitelisted addresses will be able to buy CNCLR with a limited, equal amount of USDC for all participants via the CNCLR website interface.

At this stage, 50% of all purchased CNCLR tokens are automatically allocated back to the Protocol, distributed as follows:

- **25%** to the Protocol TVL, supporting Collateral Coverage Ratio (CCR)
- **20%** to the NFT Bond Manager
- **5%** to the Foundation for additional CCR support

This mechanism ensures that half of the tokens bought directly strengthen the ecosystem, enhancing liquidity and security.

**Stage 2 – Continued Whitelist Access**

Stage 2 remains exclusive to whitelisted addresses, with each receiving an equal purchase allowance in USDC. No protocol fees applied.

**Stage 3 – Public Sale**

Following the completion of Stage 2, the public sale begins immediately. At this point, anyone can purchase CNCLR on Uniswap without the need for whitelisting, opening the token sale to the broader community.

## 11. jeDAO protocol launch

Following the conclusion of Stage 3, the full jeDAO Protocol will go live within 48 hours, ushering in a new era of decentralized finance and rewarding opportunities for all participants.