

## BYLAWS

### OF THE STAKENET FOUNDATION COMPANY LIMITED

#### A CAYMAN FOUNDATION COMPANY LIMITED BY GUARANTEE

##### ARTICLE 1. PURPOSES AND POWERS.

**Section 1.** This Foundation will have the powers and objects as stated in its Memorandum of Association and Articles of Association (collectively, the “Charter”) and whatever powers are or may be granted by the Foundation Companies Law of the Cayman Islands (the “Act”, as amended from time to time).

Furthermore, the primary purposes of this Foundation (the “Purposes” or the “Purpose”) are to facilitate, support, promote and advance

- the Stakenet blockchain technology (including, but not limited to any Stipulated Software Repository);
- the Stipulated Stakenet Network Instance;
- **the Stipulated Stakenet Decentralized Exchange (the “Stipulated DEX”);**
- distributed ledger technology-based digital asset decentralized exchange technology generally; and
- any purposes reasonably-supportive of the foregoing.

For the avoidance of doubt, the Foundation’s paying for accounts, services, and/or vendors, in support of any of the above purposes is hereby permitted.

**Section 2.** The Foundation may designate a Stipulated Software Repository consisting of its preferred instance of the Stakenet software, and a Stipulated Stakenet Network Instance, consisting of its preferred instantiation of the Stakenet blockchain network, and a Stipulated DEX, consisting of its preferred instantiation of the decentralized exchange supported by the Stakenet Technology. These designations may be changed from time to time to optimally further the Purposes, in the judgment of the Foundation.

**Section 3.** The Foundation may not operate, control, have or take custody of any blockchain network instance, including the Stipulated Stakenet Network Instance or Stipulated DEX. For the purposes of this provision, having mere influence (to any extent) over a blockchain network instance or a DEX, or services built thereupon, or the associated communities of contributors, or receiving a portion of any on-chain-budget (“OCB”), ad hoc allocation of Stakenet tokens, also the “Token” or “Tokens,” as voted on and authorized by an independent community of masternodes, or transaction fees, whether as grants or donations to the Foundation, does not constitute “control.”

**Section 4.** The Foundation may have custody or control of the Stipulated Software Repository.

**Section 5.** The Foundation may establish from all and any of its general funds (defined herein to include Stakenet tokens and other cryptocurrencies) a reasonable budget, as adjudged by the Board of Directors, for its own operation and maintenance. Funds designated as for “grants” or similar, without reference to a specific project or proposal, shall be considered un earmarked, and, therefore, shall be deemed general funds for the purposes of this term.

**Section 6.** The Foundation may, from time to time, designate one or a number of Designated Proposals in keeping with the Purpose which is submitted by a third party for Masternode Voting on the Stipulated Network Instance, for (a) recognition by the Foundation as an endorsed, supported or highlighted proposal, and (b) for particular benefits provided hereunder.

**Section 7.** The Foundation may, from time to time, designate one or a number of actions (including third-party actions) in keeping with the Purpose to be Designated Actions (which may be past actions). Participants in Designated Actions may be (a) accorded particular recognition by the Foundation, and will be (b) eligible for particular benefits in connection to Designated Actions provided hereunder.

**Section 8.** Initially, the Designated Actions shall include (the “Initial Designated Actions”):

**Kommentiert [AK1]:** I actually don't have the specific name!

**Kommentiert [AK2]:** Not sure it makes sense to identify the DEX as a separate entity (that can have official status)

**Kommentiert [AK3]:** Not sure if the Foundation intrinsically needs (or prefers) to designate official software, so this uses optional language

**Kommentiert [AK4]:** Again regarding stipulated DEX -- may not be valid

**Kommentiert [AK5]:** This is an "arms length" clause. It protects the Foundation from regulatory coverage by making clear that the Foundation is not one and the same with the network or community, though it interacts with them.

**Kommentiert [AK6]:** The one exception to the arms-length rule is that you can have "official" software. However, no one is or should be forced to use it (as is my understanding)

**Kommentiert [AK7]:** Right now, the benefits are just indemnification as if those implementing the proposal were contributing to the Stipulated Software Repository.

**Formatiert:** Schriftart: Fett

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- The creation of the Genesis Block (i.e. the initial mined XSN in 2018)
- The coin swap from PoSW to XSN
- The creation of the initial team treasury
- ...

**ARTICLE 2.  
MASTERNODE VOTING AND INDEMNIFICATION.**

**Section 1.** Eligible Masternodes will be those on the Stipulated Stakenet Network Instance having agreed to the Masternode Terms and Conditions specified by the Foundation. Such Terms and Conditions shall provide that all accepting Masternodes voting, performing their core computational functions as Masternodes, and generally engaging with Stakenet (including the Foundation) in good faith and not in any wantonly unlawful manner shall be held harmless from the Foundation, and defended and indemnified by the Foundation from all third-party claims or penalties arising from such acts (including past acts).

Such Masternode Terms and Conditions may require that eligible Masternodes perform the know-your-customer (KYC) and anti-money laundering (AML) procedures, including implementing sanctions prohibitions and combatting the financing of terrorism (CFT) generally, and adhere to the KYC/AML/sanctions/CFT-related covenants and/or standards set forth by the Foundation from time to time. The Masternode Terms and Conditions shall additionally include, or be deemed to include the Indemnitee Basic Terms hereunder.

Notwithstanding, the Foundation may deny the foregoing indemnification if it has a good faith belief that a particular Masternode (an "Applying Masternode") was or is in material breach of the Terms and Conditions required of all Eligible Masternodes. Any such denial by the Foundation shall not withstand a prevailing evidentiary presentation by such Applying Masternode to any tribunal hearing the matter for indemnification, which tribunal shall be empowered to award the Applying Masternode full costs, including reimbursement of reasonable defense costs and its costs of arguing for the indemnification.

**Section 2.** The Foundation may award grants to development or developmental projects, or for other contracts in keeping with the Purpose, whether (a) of its own accord and discretion, or (b) according to the results of Masternode Voting on Grant Proposals by Eligible Masternodes.

**Section 3.** The Foundation will appoint one or more Administrators (collectively, hereunder, the "Administrator") who will be responsible for vetting Grant Proposals to be awarded by the Foundation pursuant to Masternode voting. No Grant Proposals shall be qualified for voting until being vetted by an Administrator appointed by the Foundation. The Administrator must qualify any proposal which is comprehensible, lawful, in keeping with the Purpose, and has a substantial lawful use-case or effect, but is entitled to employ his/her or its own reasonable judgment. If there are multiple Administrators, any of them may qualify a proposal, unless otherwise provided by the Board. Administrators serve at the pleasure of the Board and may be removed by the Board at will.

**Section 4.** Grant Proposals may be submitted for consideration by the Administrator by any member of the general public to any facility designated by the Foundation for such purpose.

**Section 5.** Grant awards may be in the form of any asset held by the Foundation, including but not limited to cryptocurrencies, other digital tokens or assets, national (fiat) currencies, or real or tangible personal property.

**ARTICLE 3.  
OFFICES.**

The principal office of the Foundation shall be at [redacted]. The Foundation shall designate a registered office in accordance with law and shall maintain it continuously. The Foundation may have offices at such other places within and without the Cayman Islands as the Board of Directors may from time to time determine.

**ARTICLE 4.  
MEMBERS.**

**Kommentiert [AK8]:** FIRST INDEMNIFICATION: All masternodes agreeing to the Terms we provide to them.

**Kommentiert [AK9]:** I put this paragraph in here but employed language ("may") making it optional because (1) it gives you a hook to put in, at a minimum, sanctions compliance, (2) it gives you a hook to put in some basic KYC requirements at a later time (i.e., if governments crack down and you need to push the network to do so, even if it risks a fork), and (3) because it looks good for you.

**Kommentiert [AK10]:** This whole clause is a sort of first stab at something you might want. You might even want to expand it (e.g., to cover bounties, regular contracts, requests for Designated Actions etc.). Could also get rid of the Administrator and make this a Board (collectively) or Executive Director function.

**Section 1.** The Foundation shall not have Members presently. The Board of Directors may at a future time, if it is deemed to be in the best interests of the Foundation, create one or more classes of membership. In such case, the membership classes and members individually must be created or admitted in keeping with the Purpose.

## **ARTICLE 5. BOARD OF DIRECTORS.**

**Section 1.** General Powers. Subject to the limitations of the Charter, these Bylaws, all corporate powers shall be exercised by or under the authority of the Directors collectively (the "Board of Directors" or "Board"), and the management and affairs of the Foundation shall be controlled by the Board of Directors.

**Section 2.** Number, Qualification, Election, and Tenure. The number of Directors shall be the number of Directors elected from time to time in accordance with these Bylaws, but shall never be less than two (2). The number of Directors may be increased or decreased from time to time by election in accordance with these Bylaws. The Directors need not be Members of this Foundation or residents of the Cayman Islands. If there are Members, Directors shall be elected by the Members at the annual meeting of Members and shall serve until the next succeeding annual meeting and until their successors have been elected and qualified.

**Section 3.** Annual Meetings. The Board of Directors shall hold at least one annual meeting. If Members exist, the Board of Directors annual meeting shall be at the same place as and immediately following each annual meeting of Members for the purpose of the election of Officers and the transaction of such other business as may come before the meeting. If a majority of the Directors are present at the annual meeting of Members, no prior notice of the annual meeting of the Board of Directors shall be required. However, another place and time for such meeting may be fixed by written consent of all of the Directors.

**Section 4.** Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall be determined from time to time by the Board of Directors.

**Section 5.** Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board (if there is one), the President or any Director. The person or persons authorized to call special meetings of the Board of Directors may fix a reasonable time and place for holding them.

**Section 6.** Remote Meetings. Directors may participate in meetings of the Board of Directors by means of an internet or telephone conference or similar communications equipment by which all persons participating can hear each other at the same time, and participation by such means shall constitute presence in person at such a meeting.

**Section 7.** Action Without Meeting. Any action of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken signed by all of the consenting Directors is filed in the minutes of the Board of Directors. Such consent shall have the same effect as a majority vote, if assented by a simple majority of the full Board, or unanimous decision, if assented by the entire Board.

**Section 8.** Notice and Waiver. Notice of any special meeting shall be given at least three (3) days prior thereto by written notice delivered personally, by mail, or by facsimile transmission to each Director at his/her or its address. For domestic mail notices, notice shall be deemed to have been delivered three (3) days after being deposited in the pertinent national postal service addressed to the Member at his or her address as it appears on the records of the Foundation with postage thereon prepaid. International mail notices must be mailed with next-day service, and shall be deemed to be given one (1) day after mailing. If notice is given by facsimile or transmission to a corresponding number or electronic address provided by the recipient, notice shall be deemed to have been delivered when sent. Any Director may waive notice of any meeting, either before, at, or after such meeting by signing a waiver of notice. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of such meeting or the manner in which it has been called or convened, except when a Director states at the beginning of the meeting any objection to the transaction of business because the meeting is not lawfully called or convened.

**Kommentiert [AK11]:** We may want to start out with a larger number (do you have a roster of board members in mind, drawn from major community stakeholders?) We could also make the minimum greater than two (I believe you have two Cayman corporate directors alone)

**Kommentiert [AK12]:** DECISION: Could require that either ALL directors be informed of the proposed action by written consent in advance, or that ALL need to sign it, even if signing "nay".

**Section 9. Quorum and Voting.** A majority of Directors in office shall constitute a quorum for the transaction of business. The vote of a majority of Directors present at a meeting at which a quorum is present shall constitute the action of the Board of Directors. If less than a quorum is present, then a majority of those Directors present may adjourn the meeting from time to time without notice until a quorum is present.

**Section 10. Vacancies.** Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors even though it is less than a quorum of the Board of Directors, unless otherwise provided by law or the Charter. A Director elected to fill a vacancy shall hold office only until the next election of Directors by the Members, if there are Members. If there are no Members, a Director's appointment shall last until resignation, death, incapacitation, commission of a felony or any crime of moral turpitude (or the Foundation's discovery of such having occurred in the past five (5) years), defamation or disparagement of the Foundation, embezzling Foundation resources or using the Foundation for self-dealing or any illegal or conflicting purpose (including all actions taken as an ostensible or apparent representative or agent of the Foundation), entering or being reasonably-likely to enter into legal conflict with the Foundation, knowing violation repudiation, or disparagement of the Purposes, or unavailability lasting a period of at least **sixty (60)** days from the first and **thirty (30)** days from the last *bona fide* contact attempt by the Foundation, with at least **two (2)** such contact attempts required. Any directorship to be filled by reason of an increase in the number of Directors shall, if there are Members, be filled by election at an annual meeting of Members or a special meeting of Members called for that purpose, or if there are no Members, be filled an annual meeting of the Board of Directors or a special meeting of the Board of Directors for that purpose.

**Section 11. Removal.** If there are Members, at any meeting of Members called expressly for that purpose, any Director or Directors may be removed from office, with or without cause, by vote of holders of a majority of the outstanding shares then entitled to vote at an election of Directors. If there are no Members, at any meeting of the Board of Directors called expressly for that purpose, Directors may be removed from office, with or without cause, by a majority vote of the Directors excluding the one(s) considered for removal. New Directors may be elected by the Members, if there are Members, or otherwise by the Directors, for the unexpired terms of Directors removed from office at the same meetings at which such removals are voted. If there are Members, and the Members fail to elect persons to fill the unexpired terms of removed Directors, and if the Members did not intend to decrease the number of Directors to serve on the Board, then the vacancies unfilled shall be filled in accordance with provisions in these Bylaws for vacancies.

**Section 12. Presumption of Assent.** A Director of the Foundation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he or she votes against such action or abstains from voting because of an asserted conflict of interest.

**Section 13. Minutes.** The Board shall keep minutes of all meetings and record them in the Foundation's minute book. The Secretary shall be responsible for taking minutes; if no Secretary exists, the Directors shall appoint one (who may be a Director) at the beginning of the meeting for the duration of the meeting.

**Section 14. Budget and Disbursements.** The Board may budget for and otherwise pay reasonable costs, including reasonable remuneration of Directors. Notwithstanding, the Board shall not pay to its Directors a salary or similar compensation for service on the Board unless there are sufficient funds to do so after taking into account the Foundation's current and anticipated mandatory operating costs and all other duly-authorized payables. All funds management and investment contracts, Director contracts, officer and employee contracts must be pursuant to a written agreement duly authorized by the Board. ("Funds" as used herein includes Stakenet tokens and other cryptocurrencies.) If there is currently a President, independent contractor engagements must be duly authorized by the President, or the Board, if no President is appointed, and those having a value greater than **\$1000 US** must be approved by the Board in any case (in the case of an open or *ad hoc* engagement, when \$1000 US is likely to accrue in a period of 12 months). All independent contractor agreements meeting at least the aforesaid threshold must be pursuant to a written agreement.

**Section 15. Treasury Management; Investment.** The Board may place its funds or portions thereof with professional third parties to **preserve** and to prospectively grow the Foundation's treasury, and pay reasonable fees for such service. In doing so, the Board shall also ensure adequate demand liquidity to cover its regular and necessary costs. Neither the Board, nor any individual Director, may directly invest, speculate or engage in hedging with the Foundation's funds. Notwithstanding the foregoing, holdings of Stakenet tokens, major cryptocurrencies as-needed for duly-authorized payments, or placement of any Foundation funds in US Dollar bank deposits, money market funds, or short-term bills or notes, or similar for the currency of any other OECD country for which the need exists or is reasonably likely, shall not be considered "investment," "speculation" or "hedging."

**Kommentiert [AK13]:** We could fine-tune and make this more or less restrictive.

**Kommentiert [AK14]:** OPTION: Add a required third-party custodial clause (for all assets which are capable of being custodied)

**ARTICLE 6.  
OFFICERS, EMPLOYEES AND CONTRACTORS.**

**Section 1.** Officers. The Officers of this Foundation shall be a **President, Secretary, and Treasurer**, each of whom shall be elected by the Board of Directors. A Chairman of the Board, Vice President, and such other officers and assistant officers as may be deemed appropriate may be elected by the Board of Directors from time to time. Any two (2) or more offices may be held by the same person. A failure to elect a President, Secretary, or Treasurer shall not affect the existence of the Foundation.

**Section 2.** Election and Term of Office. The Officers of the Foundation shall be elected annually by the Board of Directors at its meeting. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each Officer shall hold office until his or her successor shall have been duly elected and shall have qualified, or until his or her death, or until he or she shall resign or shall have been removed in the manner hereinafter provided.

**Section 3.** Removal. Any Officer may be removed from office at any time, with or without cause, on the affirmative vote of a majority of the Board of Directors whenever, in its judgment, the best interests of the Foundation will be served thereby. Removal shall be without prejudice to any contract rights of the person so removed, but election of an Officer shall not of itself create contract rights.

**Section 4.** Vacancies. Vacancies in offices, however occasioned, may be filled at any time by election by the Board of Directors for the unexpired terms of such offices.

**Section 5.** Duties. The Chairman of the Board, or the President if there is no Chairman of the Board, shall preside at all meetings of the Board of Directors and of the Members. The President shall be the chief executive officer of the Foundation. Subject to the foregoing, the Officers of the Foundation shall have such powers and duties as usually pertain to their respective offices and such additional powers and duties specifically conferred by law, by the Charter, by these Bylaws, or as may be assigned to them from time to time by the Board of Directors.

**Section 6.** Salaries. The salaries of the Officers shall be fixed from time to time by the Board of Directors, and no Officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director of the Foundation.

**Section 7.** Delegation of Duties. In the absence or disability of any Officer of the Foundation or for any other reason deemed sufficient by the Board of Directors, the Board may delegate his or her powers or duties to any other Officer or to any other Director.

**Section 8.** Employees. Non-officer employees as may be deemed appropriate may be appointed by the Board of Directors from time to time. Employees may have such duties, salaries and tenures as may be deemed appropriate by the Board of Directors in each instance; however, all must be terminable for cause. No Employee shall be prevented from receiving a salary by reason of the fact that he or she is also a Director of the Foundation.

**Section 9.** Independent Contractors. Independent contractors (or "contractors") as may be deemed appropriate may be hired by the Board of Directors from time to time. Contractors may have such duties, pay schedules and terms as may be deemed appropriate by the Board of Directors in each instance; however, all must be terminable for cause. No Contractor shall be prevented from receiving compensation by reason of the fact that he or she is also a Director of the Foundation.

**ARTICLE 7.  
EXECUTIVE AND OTHER COMMITTEES.**

**Section 1. Creation of Committees.** The Board of Directors may, by resolution passed by a majority of the entire Board, designate an Executive Committee and one or more other committees.

**Section 2. Executive Committee.** The Executive Committee (if there is one) shall consult with and advise the Officers of the Foundation in the management of its affairs and shall have and may exercise, to the extent provided in the resolution of the Board of Directors creating such Executive Committee, such powers of the Board of Directors as can be lawfully delegated by the Board.

**Section 3. Other Committees.** Such other committees shall have such functions and may exercise such power of the Board of Directors as can be lawfully delegated and to the extent provided in the resolution or resolutions creating such committee or committees.

**Section 4. Meetings.** Regular meetings of the Executive Committee and other committees may be held without notice at such time and at such place as shall from time to time be determined by the Executive Committee or such other committees, and special meetings of the Executive Committee or such other committees may be called by any member thereof upon two (2) days' notice to the other members of such committee, or on such shorter notice as may be agreed to in writing by each of the other members of such committee, given either personally or in the manner provided in these Bylaws pertaining to notice for Directors' meetings.

**Section 5. Vacancies.** Vacancies on the Executive Committee or on other committees shall be filled by the Board of Directors then in office at any regular or special meeting of the Board of Directors.

**Section 6. Quorum.** At all meetings of the Executive Committee or other committees, a majority of the committee's members then in office shall constitute a quorum for the transaction of business.

**Section 7. Manner of Acting.** The acts of a majority of the members of the Executive Committee or other committees present at any meeting at which there is a quorum shall be the act of such committee.

**Section 8. Minutes.** The Executive Committee (if there is one) and the other committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required.

## **ARTICLE 8. BOOKS, RECORDS, AND REPORTS.**

**Section 1. Report.** The President shall provide an annual report to the Board of Directors not later than four (4) months after the close of each fiscal year of the Foundation. Such report shall include a balance sheet as of the close of the fiscal year of the Foundation and a revenue and disbursement statement for the year ending on such closing date. Such financial statements shall be prepared from and in accordance with the books of the Foundation, in conformity with generally accepted accounting principles applied on a consistent basis.

**Section 2. Inspection of Corporate Records.** Any person who is a Director, Founder or Supervisor of the Foundation shall have the right, for any proper purpose and at any reasonable time, on written demand stating the purpose thereof, to examine and make copies from the relevant books and records of accounts, minutes, and records of the Foundation. Upon the written request of any of the foregoing, the Foundation shall mail or electronically transmit to such person a copy of the most recent balance sheet and revenue and disbursement statement. If such request is received by the Foundation before such financial statements are available for its last fiscal year, the Foundation shall send such financial statements as soon as they become available. In any event, the financial statements must be sent within four (4) months after the close of the last fiscal year. Additionally, balance sheets and revenue and disbursement statements shall be filed in the registered office of the Foundation, shall be kept for at least five (5) years, and shall be subject to inspection during business hours by any Voting Member, in person or by agent. For the purposes of this provision, electronic storage of records in a digital services account registered to the Foundation but not physically-located in or hosted from its registered office shall be considered to be stored or located at the

**Kommentiert [AK15]:** An executive committee basically "runs the organization" (in the day-to-day sense). In the alternative, the President or Executive Director assumes that role personally. Plus of an EC is that it protects against autocracy; minus is it can spend a lot of time deliberating rather than taking necessary action.

**Kommentiert [AK16]:** OPTIONAL: Have this report (or another report) be released to the public so the entire community can see it.

registered office of the Foundation.

#### ARTICLE 9. NONPROFIT OPERATION.

The Foundation will not have or issue shares of stock. No dividends will be paid. No part of the income or assets of the Foundation will be distributed to its Members, Directors, or Officers without full consideration. No Member of the Foundation has any vested right, interest, or privilege in or to the assets, property, functions or activities of the Foundation. The Foundation may contract in due course with its Members, Directors, and Officers without violating this provision.

#### ARTICLE 10. FISCAL YEAR.

The fiscal year of the Foundation shall be the period selected by the Board of Directors as the fiscal year of the Foundation.

#### ARTICLE 11. DEADLOCK.

In the case of deadlock in a decision of the Board of Directors, the full Board's vote shall be sought, if all Directors had not initially voted on the question at issue. If after a further **thirty (30)** days, not all Board Directors can be located, are incapacitated, or refuse to vote on the question at issue, or if all Directors had initially voted, the Founder shall cast the deciding vote on the question.

#### ARTICLE 12. INDEMNIFICATION.

**Section 1.** The Foundation shall, and hereby does, hold harmless, defend and indemnify each Employee, Officer and Director, including former Officers and Directors, for all third-party claims or penalties arising from their actions in keeping with the Purpose hereof taken in good faith and not in any wantonly unlawful manner. In consideration therefor, as well as for their respective positions and other benefits, all Employees, Officers, and Directors must agree and will be deemed to have agreed to the Indemnitee Basic Terms.

**Section 2.** Contractors and grant or award recipients and the like shall be held harmless, defended, and indemnified, at a minimum, for their negligent or less-culpable actions, provided such actions are taken in good faith and in keeping with the Purpose, and provided such indemnitees expressly agree to the Indemnitee Basic Terms and any applicable supplemental terms as the Foundation may deem appropriate.

**Section 3.** Participants in the Stipulated Network, contributors to the Stipulated Software Repository, and software developers and others carrying out (or having carried out) and having actual authority to carry out, a Designated Proposal or a Designated Action shall be held harmless, defended, and indemnified, at a minimum, for their negligent or less-culpable actions, provided such actions are (or have been) taken in good faith and in keeping with the Purpose, and provided such indemnitees expressly agree to the Indemnitee Basic Terms and any applicable supplemental terms as the Foundation may deem appropriate.

**Section 4.** The Foundation may, by separate resolution, adopt specific, mandatory procedures for the invocation of any indemnity contemplated herein.

**Section 5.** In no event may any indemnity provided for hereunder exceed what is permitted by the laws of the Cayman Islands.

**Section 6. Indemnitee Basic Terms.** The indemnitee hereunder agrees that:

- i. It shall hold the Foundation harmless for losses in the value of the Token or any other tokens, and for any other

**Kommentiert [AK17]:** Cayman Founder of the entity has a special status here as a board tiebreaker. We could modify or remove this (e.g., another option could be the Supervisor. Another could be a mediation and/or arbitration clause).

**Kommentiert [AK18]:** No separate writing or authorization needed to indemnify employees, officers and directors.

**Kommentiert [AK19]:** This leaves open whether contractors and grant recipients get indemnified for grossly negligent or reckless actions, or an unlawful actions (not just wanton). (On the latter note, you could say they are only indemnified for unlawful actions which a reasonable person wouldn't be aware of, or, a bit stricter, which wouldn't be discovered with "the exercise of reasonable diligence"). This can be decided on a case-by-case basis.

**Kommentiert [AK20]:** Since these are "less attached" people, they have to agree to some basic terms (given in Section 6 below) before they get the benefit of the indemnity. More terms than just those listed here can be added.

**Kommentiert [AK21]:** Same point about "less attached people" and agreeing to Indemnitee Basic Terms.

personal economic losses due to the condition or evolution of the Stipulated Network Instance or the Stipulated Software Repository, and for any good faith action of the Foundation or its agents pursuant to the Purpose;

- ii. It shall hold harmless the Masternode operators of the Stipulated Network Instance, software developers of the Stipulated Software Repository, and software developers and others carrying out (or having had carried out), (and having actual authority to carry out,) a Designated Proposal or Designated Action, so long as the foregoing are acting or have acted in good faith in keeping with the Purpose;
  - iii. It shall hold harmless all other persons acting (or having acted) in good faith and in a negligent or less-culpable manner pursuant to the Purpose, provided such person is an indemnitee of the Foundation, or would be such upon agreeing to the terms of this Section;
  - iv. It shall and hereby does irrevocably submit to binding arbitration in disputes involving the Foundation, its agents, the Masternode Operators of the Stipulated Network Instance, or other persons who have agreed, or are deemed to have agreed to the terms of this Section. The Foundation may provide more particular details of the binding arbitration in one or more additional resolutions.
  - iv-v. It shall and hereby does agree that the Foundation has independent standing to and may bring any appropriate legal action seeking any form of relief in any jurisdiction, venue and form of tribunal, regarding the conduct of third parties in connection to the Foundation itself (including its contracts and acts through agents), the Stipulated Network Instance, the Stipulated Software Repository, the Token, any Designated Proposal or Designated Action, and additionally, that it shall have the first right of refusal to form and represent a class of effected parties for any such undertaking.
- v-vi. ??

**Kommentiert [AK22]:** This is the "you only get to be an indemnitee if you don't run around suing others contributing" clause (defined broadly to include ANYONE acting towards the purpose, if they themselves could potentially be an indemnitee. So not some random person doing similar things in spirit but not contributing to the Stipulated Network or Software, or a Designated Action, etc.).

The Foundation may deny or revoke the indemnification of any person who breaches the terms of this Section.

### **ARTICLE 13. AMENDMENTS.**

These Bylaws may be altered, amended, or replaced and new Bylaws may be adopted by the Board of Directors; provided that, if there be Members, any Bylaws or amendments hereto as adopted by the Board of Directors may be altered, amended, or repealed by vote of the Members, or a new Bylaws in lieu thereof may be adopted by the Members. No Bylaw that has been altered, amended, repealed, or adopted by such a vote of the Members may be altered, amended, or repealed by a vote of the Board of Directors for a period of two (2) years after the action of the Members.

### **ARTICLE 14. PARLIAMENTARY PROCEDURE.**

The current edition of Robert's Rules of Order shall apply to meetings of Members, Directors, and committees to the extent that such rules are consistent with these Bylaws and with the rules and policies of the Board of Directors.