

BULLETIN 22.02 - Sink Update

December 8, 2022

1) PRIME Sink Schedules

PRIME sinks are developed by each gaming partner to provide players with additional in-game and out-of-game utility for PRIME. PRIME used in sinks replenishes the gameplay pool (Previously P2E Pool) that is used to reward network participants.

Original PRIME Sink Schedule - Jan 25 2022

65% Gameplay Pool

5% Gaming Partner

2% Echelon

3% Cached Prime Drives

10% PRIME Staking

15% Cached Prime Sets

During revisions to the Echelon Whitepaper, Echelon removed the 10% PRIME staking sink. That 10% is now split between the gameplay pool [+7%] and Echelon [+3%]. Unless otherwise stated, when PRIME is used, 100% of it will be distributed according to the following sink schedule.

Revised PRIME Sink Schedule - Dec 8 2022

72% Gameplay Pool **(+7%)**

5% Gaming Partner

5% Echelon **(+3%)**

3% Cached Prime Drives

15% Cached Prime Sets

Data modeling revealed that the gameplay pool percentage should increase to preserve long-term sustainability of the ecosystem as it scales. When gameplay emissions for PRIME are at 100%, a linear 30-month taper of the Prime Set percentage will begin. If the gameplay pool balance increases for a sustained period, Echelon may revisit this taper. After 30 months, the sink schedule will be the following.

Future PRIME Sink Schedule

84% Gameplay Pool **(+12%)**

5% Gaming Partner

5% Echelon

3% Cached Prime Drives

3% Cached Prime Sets **(-12%)**

Players who earn PRIME actively from gameplay are more likely to utilize that PRIME for in-game benefits. Rewarding active players, instead of passive holders, promotes a high velocity of PRIME, increased throughput in sinks, and better health for the ecosystem.

2) Parasetts released by Parallel after the Base Set will not be Prime Sets

To balance the Prime Set taper, future Parasetts (following the Parallel Base Set) will not be Prime Sets, meaning they cannot be cached. Echelon will also announce details on Bonds and card lending which provide further utility.

3) Lineage System

Lineage is a process by which Echelon gaming partners scale NFT assets to a growing playerbase. To meet demand, players are empowered to replicate and distribute their game assets. Parallel Studios will be the first to implement this system with Parallel TCG and allow the replication of cards with PRIME. This PRIME Sink will follow the below distribution criteria.

69% to Sinks (Refer to PRIME Sink schedule)

20% to Game Studio

10% to Echo Buyback Pool

1% to Masterpiece Holders

Gaming partners will be able to capture a portion of PRIME used in Lineage to enable long-term sustainability. In the first implementation of the Lineage system, Parallel Studios will capture 20% of PRIME throughput. In addition, 10% of PRIME will be used in Parallel's Echo buyback pool as a 'buyer' for replicated cards. It ensures that Echoes remain liquid regardless of market conditions.

4) Ardent Prime Reward Program

Below is additional detail for our previously announced Ardent Prime Rewards Program. There are two tiers, instead of the previously outlined five tiers, to concentrate rewards for a more exclusive group.

500 Ardent Prime First Class

- Edition of 500 Cardback*
- 'Ardent Prime First Class' In-Game Title*
- Parallel Closed Beta Access Key*
- Limited-Edition Ardent Prime First Class Paragon Skin*
- Priority Access for Future Echelon Game Partner Playtesting*

2,000 Ardent Prime

- Edition of 2,000 Cardback
- 'Ardent Prime' In-Game Title
- Parallel Closed Beta Access Key
- Limited-Edition Ardent Prime Paragon Skin

The Ardent Prime list will be announced following Prime Event 5.

5) Changes to EADA Rewards - The Core

There is a limited number of matches in which a player can win PRIME per day. This number will be set at the average amount of games played per day, plus one. Each Core increases the amount of PRIME wins a player can have per day by one. This replaces the keyframe modifier rake, shifting the incentive from passive holding to active playing. The net effect on overall PRIME earnings is higher.

6) Amendments to the Charter

i.

Original - Charter section 4.3.3 Continuity and Term Length

Prior to the end of each term, EPs can select up to four current EPs to continue for a second term. This mechanism provides continuity to the Emissary Prime Council. However, all EPs must be elected via community vote at least once every two years. Thus, an EP serving their second term as a result of an EP vote must be re-elected by the community to serve a third term. An Emissary Prime will serve a maximum of 11 consecutive terms.

Amendment - Charter section 4.3.3 Continuity and Term Length

Prior to the end of each term, Echelon can select a number of EPs to continue for a following term. EPs selected in this manner can only form a minority of the council. The majority of each cohort must be community-elected. This mechanism provides continuity to the Emissary Prime Council. An Emissary Prime will serve a maximum of 11 consecutive terms.

ii.

Original - Charter section 4.4.1 Trading Rules

EPs must hold to an ethical standard wherein they do not trade using asymmetrical information and influence on the market. EPs are not expected to withdraw from participating in the market entirely during their terms. However, they must always adhere to the following rules.

1. No trading with insider information. EPs may not trade on material, non-public information at any time. Once information is disclosed (or deemed non-material) EPs may act on it along with any other members of the community.

2. No trading during blackout periods. A Blackout Period can be called by an EP at any time. With the support of two other EPs (rule of three) a trading halt is validated and implemented. Blackout Period proposals must include specific assets halted and the length of the halt.

Amendment - Charter section 4.4.1 Trading Rules

In order to increase transparency and continue to be a leader in decentralized governance Emisseries Prime (EPs) will agree to the following guidelines.

1. EPs shall not be allowed to trade on any material non-public information (MNPI). MNPI generally means information that:

1. has not been shared via Echelon Bulletin, Echelon Discord, Echelon Twitter, or any other official Echelon communications channel **AND**
2. a reasonable community member might consider it to be of importance in making any decisions around the sale or acquisition of the PRIME token or EADAs.

2. No trading during blackout periods. A Blackout Period can be called by an EP at any time. With the support of two other EPs (rule of three) a trading halt is validated and implemented. Blackout Period proposals must include specific assets halted and the length of the halt.

3. EPs shall provide the Ethereum wallet addresses of all wallets that contain the PRIME token if an EP is either the sole proprietor of the wallet, or the majority (greater than 50%) owner of the company or organization that owns the wallet.

4. Should a previously undisclosed wallet suddenly meet the criteria set forth in section 3, the EP shall publicly disclose the new wallet address within 72 hours. Additionally, any previously undisclosed wallet address is not permitted to sell PRIME tokens until the address ownership becomes public record.

5. EPs **will not** be required to disclose the sale of any amount of PRIME tokens traded on chain since the wallet addresses of EPs will be public record.

6. EPs **will** be required to disclose off-chain sale of PRIME tokens. Since off-chain trades are opaque by nature EPs will be required to disclose any sale of any amount of PRIME done this way within 24 hours of the transaction being completed. Disclosure will include:

1. EP who initiated the trade
2. Wallet address the PRIME tokens were sold from
3. Cost in USD
4. Timestamp of tx

Failure to adhere to these guidelines by EPs may result in a suspension or permanent removal from the Echelon Prime Foundation.

iii.

Original - Charter section 4.4.5 Interim EPs

If an EP is impeached, resigns, or becomes otherwise incapacitated, all future salary is forfeited and a community election for an interim EP is initiated immediately. This election follows the framework outlined in section 4.3. Interim EPs remain until the end of the original term of the former EP.

Amendment - Charter section 4.4.5 Interim EPs

If an EP is impeached, resigns, or becomes otherwise incapacitated, all future compensation is forfeited. A community election for an interim EP may be initiated provided the removal does not occur within 6 months of a future EP general election. This election follows the framework outlined in section 4.3. Interim EPs remain until the end of the original term of the former EP.