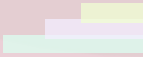




KARMA



Incentivizing Beneficial Interactions

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WHITEPAPER

Version 2.0

**The sum of a
person's actions in
this and previous
states of
existence, viewed
as deciding their
fate in future
existences.**

KARMA

/'kɑːmə, 'kəːmə/



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Abstract

Imagine a system that enables someone to wake up everyday, decide how they can improve the life of another, take action immediately and earn a reward when sharing their positive actions with others. Monetary incentive & economic freedom, historically, have been the greatest driving forces to improve both societies as a whole and the quality of life for the individual. Apart from the personal “Karma” one might receive from the ether, there isn’t a tremendous amount of incentive to do good in a world of scarce resources. For billions of people around the globe, opportunities to earn an income are slim. Beyond those scarce opportunities, even fewer of them add tremendous value to the communities in which the individuals live. KARMA believes that if basic human needs are met, it is in our DNA to interact positively with one another.

The KARMA App powered by EOSIO, solves these problems by incentivizing users to have beneficial interactions in the world, post them and receive KARMA by other users up-voting their post. KARMA creates a positive feedback loop between beneficial human interactions and a tokenized incentive. The actions KARMA incentivizes will create an exponential effect of good in the world amongst individuals living in communities. Every single day billions of humans interact with one another. Broadly speaking, the majority of these interactions are positive. Creating a reward system for these actions through tokenization will be the fuel needed for the exponential growth of human good towards one another.

It’s about bridging the gap between users of the platform and beneficiaries of the actions incentivized by the platform. Going a step further, by improving the life of others, you're actually improving the world around you.

KARMA will create a borderless ecosystem incentivizing individuals to take daily actions towards the betterment of society.

App Functions

Up-Vote

Within KARMA, users will be able to up-vote other users posts. Similar to a “like” on conventional social media, this will give the content creator feedback as to what type of content others respond to positively. Up-votes within KARMA are not only likes. They are also a users way to cast a vote as to where KARMA in the reward pool is to be allocated to content creators.

Downvote

The downvote is a simple yet powerful aspect of KARMA. It is the best tool for community self-regulation on posts & users who are attempting to game the ecosystem. It is in the best interest of the ecosystem for users to downvote posts/events that they feel are most likely spam, abuse or did not actually take place.

Comment

On every KARMA post, users will have the ability to comment and share their thoughts. In the spirit of the KARMA community, users are encouraged to comment positive thoughts and anything that could add value to the platform.

Share

Network effects are one of the most important aspects to the growth & success of any social media platform. Within KARMA users will be able to share their posts onto other existing social media platforms. This will drive exposure & awareness to a users individual KARMA post and the KARMA ecosystem as a whole. Beyond that, sharing of quality content will encourage new users to join the KARMA platform which adds tremendous value to the ecosystem as a whole. Once content is shared within KARMA, any user is now allowing that content to be considered public. This allows any content shared within the KARMA application to be shared across other existing social media platforms by the content poster or any other user on the KARMA application.

Categories

Initially, KARMA will launch with several categories. Categories allow users to filter the types of posts that they'd like to see, relative to their interest. This encourages user engagement & allows trends within the KARMA community to form. It is impossible to know all relevant categories to the community prior to having a large user base, because of this, KARMA will launch with several categories and will evolve over time.

User Profile

Users will be able to upload profile photos, their age and one other awesome thing about themselves. KARMA encourages users to use real photos for their profile. This strengthens the community by making transparency an essential aspect. Also, this enables the community to easily validate whether a users KARMA post most likely took place.

In-App Wallet

Within the KARMA application, users will be able to send & receive KARMA. Also, users can store their KARMA within their mobile wallet. This allows KARMA to be used in a variety of ways both in-app and in the world. More features will develop within the KARMA wallet as the project evolves.

KARMA Post - Photos & Videos

Users will be able to post both photos & videos of their KARMA event. For most users it is likely easier to upload photos. Within KARMA, users are incentivized to post a video over a photo. On traditional social media platforms, the numbers would show that videos get significantly more engagement. This is an obvious incentive for users to want to post videos. Beyond that, videos posted within KARMA will take up much more visual real estate. Videos are better for the community for a number of reasons. It makes it much easier to others to validate that the “good deed” actually took place. Also, videos make a bigger impact on viewers and we believe will encourage & inspire others to take action as a result of seeing an awesome video within the KARMA application.

Upload KARMA Posts

When a user uploads a photo or video to the KARMA platform they will be able to add a caption, location & category to their post. This enables users to tell the community what they did with a simple caption. It allows them to tell the community where the event occurred and also categorize their post for users who choose search by category.

KARMA Idea Generator

In a world of endless possibilities, KARMA believes that there is an endless amount of beneficial human interactions to have with one another. Within the application, there will be a KARMA idea generator. This function will exist to spark ideas as to what someone can do next to provide value for others in the world. There will be a simple interface for users to click a button and get a KARMA idea. If they want to get inspired further, users can simply continue to click the button and another idea will appear until they find an idea/action that resonates with them to act on, record, and then post within the app.

Preventing Abuse:

On any social content sharing platform, community regulation is essential for the success & adoption of the ecosystem. As KARMA token holders, all users have an aligned interest in adding value to that ecosystem. It is inevitable that a small amount of users will aim to exploit the system for their own self interests. As stated earlier, the greatest curator of acceptable content is utilizing the up-vote. On the counter side, the greatest regulator of spam or “fake actions” is utilizing the downvote.

Beyond that, users will be able to report a profile as spam/inappropriate if they feel that it is most likely the case. It is inevitable that there will be reports of spam when they do not actually apply. Users who are reported as spam/inappropriate will not be instantly penalized. A user will need to be reported as spam/inappropriate by multiple users to count as a “strike” against them.

KARMA will implement a 3 strike rule. When a user is reported as spam/inappropriate 3 times, their ability to post will be frozen temporarily. Their account will then be reviewed utilizing KARMA arbitration to determine the accuracy of the reports. If after arbitration runs its course and a user is found to have abused the rules of the platform intentionally, they will lose their ability indefinitely to post new KARMA posts on that account. They will not lose their tokens but they will effectively lose access to the distribution channel (followers) that they grew and then aimed to take advantage of.

Economic System

KARMA Token Supply

The initial circulating supply of KARMA tokens will be 9,469,148,945 KARMA.

Why an Airdrop?

ICO's come with an inherent risk for both contributors & projects. Not to mention legislative uncertainties for all parties involved. An airdrop to EOS holders has multiple benefits for both the EOS ecosystem & the KARMA project. It allows KARMA to launch with a large community and also enables users to become token holders without taking on any risk to acquire KARMA initially.

KARMA Token Distribution

EOS Genesis Block Snapshot:

A total of 5,400,000,000 KARMA was allocated for the initial airdrop to EOS holders using the Genesis Block Snapshot. It was intended to be distributed to EOS token holders at a ratio of 9:1. Regarding the EOS/KARMA ratio, EOS holders should receive 9 KARMA tokens for every 1 EOS that was registered in their wallet at the time of the EOS Genesis Block Snapshot. For example, if someone had 100 EOS, they should have received 900 KARMA.

Certain exchanges will be excluded from the initial Airdrop who will not be supporting the KARMA Airdrop. Exchanges will have between now and the KARMA airdrop to confirm that they're committed to distribute the Airdropped KARMA to their customers. KARMA feels that it is unfair to the community to Airdrop a large number of tokens to an exchange who doesn't plan to give those tokens to its customers.

**Any tokens not airdropped due to an exchange not supporting KARMA or because of the 250k EOS 9:1 Cap will be burned.*

Founding Team:

A total of 2,840,744,683 KARMA will be used to incentivize the founding team for ongoing development and as compensation for future contributions to add value to the KARMA ecosystem.

Future Airdrops:

A total of 1,890,000,000 KARMA will be allocated for future airdrops to relevant communities to aid in the growth of the KARMA ecosystem. *UPDATE: KARMA Rewards For Early Adopters & Beyond* - <https://goo.gl/dT2HmP>

Marketing:

A total of 840,000,000 KARMA will be used by KARMA Ltd to grow awareness globally & drive mass adoption of the KARMA Application.

Advisors:

A total of 270,000,000 KARMA will be allocated for advisors to the KARMA project who've added value in numerous ways.

**Most Updated Allocation Is On KARMAapp.io*

Self Funding Application

Pretending to know the perfect amount of inflation required to sustain a self funding application is near impossible to know prior to the application being in a live environment. With a multitude of factors at play, the most logical approach seems to be to establish a minimum percentage of inflation and more importantly a maximum. Having too high an inflation opens the door to rapidly devaluing the intrinsic value of each KARMA token, while having too low a percentage of inflation inevitably leads to smaller rewards/incentive to users on a typical post with a fair amount of engagement.

Minimum Annual Inflation: 1% (0.0027 approx. per day)

Maximum Annual Inflation: 5% (0.0137 approx. per day)

Initially the inflation will start at 1% annually and will scale up as the platform is used more. The metric used to measure this will be Daily Posts across the entire platform. Using posts as the KPI (Key Performance Indicator) makes the most sense as it represents actual good deeds being done and is the primary feature of the KARMA Application.

The Inflation of KARMA Tokens Will Result As Follows:

| Daily Posts | Daily Inflation % | Annual INFLATION | Number of KARMA Per Day Created | Number of KARMA Per Year Created |
|---------------|-------------------|------------------|---------------------------------|----------------------------------|
| 0-10,000 | 0.0027 | 1% | 259,428 | 94,691,489 |
| 10,001-20,000 | 0.0054 | 2% | 518,856 | 189,382,979 |
| 20,001-30,000 | 0.0082 | 3% | 778,284 | 284,074,468 |
| 30,001-50,000 | 0.011 | 4% | 1,037,712 | 378,765,957 |
| 50,001+ | 0.0137 | 5% | 1,297,140 | 473,457,447 |

Inflation needs to meet the situation. KARMA will utilize a governance contract that has the authority to change the inflation variable given a token holder vote of at least 10%. KARMA Ltd feels that a community owned dApp, should have the communities input on making the best decisions for the health of the ecosystem. The Annual Inflation of KARMA tokens can NEVER exceed 5%. The sliding scale of inflation relative to Daily Posts, can go both up and down between the different levels if the number of Daily Posts were to rise or fall.

KARMA Rewards Pool

As new KARMA is created daily through inflation, it will flow into four separate pools. Each are operated with a specific purpose aimed at adding value to the KARMA project.

Content Creation Rewards Pool - 70% (of daily KARMA created)

The Content Creation Rewards will flow to users of the KARMA Application who receive upvotes on their posts by other users. Users upvotes will be weighted relative to the amount of KARMA that they have staked within their wallet.

Ratio at which KARMA will be allocated to content creators for Video vs. Photo Content:

Video Posts: 95%

Photo Posts: 5%

KARMA Staking Rewards - 15% (of daily KARMA created)

The KARMA in this pool will be utilized to incentivize those who stake their KARMA. 15% of the daily KARMA created will flow to those who stake their KARMA.

- Unlocked for transfer 3 days after you "unstake"
- Claim Rewards once each week.

KARMA User Engagement Rewards - 10% (of daily KARMA created)

The KARMA in this pool will be utilized to incentivize all users on the app who actively participate and engage with posts. Community regulation is very important and the effort of upvotes & downvotes are essential to KARMA remaining decentralized. This gives new users with no KARMA a chance to acquire KARMA through participation.

KARMA Platform Administration Pool - 5% (of daily KARMA created)

The KARMA in this pool will be distributed to the Administrator of the KARMA Platform for the purposes of maintaining, developing and improving the Platform. With KARMA being an open source project, developers are welcome, with open arms, to make any contributions and submit proposals for their efforts to enhance the KARMA ecosystem.

Why the weight of rewards on Photo Content vs. Video Content

Current user data on existing social content sharing platforms would suggest that Video Content receives significantly better engagement than Photo Content. This data is extremely relevant for several reasons. Engagement at its core is simply an individual's focus & attention on a given item for a certain period of time. If a user is engaged they are more likely to have a great experience and also be inspired by others to take action and do their own "good deeds" in the world using KARMA. Also, it becomes exponentially easier to validate whether a particular KARMA post most likely happened when posted as a video.

Incentivizing users to post videos over photos will reduce the amount of spam or fake posts. Users are incentivized to post videos by receiving a greater share of the newly created KARMA as opposed to posting photos. Photos are simply harder to attest to the likeliness of the beneficial interaction taking place or not.

Zero Fees

From a user experience, it's undeniable that no fees are better than fees. Although that may seem obvious, the majority of the projects in the blockchain space are on the pursuit of creating applications & ecosystems that charge users fees to do even the most basic functions. For a decentralized application to compete with a centralized alternative it must enable users to have a fee-less experience. Imagine for a moment if the next time you went to use Instagram, you had to pay a small fee every time you wanted to post a photo or like content from someone that you follow. It seems likely that you'd quickly look for a better, fee-less alternative.

KARMA enables users to have Zero Fee transactions for the following aspects: Posting, Upvotes, Downvotes, Comments, Messaging, Sending KARMA and Receiving KARMA.

Staking KARMA For A Stronger Upvote

Staking KARMA (Power Up) adds value to the entire ecosystem and solidifies trust for the long term in the KARMA token by taking it out of circulation for an extended period of time. The minimum time that a token must be staked for is 3 days. If a user Powers Down their tokens, they will become available to move again after 3 days. Users are incentivized to stake their tokens to have a stronger upvote within KARMA. A user's influence on the distribution of newly created KARMA is directly correlated to the amount of KARMA that they have staked. Users who stake more KARMA have a larger influence on the distribution of content creator rewards. This function gives "Super Powers" to users within KARMA.

Steemit was the first social media platform on a blockchain. The Steemit project introduced several revolutionary ideas to the entire space. Steemit enabled an application to become a "self funding application". The KARMA project is learning from some of these innovations and improving on some of these ideas.

Power Up KARMA for a stronger voting weight

Dan Larimer on Staking Steem to have a stronger vote:

"It gives people influence and clout on the platform. This is something of "intrinsic" value which will provide the base of demand. Everything else is all perception."

Starting A Grassroots Ecosystem

There are 3 ways that an individual can enter the KARMA ecosystem & become a token holder.

Airdrop Via The Initial Token Distribution

An airdrop enables KARMA to instantly be in the possession of 100k plus individuals globally. This style of distribution continues to be more appealing as the entire space matures because the true value of a network is in the size and passion of the individuals in that network.

Acquire KARMA

Certain individuals will join the ecosystem over time by going to an exchange and acquiring KARMA in exchange for other tokens. This adds value to the community as a whole and benefits those who are already holders of KARMA. Users who go this route will have the option to hold KARMA, sell KARMA or use it within the KARMA application and add value to the community.

Earn KARMA

The focus of the KARMA project is to inspire & incentivize individuals to take action and help those around them. Users can earn KARMA through the application by helping others, posting the interaction as a photo or video and then receiving upvotes from other users on the application. This is the purest way to acquire KARMA. It adds the most value to the ecosystem & more importantly has an exponential impact on the lives of others.

Use Cases For KARMA

1. Receive As Rewards For Awesome Posts
2. Peer-To-Peer Payments - Send & Receive Within The App
3. Tipping/Donating To A User Beyond Just Giving An Upvote
4. Staking KARMA For A Stronger Upvote
5. Promoting Posts Within Categories To Get More Exposure
6. Advertisers - Run Ads Within The App Using KARMA
7. Donate To Disaster Relief & Different Initiatives
8. Exchange For Products Thru Socially Conscious Businesses & KARMA Accepting Merchants
9. When KARMA Becomes A DAC - Voting On Community Propositions & Decisions

Governance

Initially any governance decisions pertaining to KARMA will be made transparently by the Administrator. Once the DAC is fully constituted, governance will be undertaken by the DAC.

*This will be an evolving document that will continue to grow and improve over time discussing the details of the KARMA project.



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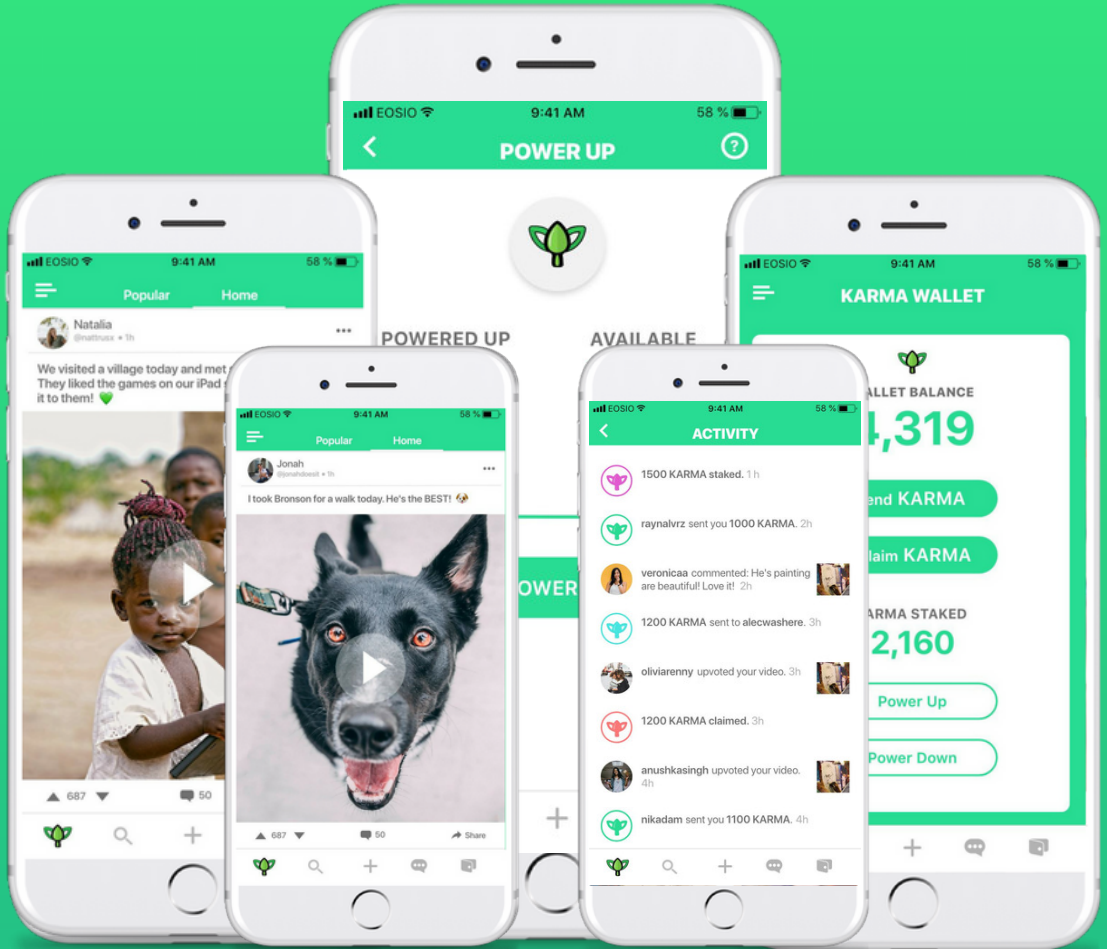
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KARMA



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