ZIGChain

$ZIG Tokenomics 2.0

A Framework for Sustainable Value Accrual on ZIGChain

FRONT MATTER

Legal Notice

$ZIG is not intended to constitute, and should not be interpreted as, a share, stock, equity interest, ownership interest, partnership interest, debt instrument, derivative, collective investment scheme interest, fund unit, security, or any other regulated financial instrument under applicable laws. Ownership of $ZIG does not represent any ownership interest in Comet Technologies LTD, the ZIGChain Foundation, or any other entity, protocol participant, service provider, affiliate, or ecosystem participant.

Holding, acquiring, using, staking, delegating, transferring, or otherwise interacting with $ZIG does not confer any right to receive dividends, profits, revenues, distributions, interest payments, liquidation proceeds, treasury assets, governance-controlled reserves, or any other financial return generated by Comet Technologies LTD, the ZIGChain Foundation, or any third party.

No representation, warranty, undertaking, or guarantee is made that $ZIG will maintain any particular value, achieve any level of adoption, appreciate in price, or provide any economic benefit to holders. Any value associated with $ZIG may fluctuate significantly and may be affected by market conditions, technological developments, regulatory changes, network adoption, liquidity conditions, and other factors beyond the control of Comet Technologies LTD, the ZIGChain Foundation, or any ecosystem participant.

CONTENTS

Index · Abstract

ABSTRACT

This paper defines the economic architecture of $ZIG, the native token of ZIGChain, and mechanisms designed to support ecosystem participation, network security, governance, and long-term sustainability. It establishes how $ZIG derives value, how that value is sustained and grown over time, and how the ecosystem is governed in service of long-term token holders, validators, and participants. Central to this framework is ZIG Markets: a commercial infrastructure and distribution layer that contributes to the growth and expansion of the broader ZIGChain ecosystem. Subject to governance processes, treasury policies, commercial considerations, and applicable legal requirements, ecosystem participants may allocate portions of realized revenues toward initiatives involving $ZIG, including ecosystem development programs, treasury management activities, market acquisitions, and other approved uses.

Through governance-directed treasury mechanisms, ecosystem incentives, and protocol-level community participation, and ongoing ecosystem development, $ZIG is intended to serve as a foundational utility and governance asset within the network.

Sections

SECTION 01

Introduction

The first generation of token economies was built on narrative. Projects issued tokens, made promises about future adoption, and relied on speculative demand to sustain price. For a time, this worked. It no longer does.

The market has matured. Participants, institutional and retail alike, now distinguish between tokens that capture real economic value and those that do not. The projects that will endure are those with a clear answer to a simple question: why does this token have value, and where does that value come from?

For $ZIG, the operating principle is value capture: directing ecosystem-generated value back into the token rather than away from it. ZIG Markets — a commercial infrastructure and distribution layer designed to facilitate access to onchain and offchain financial opportunities — is the primary mechanism today, alongside other contributing initiatives such as WME and Zignaly.

Any $ZIG acquired through such initiatives may, subject to the applicable governance framework and protocol implementation, be allocated toward ecosystem growth purposes, including treasury reserves, governance-approved initiatives, or other approved purposes, including mechanisms designed to support the long-term sustainability of the ecosystem.

SECTION 02

$ZIG — The Token

$ZIG is not a passive asset. It serves as the native utility and governance token of the ZIGChain ecosystem, designed to facilitate network participation, protocol governance, transaction settlement, staking, and access to ecosystem functionalities. As the native token of ZIGChain, the token supports the operation, security, and governance of the ZIGChain ecosystem.

2.1 Token Parameters

PARAMETER	VALUE
Token Name	$ZIG
Network	ZIGChain
Token Standard	Chain-id: zigchain-1, native denom: uzig
Token Genesis Supply	2,500,000,000 ZIG
Circulating Supply at Mainnet	1,726,440,444 ZIG (69.06%)
Current Staking Inflation	Dynamic — min 1%, max 2%, adjusts based on % of tokens staked
Staking APR	7.2% (as at June 24th 2026)
Token Contract / Denom	uzig (native)

SECTION 02 · CONTINUED

2.2 Allocations at Mainnet

$ZIG is designed to balance immediate ecosystem utility with long-term sustainability. At mainnet launch, the total allocation was structured across community ownership, ecosystem growth initiatives, network security incentives, and long-term strategic reserves. The allocation model prioritizes broad community participation while ensuring resources remain available to support the continued expansion and security of the network.

$ZIG Mainnet Token Allocation

ALLOCATION CATEGORY	TOKENS	SHARE OF TOTAL SUPPLY
Existing Community	1,413,940,444	56.56%
Founders Tokens	445,000,000	17.80%
Stake Subsidies	187,500,000	7.50%
Ecosystem Development	187,500,000	7.50%
ZIGChain Foundation Reserve	100,000,000	4.00%
Long-term Community Rewards	125,000,000	5.00%
Retired to Date	41,059,556	1.64%
Total	**2,500,000,000**	**100.00%**

SECTION 02 · CONTINUED

Vesting and Emission Schedule

To align incentives with long-term ecosystem growth and stability, selected token allocations are subject to structured vesting schedules and release conditions rather than being made immediately available for circulation. These vesting arrangements are intended to encourage responsible ecosystem growth, support long-term development initiatives, and contribute to the stability of the network over time.

Founder Tokens

The founder allocation of 445 million ZIG is fully locked and released through a linear vesting schedule over 30 months beginning in January 2026. This vesting structure is intended to support the orderly distribution of tokens and align founder incentives with the long-term development and success of the ecosystem.

ZIGChain Foundation Reserve

The ZIGChain Foundation will receive 100 million ZIG under a 30-month linear vesting schedule beginning in January 2026, as a donation from the founding team's original allocation of 545 million tokens. This donation, together with the fourth consecutive annual extension of the unlock schedule for the founding team's original allocation, reflects the team's continued commitment to its long-term vision for the ZIG ecosystem.

These allocations are intended to support strategic initiatives, ecosystem development, infrastructure growth, partnerships, community programs, long-term sustainability efforts, and other initiatives aligned with the Foundation's objectives and applicable governance processes.

Stake Subsidies

Stake Subsidies are designed as a dynamic issuance mechanism rather than a fixed circulating allocation. Beginning at mainnet launch, these subsidies are minted according to ZIGChain network staking participation, validators performance, protocol governance, and broader ecosystem activity and applicable governance settings. The Stake Subsidy issuance schedule is expected to support ZIGChain network security, stability, and validator incentives over a period exceeding seven years, with actual emission levels influenced by participation and broader network conditions.

> This structure combines predictable vesting for long-term stakeholders with adaptive issuance mechanisms that can support network growth while maintaining flexibility as the ecosystem evolves.

SECTION 02 · CONTINUED

2.3 What $ZIG Does

Network Security

$ZIG is staked by validators and delegators to secure ZIGChain consensus. The level of security of the network may be influenced by a range of factors, including staking participation, validators performance, protocol governance, and broader ecosystem activity and applicable governance settings.

In December 2025, ZIGChain's Proof of Stake consensus mechanism received a Shariah compliance certification from Amanie Advisors, which determined that validator rewards are structured as a Wakala bil Istithmar (investment agency) arrangement rather than an interest-based return [certification link].

Governance

$ZIG holders and validators vote on protocol parameters, ecosystem proposals, and ecosystem pool allocations. Holders can also submit their own proposals, giving participants a direct channel — not just a reactive one — to shape network priorities. Governance is intended to provide participants with a mechanism to contribute to the ongoing development and operation of the ZIGChain ecosystem. Depending on the proposal type and governance procedures in effect at the relevant time, governance participants may be asked to consider matters relating to protocol upgrades, ecosystem development initiatives, treasury allocations, token management mechanisms, and other activities designed to support the continued development of the network.

Transaction Fees

$ZIG is used as the native token for the payment of transaction fees on ZIGChain. Users may utilize $ZIG to pay gas fees associated with transactions, smart contract interactions, and other protocol operations on the network. As the network processes more activity, the utilisation of $ZIG for transaction settlement and protocol operations may also increase.

Revenue-Based Market Acquisitions (Value Accrual)

Subject to applicable treasury policies, governance processes, commercial considerations, operational requirements, and regulatory obligations, ZIG Markets may from time to time allocate a portion of realized revenues toward market acquisitions of $ZIG. Any such acquisitions may subsequently be allocated, retired, reserved, deployed, or otherwise utilised in accordance with the governance framework and applicable treasury policies. The management and deployment of such resources are intended to support the long-term development, operation, and sustainability of the ZIGChain ecosystem.

SECTION 02 · CONTINUED

Ecosystem Participation

Beyond its role as a network asset, $ZIG serves as a foundational component of participation across the broader ZIGChain ecosystem. The token is designed to support network activity, capital efficiency, and value circulation through multiple utility layers embedded across decentralized finance and protocol infrastructure.

Collateral for DeFi Applications

$ZIG functions as a native collateral asset across DeFi applications and protocol services within the ZIGChain ecosystem. It can be utilized for liquidity provision, lending and borrowing activities, and participation in protocol-level financial products. By serving as a core settlement and collateral layer, $ZIG enables users to access capital and participate in onchain financial activity while maintaining exposure to the ecosystem.

Module Fee Mechanism (ModFee)

A portion of protocol-generated fees across ecosystem modules is routed through the protocol's ModFee mechanism. Protocol generated fees from modules such as Token Factory, and the upcoming Wealth Management Engine, and other protocol services can be directed, through governance decisions, toward ecosystem development initiatives, treasury management activities, protocol maintenance, infrastructure support, community programs, token management mechanisms, liquidity initiatives, and other approved ecosystem purposes. These allocations may be used for:

- Governance-approved token management mechanisms, including proposals relating to the allocation, retirement, or deployment of certain ecosystem resources.
- Ecosystem incentives, including growth initiatives, liquidity programs, and community participation rewards.

This framework creates a mechanism through which activity generated across protocol services can contribute directly to ecosystem development and long-term value retention within the $ZIG economy.

Infrastructure Alignment

ZIG Markets is a technology-enabled infrastructure layer built around a compliant, AI-powered engine that handles structuring, compliance, and distribution across both onchain and offchain markets. By automating these processes, it compresses the time from partner interest to an executable product from weeks to hours. As ZIG Markets scales, the engine processes more capital, generates more protocol fees, and drives additional $ZIG market acquisitions. As a result, the token benefits directly from improvements in infrastructure efficiency, not just from growth in revenue volume.

2.4 THE VALUE PROPOSITION IN ONE SENTENCE

$ZIG is the native utility and governance token of a live, protocol fees-generating network: the more ZIG Markets grows, the more $ZIG is bought from the market, or redeployed to grow the ecosystem further.

SECTION 03

The Problem This Framework Solves

The infrastructure to tokenize, structure, and distribute real-world yield has been built in pieces. Yield exists across DeFi protocols and real-world asset markets. Capital exists in TradFi. Regulatory frameworks exist across jurisdictions. But the layer that connects all three — that packages compliant products and delivers them at scale across both onchain and offchain channels — has been missing.

Most platforms exist on one side or the other. TradFi platforms lack composability, DeFi protocols lack compliance, and tokenization projects lack distribution. The result is that capital allocators — from the largest institutional funds to the fastest-growing fintechs — have lacked a trusted, regulated, and executable way to access real-world onchain yield.

This is not a yield problem because yield is abundant. It's an access, compliance, and distribution problem. As a result, token economies built on top of this structural gap have suffered three compounding failures:

FAILURE	DESCRIPTION
No revenue linkage	The token has no mechanism connecting it to real business activity. Its value is entirely a function of sentiment and narrative. When sentiment shifts, nothing fundamental supports the price.
Value leakage	Revenue is generated but captured by a foundation, team, or treasury with no transparent mechanism returning it to token holders. The token is economically isolated from the business it supposedly represents.
Governance theatre	Governance exists on paper but controls nothing of consequence. Token holders vote on cosmetic parameters while real decisions are made elsewhere.

The $ZIG framework is designed to address all three failures simultaneously. Protocol generated fees are real and reported. The linkage from generated fees to token is binding and transparent. And governance controls actual capital, which means the governance-approved token management mechanisms and ecosystem pool allocations represent meaningful economic power.

SECTION 04

ZIG Markets — The Market Access and Distribution Layer

4.1 What ZIG Markets Is

ZIG Markets is a technology-enabled infrastructure. It is the Compliant Yield Access Layer of onchain finance. It facilitates access to digital, tokenized and real-world asset opportunities across both onchain and offchain environments. It connects TradFi capital pools with DeFi rails through regulatory clarity and scalable distribution.

ZIG Markets does not itself create, guarantee, underwrite, or generate investment returns. Rather, it facilitates access to opportunities made available by third-party issuers, asset managers, protocols, and other ecosystem participants, subject to applicable legal, regulatory, and operational requirements.

Capital finds yield faster with ZIG Markets. Its AI engine handles the structuring, compliance, and distribution — across onchain and offchain markets — so partners don't have to.

ZIG Markets' APIs power real-time yield streaming directly to distribution partner platforms, enabling automated profit accrual, utilisation reporting and redemption settlement. This allows it to act as the connective tissue between offchain yield opportunities and onchain capital. Where applicable, investment management, custody, execution and other regulated activities are performed by the relevant licensed counterparties and service providers.

SECTION 04 · CONTINUED

4.2 Who ZIG Markets Serves

ZIG Markets operates a hybrid distribution model, reaching capital across both onchain and offchain environments:

INSTITUTIONAL INVESTORS & CAPITAL ALLOCATORS

Seeking compliant, structured access to real-world onchain yield without building their own regulatory or technical infrastructure.

ASSET MANAGERS, YIELD ORIGINATORS & PRODUCT SPONSORS

Seeking scalable distribution without the overhead of compliance, structuring, or partner development.

FINTECHS, DIGITAL BROKERAGES, NEOBANKS & WEB2 PLATFORMS

Seeking white-label access to regulated onchain yield products.

DEFI PROTOCOLS

Seeking interoperable infrastructure, tokenized asset integrations, and composable real-world yield products with embedded regulatory wrappers.

Initial commercial focus: ZIG Markets is designed for global capital flows, with an initial commercial focus on the broader emerging and frontier markets, where regulatory momentum and institutional demand continue to accelerate. These regions are also characterized by substantial pools of untapped capital that have historically lacked efficient access to global wealth-creation opportunities.

SECTION 04 · CONTINUED

4.3 Revenue Sources

ZIG Markets will generate revenue through origination and structuring fees, vault management and performance economics, institutional distribution revenue share, tokenization and product launch fees, and ongoing servicing/reporting fees across the lifecycle of each product.

- Structuring and origination fees
- Distribution or access fees charged to partners
- Management or performance fees on vaults
- Revenue share from institutional distribution agreements

4.4 Why ZIG Markets Is the Right Engine

Most tokenomics frameworks are built on speculative or cyclical revenue, such as trading volumes, token emissions, or yield that contracts in bear markets. ZIG Markets is different in three ways that matter for an ecosystem development model.

ATTRIBUTE	WHY IT MATTERS
Infrastructure-Driven Revenue	First, its revenue is infrastructure-driven. ZIG Markets captures fees on access and distribution, the infrastructure layer through which capital must pass to reach compliant onchain yield. That toll does not disappear when markets are quiet; if anything, demand for compliant infrastructure grows as regulatory scrutiny increases.
Recurring Revenue	Second, its revenue is recurring. Partners who integrate ZIG Markets' infrastructure do not rebuild it each cycle. The bespoke vault model, embedded compliance wrappers, and AI-powered structuring engine create sticky, long-term relationships that generate fees across multiple product cycles.
Structural Scale	Third, its addressable market is structural in scale. The gap between TradFi capital and onchain yield is not a niche opportunity. It represents trillions of dollars of capital that cannot yet access onchain yield compliantly. ZIG Markets is purpose-built to be the infrastructure through which that capital moves.

SECTION 04 · CONTINUED

4.5 The Addressable Market for ZIG Markets

The market opportunity sits at the intersection of two rapidly expanding capital pools: stablecoin liquidity and tokenized real-world assets. Stablecoins now represent more than $300bn of onchain value, with transaction volumes reaching into the tens of trillions annually, while the tokenized real-world asset market remains comparatively small at approximately $30bn.

STABLECOINS	TOKENIZED RWA
$300bn+	~$30bn
Onchain value	Current market

The constraint is not demand. It is a market structure. Onchain capital remains globally distributed, liquid, and increasingly institutionally relevant, but it still lacks consistent access to regulated real-world yield through compliant, executable distribution channels.

That gap is beginning to narrow. With clearer digital asset legislation progressing in the United States, more accommodative regulatory postures across key jurisdictions, and the rise of neobanks, digital brokerages, custodians, and embedded finance platforms, the distinction between onchain and offchain liquidity is likely to become less meaningful over time.

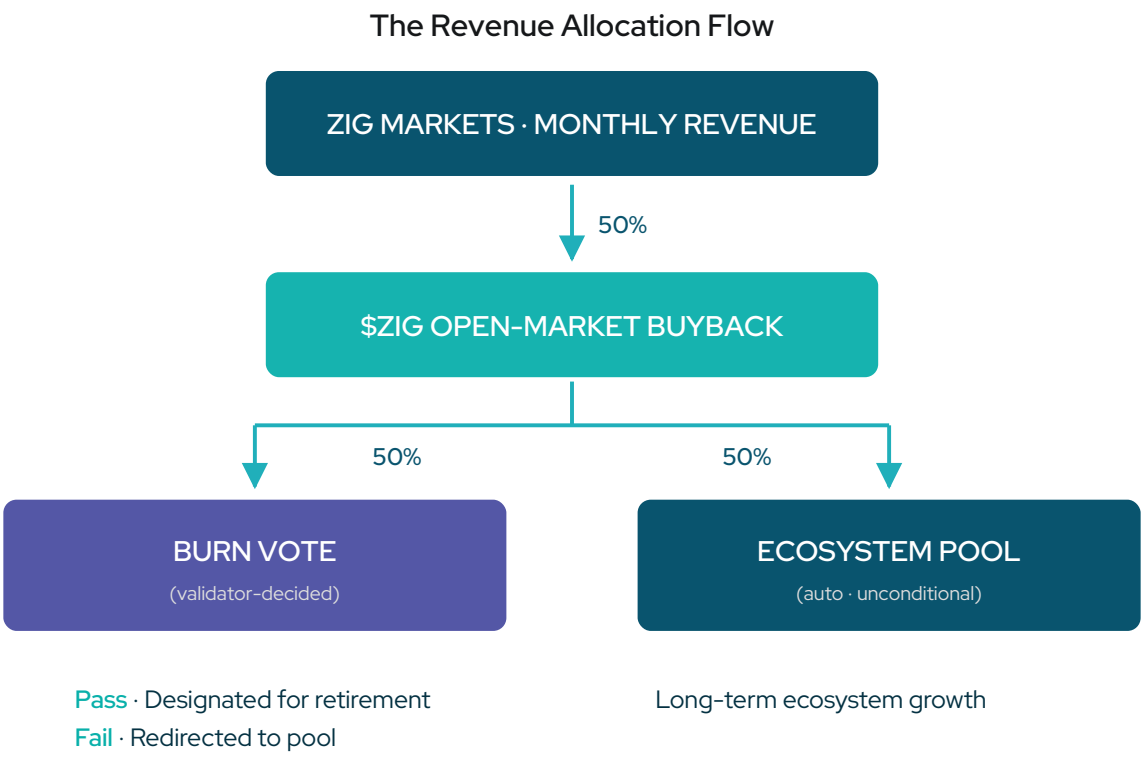
ZIG Markets is built to sit at this convergence point. Its infrastructure connects globally distributed liquidity with regulated yield opportunities through compliant structuring, capital routing, vault deployment, institutional distribution, and lifecycle servicing. As the boundaries between traditional financial rails and onchain liquidity continue to blur, ZIG Markets is positioned not only to intermediate capital flows, but to become a commercial layer for a more connected wealth and investment market.

SECTION 05

Value Accrual — Revenue-Based Ecosystem Allocation Framework

This is the core mechanism of the paper. Each month, ZIG Markets may allocate a portion of its gross revenue toward initiatives involving $ZIG. Where market acquisitions of $ZIG are undertaken, any acquired tokens may subsequently be allocated, retired, reserved, deployed, or otherwise utilized in accordance with the governance framework and applicable treasury policies. The management and deployment of such resources are intended to support the long-term development, operation, and sustainability of the ZIGChain ecosystem.

5.1 The Revenue Allocation Flow



In every scenario, acquired $ZIG remains inside the ecosystem. It either leaves circulation permanently through retirement, or it is held in a governed pool and redeployed to grow the network, which in turn drives more revenue, which drives more acquisitions.

SECTION 05 · CONTINUED

5.2 Revenue-Based Market Acquisition

Subject to applicable treasury policies, governance processes, commercial considerations, operational requirements, liquidity conditions, and regulatory requirements, ZIG Markets may from time to time allocate a portion of realized revenues toward market acquisitions of $ZIG.

Acquisitions may be conducted through centralized exchanges, decentralized exchanges, OTC counterparties, automated execution mechanisms, or other appropriate venues, depending on market conditions, liquidity, operational requirements, and execution considerations.

The timing, size, frequency, and execution methodology of any acquisition shall be determined by ZIG Markets in its discretion and may vary over time. No acquisition should be considered automatic, guaranteed, or recurring solely as a result of revenue generation.

Any $ZIG acquired through this process may be transferred to the community pool wallet and reserved for governance-approved initiatives, ecosystem incentives, liquidity support, future growth initiatives, or other approved purposes.

Completed acquisitions and transfers shall be reported monthly at an appropriate level of disclosure, while preserving confidentiality around revenue composition, counterparties, execution timing, venue selection, pricing strategy, and other commercially or market-sensitive information.

SECTION 05 · CONTINUED

5.3 The Governance Vote

Once the market acquisition is executed, validators may participate in a governance vote regarding the proposed allocation of a designated portion of the tokens, including whether the acquired $ZIG should be permanently designated for retirement from active ecosystem circulation.

This vote is submitted as a standard governance proposal under the process set out in Section 7.3, including the deposit and discussion phase, and is not submitted as an expedited proposal.

PARAMETER	VALUE
Eligible Voters	ZIGChain validators
Vote Weighting	Stake-weighted voting
Threshold to Pass	A proposal passes with at least 51% of non-abstaining votes
Voting Window	96 hours from the commencement of the voting period
Result	Published onchain, publicly verifiable

Where a proposal is approved, the applicable portion of the acquired $ZIG may be designated for retirement from active ecosystem circulation. Where a proposal is not approved, the applicable portion of the acquired $ZIG may instead be allocated to the Ecosystem Pool or another governance-approved destination for future ecosystem initiatives, treasury activities, or other approved purposes.

Upon successful approval of this proposal, the retired tokens will be automatically transferred from the community wallet to the designated retirement wallet:

```
zig14har2kjzze5adwprvwjtruf2lzvfta53wflpml
```

Tokens transferred to this address are considered permanently retired and are excluded from circulating supply calculation.

SECTION 05 · CONTINUED

5.4 Monthly Cycle Timing

The monthly acquisition and governance cycle operates on a four-week structure, designed to ensure the governance vote described above proceeds through the standard proposal process, including the deposit and discussion phase, without recourse to expedited proposals.

WEEKS 1–3	Market acquisition of $ZIG is executed in accordance with Section 5.2. The governance proposal regarding the allocation of the acquired tokens is submitted and enters the deposit period.
WEEK 3	The proposal proceeds through the deposit, discussion, and voting phases set out in Section 7.3, culminating in the 96-hour voting window described above.
WEEK 4	Voting results are published onchain. The applicable portion of acquired $ZIG is transferred to the retirement wallet or continues to stay in the Community Pool in accordance with the outcome, and the transfer is reported as set out in Section 5.2.

> This structure is intended to preserve a monthly cadence while ensuring that each governance vote follows the standard, non-expedited proposal path. The timing above is subject to adjustment through governance and may be revised to reflect operational requirements identified during implementation.

SECTION 05 · CONTINUED

5.5 The Ecosystem Pool

The remaining 50% of acquired $ZIG flows automatically and unconditionally into the long-term ecosystem pool, plus any amount redirected from a failed governance vote. The Community Pool is intended to provide resources that may be deployed to support the continued development, operation, security, and growth of the ZIGChain ecosystem. The deployment of tokens from the Ecosystem Pool is subject to applicable governance procedures, proposal requirements, voting processes, vesting arrangements, and transparency obligations.

Every three months, or as required, the Foundation may submit a proposal to deploy tokens from the pool. Eligible uses include:

- Grants to protocols bringing meaningful TVL to ZIGChain
- Incentives for strategic partners driving user or liquidity growth
- Infrastructure support (node operators, oracles, bridges, indexers)
- Liquidity initiatives on DEXs or CEXs
- Developer tooling, audits, and ecosystem infrastructure
- Community programs, educational initiatives, ecosystem engagement activities, and governance participation programs
- $ZIG retirement from active ecosystem circulation

> All allocations must include vesting terms, quantifiable milestones, and full public disclosure. To further strengthen transparency and community participation, the ability to submit proposals will be extended to the community as part of the 2026 roadmap, enabling ZIG holders to play a more active role in shaping the future of the ecosystem.

SECTION 06

Supply Dynamics

6.1 Deflationary Pressure

Successful monthly $ZIG retirement from active ecosystem circulation governance votes create a persistent and compounding effect on $ZIG circulating supply. The magnitude of this effect depends on:

- ZIG Markets monthly revenue
- Frequency of successful $ZIG retirement from active ecosystem circulation votes
- $ZIG spot price at time of market acquisition (determines units retired per dollar)

6.2 Supply Disclosure

ZIG Markets does not publish forward-looking projections regarding token retirement from active ecosystem circulation, net supply reduction, or future circulating supply. The net supply impact of the protocol will depend on realized revenues, token management mechanisms, governance decisions, staking rewards, ecosystem incentives, vesting schedules, treasury activity, and other future token flows.

Accordingly, supply-related disclosures will be based on completed actions rather than forecasts. Periodic reporting may include token acquisitions, ecosystem allocations, treasury movements, and any governance-approved removals from circulation. Such disclosures are provided for transparency and should not be interpreted as commitments regarding future supply levels, token reductions, or market outcomes.

6.3 Long-Run Supply Floor

Unlike pure token retirement from active ecosystem circulation models, $ZIG has a productive sink for non-retired tokens via the ecosystem pool. Tokens redeployed to grow the ecosystem are subject to vesting and milestones — they are not immediately liquid — and their deployment is intended to generate more ecosystem activity, more ZIG Markets revenue, and more future token market acquisitions. This creates a self-reinforcing loop rather than a purely extractive token retirement from active ecosystem circulation spiral.

SECTION 07

Governance

7.1 What Governance Controls

Governance in this framework is not cosmetic. $ZIG validators and holders exercise direct control over:

1. **Monthly governance vote:** real capital is designated for retirement from active ecosystem circulation or preserved based on this vote (governance-approved token management mechanisms, including proposals relating to the allocation, retirement, or deployment of certain ecosystem resources).
2. **Ecosystem pool allocations:** real capital is deployed based on approved proposals.
3. **Framework parameters:** the percentages, thresholds, and rules in this paper can be adjusted through governance over time.
4. **Amendments** to governance processes, treasury policies, and ecosystem administration mechanisms.

7.2 Validator Governance

ZIGChain validators are the primary actors in onchain governance. They cast votes on governance decisions and pool allocations administered through the community pool wallet.

Governance Framework

Token retirement proposals shall be submitted and voted on through the standard ZIGChain governance module and shall not operate under a separate sub-DAO structure.

Validator Eligibility

All active validators shall be eligible to participate in governance votes, with voting power determined in accordance with the network's stake-weighted governance framework.

SECTION 07 · CONTINUED

7.3 Community Participation

The model is designed so that every participant — institutional, semi-institutional, and retail — can engage meaningfully in governance:

Governance Forum

All governance discussion, proposal publication, and community deliberation takes place on X, which serves as the canonical community governance layer. Proposals are issued in a standardised format and evolve through public discussion and community signalling within this environment.

Proposal Lifecycle

Governance proposals are initiated through a deposit-based activation mechanism. Proposals become active once the required deposit threshold is reached. Upon activation, they immediately enter the voting phase. The maximum duration of the deposit period is 14 days, after which unactivated proposals expire. This mechanism ensures that only proposals with sufficient community or stakeholder support proceed to formal voting, while allowing open participation and signalling during the deposit phase.

Voting Period

The voting phase lasts 4 days and represents the binding decision window for token holders. Outcomes are determined based on the established governance rules and executed accordingly.

Transparency Dashboard

A dedicated transparency dashboard will be hosted on **hub.zigchain.com**, providing real-time visibility into protocol economic activity. The dashboard serves as the primary source of truth for ecosystem transparency and will display key metrics including buyback volume, burn outcomes, and community pool balances. The dashboard replaces static reporting structures with a continuously updated, verifiable interface. It will be maintained by the Marketing and ZIG Markets teams. Periodic snapshots of dashboard data may be used for ecosystem updates and community communications, but the dashboard remains the canonical reference point.

Community Calls

The Founders' Table podcast will take place monthly to provide a direct communication channel between core contributors and the community. These sessions will cover governance updates, ecosystem progress, and key proposals under discussion.

SECTION 07 · CONTINUED

7.4 Adjustable Parameters

PARAMETER	INITIAL VALUE	ADJUSTMENT MECHANISM
Governance vote threshold	Every 3 months	Governance vote
Pool allocation frequency	3–6 months	Governance vote
Eligible pool uses	See 5.4	Governance vote

7.5 Governance Safeguards

- Protocol-generated fees and treasury assets are held within the community-controlled treasury pool governed through onchain protocol governance.
- Treasury allocation decisions are executed through community governance proposals, ensuring transparent and decentralized treasury management.
- Specific governance proposals authorize the movement of treasury assets, including token transfers allocated for ecosystem initiatives and burn mechanisms.
- All governance votes and proposal outcomes are recorded transparently and verifiable onchain.
- Proposal submission requires a minimum token deposit threshold, ensuring economic accountability and maintaining proposal quality standards.

SECTION 08

Risks & Mitigations

RISK	DESCRIPTION	MITIGATION
Governance capture	Validators block retirement from circulation to accumulate pool funds.	Stake-weighted validator governance with delegator vote override rights.
Revenue volatility	Low-revenue months make acquisitions immaterial.	Minimum threshold or reserve mechanism.
Pool misuse	Pool becomes informal spending without accountability.	Mandatory vesting, milestones, public disclosure.
Retirement market impact	Large purchases move price adversely.	TWAP/VWAP execution.
Treasury security risk	Community pool wallet compromised.	Validator-governed onchain consensus and standard ZIGChain network security controls.
Regulatory risk	Revenue-linked retirements attract regulatory scrutiny.	Legal opinion from British Virgin Islands.
Inflation offset	Staking emissions outpace retirements from circulation.	Governance can adjust emission schedule or acquisition %.

SECTION 09

Roadmap

MONTH 0	Community pool wallet confirmed, validators onboarded.
MONTH 1	Acquisitions start (July 1).
MONTH 1	First Allocation to Community Pool and Burn Vote (25th–31st July).
MONTH 2	First open-market acquisition executed.
MONTH 2	First governance vote conducted onchain.
MONTH 3	Governance forum live, community proposal process open.
MONTH 6	First ecosystem pool allocation cycle opens.
ONGOING	Monthly cadence: ongoing buybacks, governance vote on allocation, and actioning the result (retirement or retention in the Community Pool) — see Section 5.4.

SECTION 10

Summary

$ZIG now has a direct, binding, and transparent link to real economic value. The mechanism is straightforward:

1. ZIG Markets generates revenue from live business operations.
2. A portion of that revenue buys $ZIG acquisitions from the market every month.
3. Acquired $ZIG is either designated for retirement from active ecosystem circulation, reducing circulating supply, or deployed into a governed ecosystem pool that funds infrastructure and initiatives that strengthen the ecosystem's capacity to capture value — through revenue growth, increased dApp and transaction activity, fee-generating mechanisms (e.g., the token factory, WME), or infrastructure upgrades that enhance the networks underlying value — feeding back into Step 1 and compounds over time.
4. The community governs every step through onchain votes with public reporting.

The governance framework provides transparency regarding how certain ecosystem resources may be administered and deployed, while enabling community participation in protocol, treasury, and ecosystem-related decisions through established governance processes.

Nothing in this paper should be interpreted as creating any entitlement to profits, revenues, distributions, assets, treasury resources, or economic returns derived from the activities of Comet Technologies LTD, ZIG Markets, the ZIGChain Foundation, or any other ecosystem participant.

> Infrastructure layers such as ZIG Markets are intended to support accessibility, interoperability, operational efficiency, and ecosystem expansion across both onchain and offchain environments. Subject to applicable governance procedures, commercial considerations, operational requirements, and regulatory obligations, ecosystem resources may from time to time be allocated toward governance-approved initiatives involving $ZIG and the broader ecosystem.

APPENDIX A

Glossary

TERM	DEFINITION
$ZIG	The native utility and governance token of ZIGChain and the economic core of the ecosystem.
ZIG Markets	The commercial infrastructure and distribution layer whose activities may contribute to ecosystem development and $ZIG market acquisitions.
Market Acquisition	Periodic open-market purchase of $ZIG funded by a portion of ZIG Markets' revenue.
Retirement from Active Ecosystem Circulation	Permanent onchain retirement of $ZIG, reducing circulating supply.
Ecosystem Pool	Governed reserve of acquired $ZIG not retired; deployed for ecosystem growth.
Community Pool Wallet	Validator-governed onchain wallet holding purchased $ZIG pending governance decisions.
Governance Vote	Periodic validator governance vote on whether a portion of acquired $ZIG is designated for retirement from active ecosystem circulation.