HORIZON
CONSTITUTION

Version 2.1

December 2025

Principles, rights, and governance of the Horizon Protocol

Built on Base L2 | USDC Escrow | EAS Attestations
github.com/HrznLabs | x.com/HrznProtocol | farcaster.xyz/hrznprotocol

HORIZON CONSTITUTION

Version 2.1

December 2025

0. Preamble

Horizon is a decentralised coordination protocol built to enable fair, transparent, and permissionless collaboration between individuals, guilds, and institutions. This Constitution defines the guiding principles, rights, responsibilities, and governance processes that shape the evolution of the Horizon ecosystem.

The protocol operates through a multi-DAO governance structure, with mission execution on Base as the canonical chain, and integrates gamification mechanics (XP, NFTs, reputation) to incentivise meaningful participation. Horizon Service provides non-custodial orchestration while users retain full sovereignty over their funds, identity, and data.

1. Principles

1.1 Openness

Horizon is open to all participants regardless of geography, status, or affiliation, provided they respect the protocol rules and the rights of others.

1.2 User Sovereignty

Users retain control over their identities, funds, data, and participation. No central authority may arbitrarily restrict legitimate use. Users own all data generated through their protocol interactions.

1.3 Transparency

Core protocol logic, governance decisions, treasury movements, and fee structures must be transparent and publicly auditable. All mission-critical state transitions occur on-chain.

1.4 Fairness

Mission outcomes, rewards, and dispute resolutions should be guided by fairness, evidence, and clear rules. The dispute system ensures that only parties involved in disputes bear resolution costs, not the broader ecosystem.

1.5 Progressive Decentralisation

Horizon starts with pragmatic coordination mechanisms and progressively shifts control to decentralised governance as the ecosystem matures. The multi-DAO structure is operational from launch, with increasing autonomy over time.

1.6 Non-Custodial Operations

Horizon Service and all off-chain components operate under strict non-custodial constraints. No off-chain system may hold, move, or access user funds. All financial operations are executed

through audited on-chain smart contracts.

2. Participants

2.1 Users

Users are posters, performers, diners, merchants, and civic participants who create or complete missions. They have the right to fair treatment, clear information, timely settlement of honest work, and ownership of their data and reputation.

2.2 GuildDAOs

GuildDAOs are decentralised organisations formed by users who coordinate around shared purposes (services, neighbourhoods, professions, verticals). GuildDAOs:

Curate missions through Guild Boards

Define eligibility rules (XP thresholds, NFT requirements, reputation minimums)

Manage guild treasuries funded by guild fees

Assign curator and officer roles

Cultivate collective reputation based on member performance

2.3 ProtocolDAO

ProtocolDAO governs system-wide parameters and protocol evolution. Its responsibilities include:

Setting and adjusting protocol fee rates

Governing fee routing configuration between treasuries

Approving contract upgrades (MissionFactory, PaymentRouter)

Authorising XP/NFT reward templates

Managing the Protocol Treasury

2.4 ResolversDAO

ResolversDAO governs the dispute resolution system independently from protocol-level politics. Its responsibilities include:

Maintaining the resolver registry

Onboarding, training, and validating resolvers

Setting compensation templates and DDR/LPP parameters

Defining quality standards and slashing rules for misconduct

Ensuring neutrality and preventing governance capture

2.5 Horizon Labs DAO

Horizon Labs DAO ensures long-term sustainability of protocol development. Its responsibilities include:

Funding protocol development and infrastructure maintenance

Commissioning security audits

Developing reference clients, SDKs, and vertical modules

Managing operational resources with transparent mandates

2.6 Developers and Integrators

Developers extend Horizon with new verticals, clients, and tools. They are expected to respect this Constitution, especially regarding user rights, data sovereignty, and transparency.

3. Rights

3.1 Economic Rights

Users have the right to receive payment for successfully completed missions according to agreed terms.

Users have the right to withdraw funds they control without unjustified delay.

Fee structures must be transparent and governed by ProtocolDAO.

Dispute reserves (DDR) are refunded if no dispute occurs; users only bear dispute costs when disputes arise.

3.2 Governance Rights

GuildDAOs and high-reputation users gain meaningful input into protocol parameters and dispute resolution processes.

Participation in DAO governance is open to eligible members as defined by each DAO's rules.

XP and reputation may influence governance weight and eligibility.

3.3 Data & Privacy Rights

Users have the right to know what data is stored on-chain and off-chain about their activity.

Users own all data stored in their User Data Vaults and may export, permission, or monetise it.

Sensitive communication (chat, evidence) should be end-to-end encrypted.

Horizon Service may not access, sell, or share user data without explicit user permission.

3.3.5 Location Data Rights

Users have the right to control the precision at which their location is disclosed, choosing between exact, block-level, or neighbourhood-level approximation.

Real-time location tracking during missions requires explicit opt-in consent from performers, which may be revoked at any time.

Location history is subject to automatic purging after 30 days; users may export their location data via the User Data Vault before purging.

Mission address details stored on-chain are encrypted; decryption is limited to accepted performers and authorised parties.

Horizon Service may not sell, share, or monetise location data without explicit user permission.

3.4 Access Rights

No participant may be excluded from using neutral, core protocol functions on arbitrary grounds, subject to applicable law and security constraints.

Eligibility rules (XP, NFT, guild membership) must be transparent and consistently applied.

3.5 Reputation Rights

Users have the right to earn and accumulate XP and reputation based on their contributions.

Reputation data is portable and owned by the user.

XP penalties must be applied through transparent, rule-based processes.

4. Responsibilities

4.1 User Responsibilities

Provide accurate information when posting missions.

Complete accepted missions in good faith.

Rate counterparts honestly and avoid abusive behaviour.

Respect eligibility rules and guild standards.

Provide accurate location information when posting missions that require geofenced acceptance or proof-of-presence.

Respect geofence boundaries and location verification requirements when accepting missions.

4.2 GuildDAO Responsibilities

Apply consistent and fair eligibility and curation standards.

Use treasury funds to support the health of the guild and broader ecosystem.

Avoid gatekeeping that undermines openness.

Maintain transparent eligibility schemas.

4.3 ProtocolDAO Responsibilities

Communicate fee changes, upgrades, and breaking changes clearly and in advance.

Seek external audits for critical contract changes.

Honour this Constitution when exercising upgrade or configuration rights.

Ensure fee structures remain fair and transparent.

4.4 ResolversDAO Responsibilities

Maintain a qualified pool of dispute resolvers.

Ensure resolver neutrality and prevent conflicts of interest.

Apply slashing rules consistently for resolver misconduct.

Compensate resolvers fairly for their adjudication work.

4.5 Horizon Labs DAO Responsibilities

Maintain protocol infrastructure reliably and securely.

Provide transparent reporting on development progress and expenditures.

Ensure Horizon Service operates within its non-custodial constraints.

Ensure the Map Engine operates within privacy-by-design principles, implementing approximate-by-default location disclosure.

Maintain the 30-day location data retention policy and automatic purging mechanisms.

5. Governance

5.1 Multi-DAO Structure

Horizon governance is distributed across four specialised DAOs, each responsible for a defined layer of protocol stewardship:

ProtocolDAO: System-wide parameters, fee structures, upgrade paths, XP/NFT templates.

ResolversDAO: Dispute resolver governance, compensation, slashing, quality standards.

GuildDAOs: Mission curation, eligibility rules, member reputation, guild treasuries.

Horizon Labs DAO: Development funding, infrastructure, audits, operational resources.

5.2 Separation of Powers

ResolversDAO operates independently from ProtocolDAO to preserve dispute resolution neutrality. ProtocolDAO may not directly interfere with individual dispute outcomes. GuildDAOs maintain autonomy over their internal governance while respecting protocol-level rules.

5.3 Treasury Flow

Mission fees are distributed through PaymentRouter to multiple treasuries:

Performer receives the mission reward minus fees

Protocol Treasury receives a share of the protocol fee

Labs Treasury receives a share of the protocol fee

Guild Treasury receives a guild fee (if mission is guild-created/curated)

Resolvers Treasury receives dispute-related fees (from DDR/LPP)

5.4 Proposal Process

Any eligible participant may submit a governance proposal (fee change, new resolver, treasury grant, parameter update).

Proposals must include rationale, impact analysis, and implementation details.

Voting thresholds and quorum requirements are defined by each DAO's governance framework.

All governance frameworks must remain consistent with this Constitution.

6. Dispute Resolution

6.1 Principles

Dispute resolution should be:

Evidence-based

Transparent in process

Respectful of privacy

Accessible and timely

Self-funded by disputing parties, not subsidised by the ecosystem

6.2 Dynamic Dispute Reserve (DDR)

When a mission is created, the poster deposits a Dynamic Dispute Reserve (DDR) alongside the reward. The DDR is calculated as DDR = R × δ, where R is the reward and δ is a dispute reserve factor determined by mission category and complexity. The DDR is never charged unless a dispute occurs. If the mission completes normally, the full DDR is refunded to the poster.

6.3 Loser-Pays Penalty (LPP)

If a dispute occurs, a Loser-Pays Penalty (LPP) is applied to the losing party. The penalty is calculated as P = R × π, where π is a penalty factor set through governance. This penalty deters malicious or frivolous disputes while holding parties accountable for negligence. The penalty never exceeds funds already deposited in escrow.

6.4 Resolver Compensation

Both DDR and LPP funds are distributed according to:

Resolver Compensation: Amount × (1 – η) — paid directly to the resolver

ResolversDAO Treasury: Amount × η — sustains the dispute system

6.5 Layers of Resolution

Direct negotiation between poster and performer via messaging.

Guild-level mediation where applicable.

Protocol-level DisputeResolver contracts governed by ResolversDAO.

6.6 Binding Outcomes

Once a DisputeResolver issues a decision on-chain, its outcome is binding for the corresponding mission. ResolversDAO may update or replace resolvers, but may not retroactively override individual resolved disputes except in cases of clear fraud or contract error. Dispute outcomes generate reputation attestations that update user profiles.

7. XP & Reputation Systems

7.1 XP as Contribution Indicator

XP (Experience Points) serves as a cumulative indicator of user contribution across missions, guild participation, and dispute outcomes. XP is non-transferable and non-speculative, encoding reputation, consistency, and competence in a verifiable manner.

7.2 Eligibility and Progression

XP forms part of the protocol's eligibility structure:

Missions may require minimum XP thresholds

Guild admission may be gated by XP requirements

Higher levels unlock priority access, reduced fees, and governance participation

XP penalties may be applied for failed missions or lost disputes

7.3 NFTs and Achievements

NFTs provide symbolic recognition within Horizon:

Soulbound Achievements: Non-transferable proof of accomplishment

Tradable Collectibles: Cosmetic/guild-themed NFTs without protocol-level economic rights

7.4 Reputation Attestations

Mission outcomes generate on-chain reputation attestations that are aggregated into user and guild reputation snapshots. These attestations are portable, verifiable, and form durable social capital.

8. User Data Sovereignty

8.1 User Data Vaults

All user-generated data—mission outcomes, performance history, behavioural metadata, XP progression, and analytics—is stored inside encrypted User Data Vaults. Users maintain full ownership and control of this data.

8.2 Data Rights

Users may:

Export their data at any time

Grant permissioned access to guilds or applications

Monetise their data under their own control (future capability)

Revoke access permissions at any time

8.3 Protocol Data Commitment

Horizon does not sell user data. Any future data monetisation routes value to users, with only a routing fee retained by the protocol. Third-party access requires explicit user-signed permissions.

9. Horizon Service Constraints

9.1 Non-Custodial Boundary

Horizon Service is explicitly bounded by design. It provides indexing, orchestration, eligibility computation, XP management, NFT metadata handling, and identity linkage—but operates under strict non-custodial constraints.

9.2 Prohibited Actions

Horizon Service CANNOT:

Modify mission state on-chain

Move or access user funds

Override DAO decisions

Block or censor mission execution

Access user data without explicit permission

Unilaterally approve or reject missions

Track user location without explicit opt-in consent per mission

Retain location data beyond the 30-day retention period

Disclose exact coordinates to parties other than accepted performers (without poster consent)

Sell or monetise location data without user-signed permission

Perform background location tracking when no active mission is in progress

9.3 Permitted Functions

Horizon Service CAN:

Index on-chain data

Compute eligibility based on transparent rules

Maintain XP ledger with cryptographic auditability

Generate NFT metadata

Provide mission feeds and recommendations

Store encrypted User Data Vaults

Index mission locations and perform spatial queries (ST_DWithin, ST_Distance, ST_Contains)

Validate geofence boundaries for mission acceptance and proof-of-presence

Provide real-time location updates via WebSocket with user opt-in

Aggregate and cluster mission markers for map display

Store encrypted address data referenced by on-chain IPFS hashes

10. Amendments

10.1 Amendment Process

This Constitution may be amended via ProtocolDAO governance. Amendments require a supermajority vote and public discussion period before implementation.

10.2 Constraints on Amendments

Amendments should not:

Remove basic rights to payment for honest work

Introduce arbitrary discrimination

Concentrate power in a way that cannot be reversed by governance

Violate user data sovereignty

Remove non-custodial constraints from Horizon Service

Remove or weaken location data privacy protections, including the opt-in tracking requirement, retention limits, or precision disclosure controls

10.3 Versioning

Each amendment must bump the Constitution version and record:

Date of change

Summary of changes

Link to proposal and discussion

11. Continuity

If any clause of this Constitution is found unenforceable in a particular jurisdiction, the remaining clauses should continue to guide the behaviour of the protocol and its DAOs to the fullest extent permitted by law.