

# Transaction Endorser Agreement V1.1



## Approved by the Sovrin Board of Trustees 22 May 2019

This Transaction Endorser Agreement (the “**Agreement**”) is entered into between the Sovrin Foundation, a nonprofit corporation organized under the laws of the State of Utah, United States of America, and \_\_\_\_\_ (“**Transaction Endorser**”), a \_\_\_\_\_ organized under the laws of \_\_\_\_\_. Sovrin Foundation and Transaction Endorser are individually referred to herein as a “Party” and collectively as the “Parties.”

WHEREAS, the Transaction Endorser desires to endorse Transactions written to the Sovrin Ledger by Transaction Authors;

WHEREAS, the Sovrin Foundation desires to grant permission to the Transaction Endorser to endorse Transactions written to the Sovrin Ledger by Transaction Authors;

WHEREAS, subject to the Transaction Endorser complying with the terms and conditions of this Agreement and during the Term of this Agreement only, the Sovrin Foundation grants permission to the Transaction Endorser to write Transactions to the Sovrin Ledger;

WHEREAS, subject to the Transaction Endorser complying with the terms and conditions of this Agreement and during the Term of this Agreement only, the Transaction Endorser accepts permission from the Sovrin Foundation to write Transactions to the Sovrin Ledger;

FOR GOOD AND VALUABLE CONSIDERATION, THE SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

### **1) Definitions**

Unless otherwise defined above, all capitalized terms used in this Agreement shall have the meanings given to them in this Agreement or in the [Sovrin Governance Framework](#) and corresponding [Sovrin Glossary](#). The Sovrin Governance Framework and Sovrin Glossary is incorporated into this Agreement by reference only for purposes of use of such defined terms.

### **2) Permission to Endorse Transactions to the Sovrin Ledger**

- a. The Sovrin Foundation grants to the Transaction Endorser the revocable right to endorse Transactions written to the Sovrin Ledger by Transaction Authors during the Term of this

Agreement only provided that the Transaction Endorser remains in compliance with all of its obligations under this Agreement.

- b. To endorse a Transaction, a Transaction Endorser will sign a Transaction Author's Transaction, so the Transaction will be accepted by a Validator Node.
- c. Once an initial Transaction has been written to the Sovrin Ledger by the Transaction Author ("Initial Transaction"), the Transaction Author is granted permission to make additional Transactions to update the state of a previous Transaction ("Update Transactions"). A Transaction Author may make Update Transactions if and only if the Transaction Author was the Author of the Initial Transaction. Update Transactions are Transactions and are subject to all the terms of this Agreement. Transaction Endorser is permitted to endorse such Transactions.

### 3) Transaction Endorser Obligations

- a. Transaction Endorser agrees to endorse all Transactions submitted to it by a Transaction Author unless it is prohibited to do so by the terms of this Agreement.
- b. Transaction Endorser agrees to pay the Sovrin Ledger Fee for a Transaction as specified by the Sovrin Ledger Fee Table published on the Sovrin Foundation website at <https://www.sovrin.org/>.
- c. Transaction Endorser may onboard Transaction Authors to the Sovrin Ledger. In doing so, Transaction Endorser must ensure that each Transaction Author it onboards signs a Transaction Author Agreement.
- d. With regard to all Transactions written by or on behalf of the Transaction Author to the Sovrin Ledger ("**Authored Transactions**"), the Transaction Endorser represents and warrants that it will not endorse Transactions containing Personal Data as that term is defined in the European Union's General Data Protection Regulation ("**GDPR**") until Sovrin Foundation permits Authored Transactions to contain Personal Data.
- e. Transaction Endorser shall maintain effective information security policies and procedures and systems in accordance with applicable law that include administrative, technical and physical safeguards designed to (i) ensure the security and confidentiality of personal information and Personal Data; (ii) protect against anticipated threats or hazards to the security or integrity of personal information and Personal Data; (iii) protect against unauthorized access or use of personal information and Personal Data; and (iv) ensure the proper disposal of personal information and Personal Data. All personnel handling personal information and Personal Data shall be appropriately trained in the implementation of such information security policies and procedures. Transaction Endorser will permit Sovrin Foundation to audit and review Transaction Endorser's information security policies and procedures and systems to maintain their continued effectiveness and determine whether adjustments are necessary in light of circumstances including, without limitation, changes in technology, customer information systems or threats or hazards to personal information.

### 4) Term and Termination

- a. This Agreement commences on the Effective Date and shall remain in force until terminated by either Party pursuant to this **Section 4 (Term and Termination)**.
- b. Either Party may terminate this Agreement: (a) if the other Party has materially defaulted in the performance of any of its obligations under this Agreement and has not cured such default within fifteen (15) business days of receipt of written notice from the non-defaulting Party of such default; (b) by giving the other Party thirty (30) calendar days' written notice; or (c) immediately in the event of any government sanctions or other legal measures that make it unlawful for the Transaction Endorser to endorse a Transaction written to the Sovrin Ledger by a Transaction Author.
- c. Upon termination or expiration of this Agreement for any reason the rights granted to Transaction Endorser under this Agreement automatically terminate.

## 5) Governing Law and Forum

This Agreement is governed by the law of the State of Delaware, without reference to conflict of laws principles. All disputes arising out of or in connection with this Agreement shall be finally settled by binding arbitration under the Rules of Arbitration of the International Chamber of Commerce by a single arbitrator appointed in accordance with the said Rules. Unless the Parties otherwise mutually agree, such arbitration shall be conducted in the English language by electronic exchange of documents and by videoconference. The arbitrator shall issue a reasoned decision, including findings of fact and conclusions of law. The arbitrator shall require exchange by the Parties of documents relevant to the issues raised by any claim, defense, or counterclaim or on which the producing Party may rely in support of or in opposition to any claim, defense, or counterclaim, with due regard for eliminating undue burden and expense and the expedited and lower cost nature of arbitration. At the request of a Party, the arbitrator may at his or her discretion order the deposition of witnesses. Depositions shall be limited to a maximum of three depositions per Party, each of a maximum of four hours duration, unless the arbitrator otherwise determines. Demand for arbitration may be initiated by either Party on fifteen (15) days written notice by email to the other Party's designated representative, together with a written specification of the grounds for the dispute and the relief requested. By agreeing to binding and non-appealable arbitration, each party understands that they each forever give up and waive any right which each Party may have to resolve any such claim, difference or dispute by court or jury trial. Notwithstanding the foregoing, either Party may bring a proceeding seeking equitable or injunctive relief solely and exclusively in the state and federal courts located in Wilmington, Delaware, to prevent the infringement of intellectual property rights or the disclosure of confidential information. Each Party hereto consents to the exclusive jurisdiction of such courts for the adjudication of any such equitable or injunctive relief, as well as for any such matters that are excluded from or fall outside of this arbitration provision.

## 6) Representations and Warranties; Disclaimer

### a. By Sovrin.

1. SOVRIN FOUNDATION MAKES NO WARRANTY CONCERNING THE ACCURACY, RELIABILITY, OR COMPLETENESS OF ANY INFORMATION OR DATA OBTAINED OR DERIVED THROUGH THE USE OF THE SOVRIN LEDGER, AND DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, ACCURACY OR COMPLETENESS OF DATA.

### b. By Transaction Endorser.

1. Transaction Endorser represents and warrants that it will only endorse Transactions written to the Sovrin Ledger by authorized Transaction Authors.
2. Transaction Endorser represents that it understands that the Sovrin Ledger operates on a distributed network and that Sovrin Foundation disclaims any responsibilities with respect to access of data from the Sovrin Ledger.
3. Transaction Endorser represents that it understands and acknowledges that Sovrin Foundation does not control the transfer of data between Nodes and over communications facilities, including the internet, and that the Sovrin Ledger may be subject to limitations, delays, and other problems inherent in the use of such communications facilities.
4. Transaction Endorser represents that it understands and acknowledges that there is regulatory uncertainty regarding the Sovrin Ledger's compliance with the GDPR as it relates to Permissioned Write Access, Public Write Access, and Personal Data, including as it relates to cross-border transfers of data, restrictions of processing data, the right to effective erasure of data, as well as the scope and nature of Personal Data itself. Transaction Endorser further represents that it understands and acknowledges that Sovrin Foundation may modify, at any time, its Sovrin Ledger Access Policies and the terms of this Agreement and any other agreement or document related to the Sovrin Ledger based on new information, guidance, or law related to GDPR compliance.
5. Transaction Endorser represents that it understands and acknowledges that a Steward has discretion to mark a Transaction as a Node-Specific Tombstone (if such functionality is enabled on the Sovrin Ledger) if (i) the Transaction Author makes a request pursuant to Section 3(b) of the Transaction Author Agreement; (ii) the Steward or Sovrin is required to do so by a court order; (iii) or if the Steward or Sovrin Foundation has evidence that the Transaction violates the terms of the Transaction Author Agreement.

## 7) Limitation of Liability

EXCEPT IN THE EVENT OF EITHER PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR FRAUD, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY

INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE, SPECIAL, OR OTHER CONSEQUENTIAL DAMAGES UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY LOST PROFITS, BUSINESS INTERRUPTION, LOSS OF PROGRAMS OR DATA, OR OTHERWISE, EVEN IF THE OTHER PARTY IS EXPRESSLY ADVISED OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES.

EXCEPT IN THE EVENT OF EITHER PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR FRAUD, IN NO EVENT SHALL EITHER PARTY'S LIABILITY UNDER THIS AGREEMENT EXCEED \$250,000 USD IN THE AGGREGATE. IN THE EVENT OF EITHER PARTY'S GROSS NEGLIGENCE, SUCH PARTY'S LIABILITY UNDER THIS AGREEMENT SHALL NOT EXCEED \$500,000 USD IN THE AGGREGATE. IN THE EVENT OF EITHER PARTY'S WILLFUL MISCONDUCT OR FRAUD, THERE SHALL BE NO DOLLAR CAP ON SUCH PARTY'S LIABILITY UNDER THIS AGREEMENT.

## 8) Miscellaneous

- a. Notice. Any notice, payment, demand or communication required or permitted to be delivered or given by the provisions of this Agreement shall be deemed to have been effectively delivered or given and received on the date personally or electronically delivered to the respective Party to whom it is directed, or when deposited by registered or certified mail, with postage and charges prepaid and addressed to the Parties at the addresses set forth below opposite their signatures to this Agreement.
- b. Severability. If any provision of this Agreement is held invalid, illegal, or unenforceable, the validity, legality, and enforceability of any of the remaining provisions of this Agreement shall not in any way be affected or impaired.
- c. Relationship of the Parties. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary or employment relationship between the Parties. Neither Party will represent that it has any authority to assume or create any obligation, express or implied, on behalf of the other Party, nor to represent the other Party as agent, employee, franchisee, or in any other capacity. There are no third-party beneficiaries to this Agreement. Neither Party shall make any proposals, promises, warranties, guarantees, or representations on behalf of the other Party or in the other Party's name.
- d. Assignment. Neither Party will voluntarily, or by operation of law, assign or otherwise transfer this Agreement without the other Party's express prior written consent which will not be unreasonably withheld, provided that no such consent is required for an assignment or transfer to a wholly or majority owned subsidiary or to a successor in interest by reason of merger or consolidation or sale of all or substantially all of the assets of such Party relating to the subject matter of this Agreement.
- e. Waiver. The waiver by either Party of a breach, default, delay or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions.
- f. Entire Agreement. This Agreement, including all documents incorporated into this Agreement by reference, constitutes the entire agreement of the Parties with respect to

the subject matter of this Agreement, and supersedes any and all prior agreements and understandings of the Parties, whether written or oral, with respect to such subject matter.

- g. Modification of This Agreement. Sovrin Foundation reserves the right to modify this Agreement at any time in accordance with this provision, including, but not limited to, changes in applicable law or guidance from any jurisdiction. Sovrin Foundation will post an amended version of this Agreement on its website at least ninety (90) days prior to the effective date of the amendment (the "Amendment Effective Date"). If Transaction Endorser continues to endorse Transactions to the Sovrin Ledger after the Amendment Effective Date, such continued use will constitute acceptance of the amended Agreement.
- h. Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument
- i. Survival. Any terms that by their nature survive termination or expiration of this Agreement shall survive.
- j. Endorsing Own Transactions. In the event that the Transaction Endorser is endorsing Transactions that it is writing to the Sovrin Ledger as the Transaction Author, the Transaction Endorser is also agreeing to the Transaction Author Agreement attached at Annex A.

## 9) Signatures

The Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

### Sovrin Foundation

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

### Transaction Endorser

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**In the presence of:**

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Address:** \_\_\_\_\_