

BYLAWS
OF THE PHOENIX FOUNDATION

as adopted on 22 December 2025

PREAMBLE

These Bylaws constitute the official bylaws of the **PHOENIX FOUNDATION**, an exempted limited guarantee Foundation Company incorporated in the Cayman Islands registered and filed as No. 414770 on 11 October 2024 with limited liability (the “**BORG**”), duly adopted by the board of Directors of the BORG (the “**Board**”) on the date above.

These Bylaws are a legal agreement and contract binding on the Directors, Officers, Multisig Members who have contractually agreed to be bound by these Bylaws, Supervisors, Emergency Supervisors, and other BORG Personnel who have contractually agreed to be bound by these Bylaws, enforceable in accordance with their terms under the laws of the Cayman Islands. The Board shall require, as a condition precedent to engagement of any BORG Personnel, such BORG Personnel to execute and deliver to the BORG an agreement acknowledging the contents of and agreeing to be bound by these Bylaws.

Certain capitalized terms used in these Bylaws are defined below.

BYLAWS

1 BORG OVERVIEW

1.1 General Nature of the BORG as a “cybernetic organization”; Use of Mandatory Autonomous Systems

The BORG is intended to be considered a “cybernetic organization”—a legal entity which uses a combination of inter-related legal contracts to recognise and mandate the use of certain autonomous technology systems (including certain Multisigs) (the “**Mandatory Autonomous Systems**”) for the holding or management of certain of the BORG’s assets or the conduct of certain of the BORG’s or the BORG Personnel’s operations, functions, purposes and/or governance, as further prescribed in these Bylaws or other documents or agreements referred to in these Bylaws. A list of the Mandatory Autonomous Systems, and the operations, functions, purposes and/or governance that the BORG is, or the BORG Personnel are, contractually mandated to perform by means of or by reference to the Mandatory Autonomous Systems, is set forth in Schedule 4 (Mandatory Autonomous Systems). For the avoidance of doubt, actions, functions, and processes for which these Bylaws and other governing documents or agreement do not prescribe the use of Mandatory Autonomous Systems may be undertaken without the use of such technologies.

1.2 Permitted Purposes

The permitted purposes of the BORG (the “**Purposes**”) are:

- 1.2.1** to study, evaluate, test, monitor, maintain, facilitate, promote, and foster the systems-integrity of the Community Autonomous Systems;

- 1.2.2 to promptly, reasonably, diligently, independently, and in good faith evaluate the merits of each Stewardship Multisig Proposal (as defined below), and each Treasury Multisig Proposal (as defined below), solely in light of the Purposes and the Principles, and, based solely on such evaluation, and without regard to any personal or extrinsic interest or consideration, determine whether to vote in favor of such proposal (i.e, to sign the relevant transaction message with their respective Multisig Private Keys) or vote against such proposal (i.e, intentionally refrain from so signing such proposal);
- 1.2.3 to promptly, reasonably, diligently, independently, and in good faith evaluate the Community Autonomous Systems solely in light of the Purposes and the Principles in accordance with these Bylaws, and, based solely on such evaluation, and without regard to any personal or extrinsic interest or consideration, determine whether to take action to freeze or unfreeze the Community Blockchain System (i.e, to sign the relevant transaction message with their respective Multisig Private Keys that would effect a freeze or reverse a freeze of the Community Blockchain System);
- 1.2.4 to promptly, reasonably, diligently, independently, and in good faith operate the Stewardship Multisig;
- 1.2.5 to maintain, control, and secure the Treasury Control System (defined below);
- 1.2.6 to use the Stewardship Multisigs solely for the purposes set forth in Articles 1.2.1, 1.2.2, 1.2.3, 1.2.4, and to use the Treasury Control System for the purpose set forth in Section 1.2.5 (such uses, the “*Authorized Uses*”);
- 1.2.7 to adhere to and enforce the provisions of these Bylaws and the other Governance Agreements;
- 1.2.8 to hold and use any Blockchain Tokens lawfully owned or controlled by the BORG and allocated to the Stewardship Multisigs and the Treasury Control System in support of the Authorized Uses and in accordance with these Bylaws; and
- 1.2.9 to do all such other things as are or may be incidental or conducive to the above purposes or any of them, including making payments to BORG Personnel in accordance with these Bylaws and the other documents or agreements referred to in these Bylaws and entering into other agreements with third party services providers, as necessary.

All conduct of the BORG, and all conduct of the BORG Personnel undertaken for the benefit or on behalf of, at the direction of, or using the resources of, the BORG, shall be done solely pursuant to the Purposes. In acting for, on behalf of, at the direction of, or using the resources of the BORG and in accordance with the contractual provisions of these Bylaws the BORG Personnel shall set aside their direct and indirect personal interests, and shall solely act in furtherance of the Purposes in accordance with the Principles (subject always to the provisions of Article 4).

1.3 BORG Relationship to Community

- 1.3.1 The BORG has been funded in whole or in part by or on behalf of, or otherwise materially relates to, the Community.

1.3.2 These Bylaws, the Charter and the Mandatory Autonomous Systems set forth, contain or embody checks and balances between the BORG, the Veto Multisig (defined below) and the Community to ensure that the BORG operates and uses its resources as originally intended and understood by the Community and that the BORG otherwise conducts itself in accordance with the original intention and understanding of the Community.

1.3.3 “*Community*” means all natural and legal persons utilizing, relying on, securing or developing the Community Autonomous Systems, including:

1.3.3.1 persons using the Community Autonomous Systems in an ‘end-user’ or consumer capacity (e.g., storing or transferring Blockchain Tokens on the Community Blockchain System, utilizing DeFi protocols on the Community Blockchain System to trade, borrow, lend, market-make, etc., using social, creative, gaming or other applications developed on or deployed to the Community Blockchain System and other ‘end-user’ or consumer use cases (the “*Users*”);

1.3.3.2 persons engaged in a software research, software development, or software sale or licensing business or non-profit purpose with respect to the Protocol or the Community Autonomous Systems, or persons who will otherwise be compensated for services through the Treasury Control System (in their capacities as such, the “*Developers*”);

1.3.3.3 the persons rightfully holding or owning any Votable Community Token, in their capacities as such;

1.3.3.4 the persons rightfully owning or accessing any address that is delegated voting power from any Votable Community Token, in their capacities as such;

1.3.3.5 the persons rightfully holding or owning any Community Token, in their capacities as such;

1.3.3.6 persons researching and developing protocols, software or applications (other than the Protocols and Community Autonomous Systems) that are necessary or desirable for the security or intended functioning of the Community Autonomous Systems, in their capacities as such (the “*Ancillary Developers*”).

Each such person shall be deemed to be a Community member upon satisfying any one or more of the above criteria and cease being deemed to be a Community member upon satisfying none of the above criteria.

1.4 Principles

In pursuing the Purposes or otherwise acting in connection with or utilizing any assets of the BORG, the BORG Personnel shall take into account and seek to adhere to the following principles (the “*Principles*”):

1.4.1 The BORG generally follows the Phoenix Directive, which is available in its entirety here: <https://github.com/phoenix-directive/docs/blob/main/the-phoenix-directive.md>

1.4.2 The Community Autonomous Systems and their security and utility exist as a public commons or public good for the benefit of the entire Community and should be fostered and preserved as such by and for the Community.

1.4.3 Autonomy and decentralization are core values of the Community, according to which:

1.4.3.1 the Community Autonomous Systems should be autonomous—i.e., should minimize the need for arbitrary, discretionary or continuous intervention or control by or trust in any particular person or group of extrinsically affiliated or associated persons;

1.4.3.2 any residual power of persons over the Community Autonomous Systems should be sufficiently decentralized among independent members of the Community who are incentivized to adhere to the Principles in exercising such power; and

1.4.3.3 the availability and functioning of the Community Autonomous Systems should be neutral and non-discriminatory toward ideological, political, geographical, national, religious, moral, racial, ethnic, gender-based and economic classifications, except to the extent that any of the foregoing are intrinsically incompatible with the other Principles.

1.4.4 The Community Token’s function, utility, distribution to and between, and good faith use in relation to, and within the parameters of, the Community Autonomous Systems by, knowledgeable, incentive-aligned, and Principles-supporting Community members, are integral to the security, functioning, and alignment of the Community and Community Autonomous Systems.

1.5 Transparency

The BORG shall publish and keep publicly available an up-to-date copy of these Bylaws (including the Exhibits and Schedules), which may be redacted for commercial or security purposes, on one or more public URLs known to, and accessible by, the Community, and shall promptly publish an announcement of any updates to these Bylaws (including the Exhibits and Schedules) in one or more social media channels or websites known to, and accessible by, the Community.

1.6 Offices

The BORG shall at all times have and maintain a principal registered office in the Cayman Islands. The BORG may also have offices at other places within and outside the Cayman Islands.

The principal registered office of the BORG as of the date of adoption of these Bylaws is at c/o International Corporation Services Ltd., Harbour Place, 2nd Floor, 103 South Church Street, P.O. Box 472, George Town, Grand Cayman KY1-1106, Cayman Islands and shall remain so unless and until changed by the Board.

1.7 Stewardship Multisig and Board.

For the purposes of these Bylaws, the Stewardship Multisig and the Board shall be considered a single governing body. Any action taken by the Stewardship Multisig shall be deemed as an action taken by the Board.

1.8 Not-For-Profit; No Members/Owners.

The BORG is a not-for-profit independent legal entity solely pursuing, and governed solely by, the Purposes, in a manner consistent with the Principles, rather than being devoted to the profits or other general benefits or general interests of any particular persons (including the BORG itself, the BORG Personnel or any particular Body or Community member). The BORG shall have no legal members, shareholders, owners, or beneficiaries and, for the avoidance of doubt, the Community (and any members thereof) shall not be or be deemed a beneficiary of the BORG.

1.9 Treasury Control System

The cash, cash equivalents, Blockchain Tokens and other funds of the BORG shall be administered by the Treasury Control System, and the BORG shall be permitted to use the Treasury Control System to implement the following:

- 1.9.1** A discretionary operating fund to pay the BORG's general operating expenses and liabilities, including compensation of Stewardship Multisig Members in accordance with their respective BORG independent contractor agreements (the "***Ops Fund***"). The Ops Fund shall be funded through fees generated by the Community Autonomous Systems. The Ops Fund shall be managed by or under the direction of Board and, therefore, the Stewardship Multisig pursuant to the Purposes, pursued in light of the Principles, and may include the use of multiple Multisigs comprised of the Directors for the holding and management of all or a portion of the Ops Fund.
- 1.9.2** Any Blockchain Tokens held in or controlled by any Treasury Control System (the "***Treasury Funds***"), which shall initially be managed by or under the direction of the Stewardship Multisig, in accordance with the Authorized Uses, pursued in light of the Principles, in accordance with the token veto schema embodied in the Community Voting Module (defined below). The Treasury Funds shall be managed solely by the Community Autonomous Systems at such as the total value of the Treasury Funds exceeds \$500,000.00, and at such as the Treasury Funds are so managed, the Stewardship Multisig shall have no claim to control over the Treasury Funds.
- 1.9.3** The Directors, Officers, and Stewardship Multi-Sig Members shall obey any lawful directive regarding the use of Ops Funds or Treasury Funds (provided that such funds are subject to BORG control) that is made by a duly appointed Emergency Supervisor acting within the scope of such Emergency Supervisor's authority under these Bylaws.

1.10 Veto Multisig.

The Veto Multisig shall constitute a Mandatory Autonomous System. To the extent which an action of Stewardship Multisig, either acting directly, or in control of Treasury Funds, is prevented through the Veto Multisig, such prevention shall be binding upon the BORG. However, if there is a Material Adverse Event or Disruption Event in effect, or an Emergency Supervisor has been appointed, this section may be disregarded while such event is occurring, or while such Emergency Supervisor has been appointed. The Veto Multisig is not a Body of the BORG, and Veto Multisig members or signers are not BORG Personnel.

2 BORG PERSONNEL

The Directors, Officers, employees, independent, lawful agents, supervisors, and representatives of the BORG are referred to herein as “**BORG Personnel**”. Details of certain BORG Personnel are set forth below.

2.1 Eligibility.

- 2.1.1 Each BORG Personnel must have all the requisite capacity, power and authority to enter into, and perform such BORG Personnel’s contracts with (including under these Bylaws and other Governance Agreements, as applicable) and duties to the BORG and each BORG Personnel must acknowledge, agree, represent and warranty that such contracts constitute the legal, valid and binding obligation of the BORG Personnel, enforceable against the BORG Personnel in accordance with their terms. If any BORG Personnel is an entity, such entity must be duly incorporated and organized, and in good standing, in the jurisdiction of its formation.
- 2.1.2 Each BORG Personnel’s agreements with and duties to the BORG must not contravene, conflict with, or violate or constitute a breach or default under (or an event that with notice or lapse of time or both would become a violation or constitute a breach or default under) any applicable Legal Requirement or agreement to which such BORG Personnel is subject. In the event any BORG Personnel’s continued status as a BORG Personnel would conflict with any Legal Requirement or agreement to which such BORG Personnel is subject, such BORG Personnel shall cease to be eligible to serve as BORG Personnel and shall resign as BORG Personnel as soon as practicable.
- 2.1.3 Each BORG Personnel must not be, or be affiliated with or be acting on behalf of, a country, territory or person subject to sanctions under the laws of any nation-state or any international sanctions regime applicable to the BORG.
- 2.1.4 Each BORG Personnel must not have been convicted of or held liable for fraud, willful misconduct, gross negligence, or a crime of willful moral turpitude.
- 2.1.5 Each Director, Officer, and Stewardship Multisig Member must be, and represents and warrants that it is, sophisticated, experienced and knowledgeable in Blockchain Systems and related technologies.

2.2 Directors

2.2.1 Purposes and Powers of Directors.

2.2.1.1 The purpose of Directors shall be to serve on the Board. Directors shall not have any individual powers or authority.

2.2.1.2 Each member of the Board shall be referred to as a “**Director**”, and each Director shall be a member of the Board.

2.2.2 Number of Directors. The number of Directors shall initially be four and may be changed by upgrades to the Stewardship Multisig (effected through the Mandatory Autonomous Systems) causing a change to the number of Stewardship Multisig Members.

2.2.3 Election Of Directors.

- 2.2.3.1** *Initial Directors.* The initial Directors shall be the persons who are Directors at the time of adoption of these Bylaws.
- 2.2.3.2** *Subsequent Directors.* Subsequent Directors may only be elected by upgrades to the Stewardship Multisig (effected through the Mandatory Autonomous Systems) causing a new person to become a Stewardship Multisig Member. Elections of Directors may be held at any time and from time to time.
- 2.2.4** Term of Directors. Each Director, including a Director elected to fill a vacancy, shall hold office from and after the time such Director's election (and acceptance thereof) until the earlier of such Director's resignation, death (if an individual), dissolution (if an entity) or removal (including any removal via System Upgrade).
- 2.2.5** Resignation, Death, or Dissolution of Directors.
- 2.2.5.1** Any Director may resign at any time by giving no less than 60 days' advance written notice of an intention to resign to the Board, the Supervisor(s) and the Community, whereupon the remaining Directors shall use diligent efforts to remove the Stewardship Multisig Key of the resigning person from the Stewardship Multisig Key Set upon the effective time of such notice, or as soon as practicable thereafter. In no event shall the resignation of a Director be effective until such Director's the Stewardship Multisig Key is removed from the Stewardship Multisig Key Set. The resigning Director shall publish and keep publicly available for at least 7 days after the effective time of the notice, on one or more public URLs known to, and accessible by, the Community, and shall promptly publish the notice in one or more social media channels or websites known to, and accessible by, the Community.
- 2.2.5.2** A Director shall automatically cease being a Director upon such Director's death (if the Director is a natural person) or dissolution (if the Director is an entity).
- 2.2.6** Removal Of Directors. Unless otherwise restricted by statute or by these Bylaws, any one or more Directors may be removed, with or without cause, by, and only by a change to the Stewardship Multisig removing such person as a Stewardship Multisig Member. In the event a Director is removed by the operation of a Legal Requirement, the Charter, or these Bylaws, the remaining Directors shall use diligent efforts to remove the Guardians Multisig Key of the removed person from the Stewardship Multisig Key Set as soon as practicable.
- 2.2.7** Fees And Compensation of Directors. Directors may be compensated for serving on the Board. The compensation of each Director shall be set by the Board. No such compensation shall preclude any Director from serving the BORG in any other capacity and receiving compensation therefor.

2.3 Officers

- 2.3.1** Purpose and Powers of Officers. The Board may from time to time appoint and delegate one or more of its powers (other than the Non-Delegable Powers) to officers of the BORG ("**Officers**"). Each Officer shall have all and only the powers that are expressly delegated to such Officer by the Board in a written resolution of the Board. The purpose of each

Officer is to exercise the powers delegated to them and otherwise carry out the instructions of the Board.

2.3.2 Appointment of Officers. Officers shall be appointed by the Board. Each Officer must be a natural person.

2.3.3 Term of Officers. Each Officer shall hold office from and after the time of such Officer's appointment election (and acceptance thereof) until the earlier of such Officer's resignation, death or removal.

2.3.4 Removal Of Officers. Any Officer may be removed, either with or without cause, by the Board.

2.3.5 Resignation or Death of Officers. Any Officer may resign at any time by giving written notice to the Board. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights (if any) of the BORG under any contract to which the Officer is a party. An Officer shall automatically cease being an Officer upon such Officer's death.

2.3.6 Fees and Compensation of Officers. Officers may be compensated for serving as Officers. The compensation of Officers shall be set by the Board.

2.4 Stewardship Multisig Members

2.4.1 General. The Multisig Members of each Stewardship Multisig are referred to herein as "***Stewardship Multisig Members***" and shall have such rights and obligations as are specified in these Bylaws and the other Governance Agreements.

2.4.2 Appointment Of Stewardship Multisig Members.

2.4.2.1 *Initial Stewardship Multisig Members.* The initial Stewardship Multisig Members shall be the first set of persons who are Directors of the Board on the date of the first adoption of these Bylaws by the Board.

2.4.2.2 *Subsequent Stewardship Multisig Members.* Subsequent Stewardship Multisig Members may only be appointed via upgrade to the Stewardship Multisig (effected through the Mandatory Autonomous Systems).

2.4.3 Facilitation of Stewardship Multisig Member Appointments.

2.4.3.1 *General Facilitation of Appointments.* The Stewardship Multisig Members and other BORG Personnel shall use their commercially reasonable best efforts to ensure that, prior to becoming a Stewardship Multisig Member, each person who is to become a Stewardship Multisig Member:

- (a) first has executed and delivered to the BORG a Multisig Participation Agreement in substantially the form attached hereto at Schedule 1 (a "***Multisig Participation Agreement***"), and that the representations and warranties set forth in the Multisig Participation Agreement are accurate as

to such person to the best of the Stewardship Multisig Members' and other involved BORG Personnels' respective knowledges; and

- (b) first has delivered to the BORG the Stewardship Multisig Member personally identifiable information as is required under Cayman Islands law for such person to be added as a Director of the BORG;
- (c) complies with all applicable legal requirements for serving as a Director;

provided, however, that if, notwithstanding such efforts, a person becomes a Stewardship Multisig Member without having satisfied the conditions set forth in the preceding clauses '(a)' and '(b)', the Stewardship Multisig Members and other BORG Personnel shall use their commercially reasonable best efforts to cause such conditions to be satisfied as promptly as reasonably practicable, and, if such conditions could not reasonably be expected to be satisfied in the near future, to use commercially reasonable best efforts to take other appropriate remedial or curative action (such as proposing or effectuating removal of such Stewardship Multisig Member through a System Upgrade) as determined reasonably and in good faith by each Stewardship Multisig Member and other BORG Personnel.

Without limiting the foregoing, it is acknowledged and agreed that the use of the Stewardship Multisig's veto power (including via inaction) over System Upgrades shall be deemed appropriate in order to prevent a person from becoming a Stewardship Multisig Member without first satisfying the conditions set forth in the preceding clauses '(a)' and '(b)'.

2.4.4 Removal of Stewardship Multisig Members.

2.4.4.1 *Removal.* A Stewardship Multisig Member may be removed from a Stewardship Multisig solely by System Upgrade (which may occur at any time or from time to time) causing all of the Multisig Keys of such Stewardship Multisig Member to cease to belong to the Multisig Key Set recognized by such Stewardship Multisig, it being acknowledged and agreed that any System Upgrade causing such removal shall be sufficient, in and of itself to legally deem such person to have ceased to be a member of the Stewardship Multisig as a body of the BORG.

2.4.5 Facilitation of Stewardship Multisig Member Removals.

2.4.5.1 *General Facilitation of Removals.* The Stewardship Multisig Members and other BORG Personnel shall use their commercially reasonable best efforts to ensure that any person who should be removed from the Stewardship Multisig based on the provisions of these Bylaws (including this [Article 2.4.5](#)) or any other Governance Agreement is removed from the Stewardship Multisig, as promptly as reasonably practicable. If a Stewardship Multisig Member is removed in accordance with Article 2.4.4.1, the BORG, the other Stewardship Multisig Members and other BORG Personnel shall use their commercially reasonable best efforts to terminate the applicable Multisig Participation Agreement, any contractor agreements in place between the BORG and BORG

Personnel, these Bylaws and any other Governance Agreement with such removed Stewardship Multisig Member.

2.4.5.2 *Resignation and Removal.*

- (a) A Stewardship Multisig Member may seek to resign from any Stewardship Multisig at any time by giving no less than 60 days' advance written notice of an intention to resign to the BORG and the other Stewardship Multisig Members.
- (b) If a Stewardship Multisig Member delivers (and does not revoke) a written notice of resignation from a Stewardship Multisig in accordance with the preceding clause '(a)' and otherwise in accordance with these Bylaws and the other Governance Agreements, the Stewardship Multisig Members shall use their commercially reasonable best efforts to facilitate, allow or cause such person to be removed from such Stewardship Multisig in accordance with Article 2.4.4.1 by no later than the 61st day following the completion of such delivery of such written notice, or such later time of effectiveness of such resignation as is specified in such written notice. For the avoidance of doubt, such removal may be enacted via an Emergency System Upgrade.

2.4.5.3 *Removal for Death, Disability, Change of Control, Bankruptcy, and Other Termination Events.*

- (a) Upon the occurrence of any of the events or circumstances of termination referred to in Section 8 of the Multisignature Participation Agreement, the Stewardship Multisig Members shall use their commercially reasonable best efforts to facilitate, allow or cause such person to be removed from all Stewardship Multisigs as promptly as reasonably practicable. For the avoidance of doubt, such removal may be enacted via an Emergency System Upgrade.

2.4.5.4 *Facilitation of Emergency Supervisor Removals.* If an Emergency Supervisor appointed in accordance with an Emergency System Governance Process instructs the Stewardship Multisig Members (or any subset thereof) to facilitate, allow or cause a person to be removed as a Stewardship Multisig Member via an Emergency System Upgrade due to the Emergency Supervisor deeming such removal necessary or desirable to handle an Adverse Event, such Stewardship Multisig Members shall use their commercially reasonable best efforts to facilitate, allow or cause such person to be so removed, as applicable, which may (at the discretion of the Emergency Supervisor) include removal enacted via Emergency System Upgrade.

2.4.5.5 *Removal Grounds Herein Are Non-Exclusive.* For the avoidance of doubt, this Article 2.4.5 is intended to provide a non-exclusive list of grounds for removal of Stewardship Multisig Members and does not prohibit removal of Stewardship Multisig Members in circumstances other than those expressly referred to in this Article 2.4.5.

2.4.6 Fees and Compensation of Stewardship Multisig Members. Stewardship Multisig Members may be compensated for serving as Stewardship Multisig Members. The compensation of Stewardship Multisig Members shall be set by the Board and set forth in their respective independent contractor agreement.

2.5 Supervisors

2.5.1 Minimum Number

The BORG shall at all times have a supervisor (the “*Supervisor*”) who is able and willing to supervise the management of the BORG.

2.5.2 General Powers

Subject to the limitations in these Bylaws and the other Governance Agreements, the Supervisor shall ensure that the BORG’s rules are enforced, and shall have the right and power to hold BORG Personnel liable for any Adverse Event caused by such BORG Personnel. If the law of the jurisdiction in which the BORG is constituted sets forth a ‘supervisor’ or ‘enforcer’ role for the type of entity that constitutes the BORG, then the Supervisor shall also have the powers, rights and obligations set forth in such law for a ‘supervisor’ or ‘enforcer’ of an entity of that type. The Supervisor may also demand information from the BORG or BORG Personnel, with reasonable notice, at any time, and also demand that such information be presented to the Supervisor in the form of periodic reports.

2.5.3 Appointment

Supervisors (other than Emergency Supervisors) may be appointed by the Board or, if the law of the jurisdiction in which the BORG is constituted sets forth a procedure by which a court of competent jurisdiction may appoint a Supervisor, by such a court of competent jurisdiction.

2.5.4 Term of Supervisor

Each Supervisor shall hold office from and after the time such Supervisor’s appointment (and acceptance thereof) until the earlier of such Supervisor’s resignation, death (if an individual), dissolution (if an entity) or removal.

2.5.5 Removal

Supervisors (other than Emergency Supervisors) may be removed, with or without cause, by:

2.5.5.1 the Board; or

2.5.5.2 an Emergency Supervisor appointed in accordance with the Emergency Governor.

2.5.6 Resignation, Death, or Dissolution of Supervisors

2.5.6.1 Any Supervisor may resign at any time upon written notice to the Board and the Community, whereupon such Supervisor shall cease being a Supervisor upon the effective time specified in that notice. The resigning Supervisor shall publish and keep publicly available such notice for at least 7 days after the effective time of the notice, on one or more public URLs known to, and accessible by, the

Community, and shall promptly publish, the notice in one or more social media channels or websites known to, and accessible by, the Community. Unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights (if any) of the BORG under any contract to which the Supervisor is a party.

2.5.6.2 A Supervisor shall automatically cease being a Supervisor upon such Supervisor's death (if the Supervisor is a natural person) or dissolution (if the Supervisor is an entity).

2.5.7 Fees and Compensation of Supervisors. Supervisors may be compensated for serving on the Board. The compensation of each Supervisor shall be set by approval of the Board.

2.6 Emergency Supervisors

2.6.1 Appointment. If there has been an Adverse Event, then, solely to the extent necessary or desirable to resolve or mitigate the impact of such Adverse Event, the Community may appoint by Emergency System Governance Process, through the Terra Governance Process, one or more additional Supervisors (an “**Emergency Supervisor**”) to investigate and oversee the BORG while resolution of the Adverse Event is pending. A person appointed by the Terra Governance Process as Emergency Supervisor must affirmatively accept the role of Emergency Supervisor by written notice to the Community (e.g. by publishing such notice on one or more public URLs or social media channels known to and accessible by the Community) and the BORG within 30 days after the date of the relevant Emergency System Governance Process, and such appointment shall be deemed automatically effective on the date of the last such notice delivered. Failure to affirmatively accept such role as set forth above shall automatically be deemed a rejection of such role on the 30th day after the relevant Emergency System Governance Process. Once the Adverse Event has been handled in accordance with all applicable Emergency System Governance Process, the Emergency Supervisor shall publicly resign from the Emergency Supervisor role. The Emergency Supervisor is prohibited from serving in a long-term or indefinite role with the BORG. Any Emergency Supervisor must either resign or be re-appointed by an Emergency System Governance Process no later than 6 months from the date of the emergency Supervisor's previous appointment.

2.6.2 Powers. Once appointed by through the Terra Governance Process and having accepted such appointment, the Emergency Supervisor shall have the authority to act in the name of and represent the BORG and to bring claims in the name of the BORG, in each case, solely to the extent necessary or desirable to investigate the circumstances of, hold culpable parties liable for, and otherwise seek remedies for the Adverse Event, including by initiating and pursuing legal proceedings by, on behalf of or in the name of the BORG against one or more Directors, Officers, Multisig Members, or other BORG Personnel who have committed or knowingly assisted in the commission or furtherance of an Adverse Event. The Emergency Supervisor shall not have any authority to remove, replace, or direct the decisionmaking of the BORG, the Board, or the Guardians, but solely shall have the investigatory and remedial powers identified above, and solely in relation to the specific Adverse Event in connection with which the Emergency Supervisor was appointed. The Emergency Supervisor shall set aside their direct and indirect personal

interests, and shall solely act in furtherance of the Purposes in accordance with the Principles

2.6.3 The Emergency Supervisor shall observe, implement, carry out, action, and execute any and all Terra Governance Proposals that are lawful, reasonable, and made in good faith, and are within the scope of the Emergency Supervisor's authority (including its obligation to act in accordance with the Purposes in accordance with the Principles), with commercially reasonable best efforts and in a commercially reasonable and timely manner and in a manner not inconsistent in any material respect with the Mandatory Autonomous Systems appointing and instructing the Emergency Supervisor or these Bylaws; provided, however, that the Emergency Supervisor shall not be required to expend any of its own funds or incur any liabilities in performing its duties.

2.6.4 Removal of Emergency Supervisor.

Emergency Supervisors may be removed, with or without cause, by Terra Governance.

2.6.5 Resignation, Death, or Dissolution of Emergency Supervisors.

2.6.5.1 Any Emergency Supervisor may resign at any time upon written notice to the Board and the Community, whereupon such Emergency Supervisor shall cease being an Emergency Supervisor upon the effective time specified in that notice. The resigning Emergency Supervisor shall publish and keep publicly available such notice for at least 7 days after the effective time of the notice, on one or more public URLs known to, and accessible by, the Community, and shall promptly publish, the notice in one or more social media channels or websites known to, and accessible by, the Community. Unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights (if any) of the BORG under any contract to which the Emergency Supervisor is a party.

2.6.5.2 An Emergency Supervisor shall automatically cease being an Emergency Supervisor upon such Emergency Supervisor's death (if the Emergency Supervisor is a natural person) or dissolution (if the Emergency Supervisor is an entity).

2.6.6 Fees and Compensation of Emergency Supervisors.

Emergency Supervisors may be compensated for serving as Emergency Supervisors. The compensation of each Emergency Supervisor shall be set by the Board (or Emergency System Governance Process, subject to approval by the Community Token Holder Approval).

2.7 Employees, Independent Contractors, Etc.

The BORG may from time to time hire or engage employees, independent contractors, agents, and other representatives of the BORG on commercially reasonable terms, as determined by the Board or any Officer duly authorized to do such hiring or engagement.

3 Bodies

3.1 Board of Directors

3.1.1 Board Powers

3.1.1.1 General Board Powers.

The Board shall have general managerial authority over the BORG, including:

(i) the power to liquidate, dissolve, or wind-up the BORG or its activities and affairs;

(ii) the power to effect a merger or consolidation in which the BORG is a constituent party; or

(iii) the power to effect the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the BORG of all or substantially all of the assets of the BORG

(each of the foregoing actions or transactions, a “*Liquidation Event*”).

3.1.1.2 Acting as a Body. The Board shall act as a Body of the BORG, and the Directors shall not have individual power or authority to act on behalf of the Board in their capacities as such.

3.1.1.3 Funds Pools. The Board (together with any Officers appointed for such purpose) shall have exclusive authority over the Ops Fund. The Board’s authority over the Treasury Funds shall only be permitted as allowed through Mandatory Autonomous Systems.

3.1.1.4 Qualified Code Deference.

Notwithstanding the foregoing, in the event that any of the Mandatory Autonomous Systems are configured to enable any use, transfer or disposition by or through the Mandatory Autonomous Systems of the assets controlled thereby or held therein without Board approval, such use, transfer or disposition shall not require Board approval, even if such use, transfer, or disposition would otherwise be subject to the Board’s powers, including the Non-Delegable Powers. By way of illustration, notwithstanding the preceding Article 3.1.1.1(iii), the Blockchain Tokens held in or controlled by a Stewardship Multisig may be sold, transferred or otherwise disposed of by such Stewardship Multisig, without approval of the Board, even if such Blockchain Tokens constituted all or substantially all of the assets of the BORG.

3.1.2 Number of Directors Constituting the Board

3.1.2.1 The total number of Directors constituting the entire Board (the “Number of Authorized Directors”) shall be the number of Stewardship Multisig Members.

3.1.2.2 The Number of Authorized Directors may be fixed or changed by System Upgrade of the Stewardship Multisig.

3.1.3 Board Meetings

3.1.3.1 Place and Manner of Meetings

- (a) The Board may hold meetings, both regular and special, in any place or in any manner (including remotely in accordance with clause ‘(b)’ below) selected reasonably and in good faith by the Chair or agreed by any two Directors (or, if there is only one Director, that Director).
- (b) Any or all Directors may participate in a meeting of the Board by means of internet conference, phone, or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.1.3.2 Quorum

- (a) At all meetings of the Board, a majority of the total number of Directors then in office shall constitute a quorum for the transaction of business and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute or by the Charter. If a quorum is not present at any meeting of the Board, then the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.
- (b) A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.
- (c) Notwithstanding the foregoing provisions of this Article 3.1.3.2, and for the avoidance of doubt, the Board may take no action which requires the use of the Stewardship Multisig as a Mandatory Autonomous System unless approved by at least the number of Directors constituting the minimum signing threshold of the Stewardship Multisig, such approval being evidenced by the successful execution of a Stewardship Multisig Proposal.

3.1.3.3 Waiver Of Notice

Whenever notice is required to be given under applicable Legal Requirement, these Bylaws, or any other Governance Agreement, a written waiver thereof, signed by the person entitled to notice, or waiver by electronic mail or other electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board, need be specified in any written waiver of notice unless so required by the Charter or these Bylaws.

3.1.3.4 Board Action By Written Consent Without A Meeting

- (a) Unless otherwise restricted by the Charter or these Bylaws, any action required or permitted to be taken at any meeting of the Board may be taken without a

meeting if all members of the Board consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

- (b) Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

3.2 Stewardship Multisig

3.2.1 Specifications of Stewardship Multisig

3.2.1.1 The Stewardship Multisig is the instance of the DAO DAO smart contract operating at the address `terra1k8ug6dkzntczfn76wsh24tdjmx944yj6mk063wum7n20c wd7lxq4lppjg` on the Terra Blockchain that is known as the Phoenix Directive Stewardship. The Board may designate new instances of the Stewardship Multisig, subject to the same rules set forth herein. The Stewardship Multisig shall be governed in accordance with the following, and any subsequently deployed Stewardship Multisig shall have this feature set:

- (a) the power (alone or in combination with the Emergency System Governance Process or one or more other BORGs, Multisigs, persons, groups, or entities) to effect, approve, abstain from approving or veto a temporary or permanent suspension or of one or more functions or features of one or more of the Community Autonomous Systems;
- (b) the power (alone or in combination with the Emergency System Governance Process or one or more other BORGs, Multisigs, persons, groups, or entities) to effect, approve, abstain from approving or veto a direct or indirect software upgrade of one or more of the Community Autonomous Systems;
- (c) the power (alone or in combination with the Emergency System Governance Process or one or more other BORGs, Multisigs, persons, groups, or entities) to effect, approve, abstain from approving or veto a migration of assets from the control or custody of one or more Community Autonomous Systems to the control or custody one or more other Community Autonomous Systems, provided that the purpose and reasonably expected result of such migration is to secure such assets for their lawful owners or controllers; and
- (d) the power (alone or in combination with the Emergency System Governance Process or one or more persons, groups, or entities) to effect, approve, abstain from approving or veto the reversal of transactions within the Community Autonomous Systems (where possible and where consistent with these Bylaws).

3.2.1.2 For the avoidance of doubt, the Stewardship Multisig shall be deemed a Mandatory Autonomous System and any subsequently deployed Stewardship

Multisig shall be so designated. Schedule 3 of these Bylaws shall consist of all deployed Stewardship Multisigs and shall be updated upon the creation of additional Stewardship Multisigs.

- 3.2.1.3** Each Stewardship Multisig shall be identified and described in reasonable detail on the Stewardship Multisig Schedule including by identifying and describing in plain English, in reasonable detail:
- (a) the Blockchain System to which the Stewardship Multisig is deployed;
 - (b) the network address of the Stewardship Multisig on such Blockchain System;
 - (c) the network addresses serving as the public keys corresponding to the Private Keys included in the Multisig Key Set for such Stewardship Multisig (i.e., the network addresses used by the Stewardship Multisig Members for purposes of interacting with the Stewardship Multisig);
 - (d) the minimum number of Multisig Keys required to execute transactions through the Stewardship Multisig (broken down by transaction type, in the event that different transaction types have different approval thresholds);
 - (e) any and all abilities, powers, and rights such Stewardship Multisig has with respect to any Community Autonomous Systems, including a technical and plain-English description of each function of a Community Autonomous System over which such Stewardship Multisig has privileged, elevated or exclusive access, power or authority and the intended uses thereof;
 - (f) any and all abilities, powers, and rights the Emergency System Governance Process or any other Multisig, BORG, Community Autonomous System or Blockchain System has with respect to the Stewardship Multisig;
 - (g) a copy of or persistent link to the source code for Stewardship Multisig; and
 - (h) for each Stewardship Multisig Member with respect to each Stewardship Multisig, at least one public key address corresponding to the Private Key of such Stewardship Multisig Member that belongs to the Multisig Key Set for such Stewardship Multisig.
- 3.2.1.4** Promptly following each creation of or update to a Stewardship Multisig, the Board (or any of the Directors) shall amend the Stewardship Multisig Schedule to include the information specified in Article 3.2.1.3.
- 3.2.1.5** The Stewardship Multisig shall have the exclusive authority to manage the Ops Fund and any other funds held or controlled by the Stewardship Multisig.
- 3.2.1.6** Notwithstanding that a Stewardship Multisig may be technically or theoretically capable of being used for purpose(s) or circumstance(s) outside the Authorized Uses, neither the BORG nor any of the Stewardship Multisig Members (nor any of their employees, representatives, agents or delegates) shall utilize any Stewardship Multisig or any privilege, elevated or exclusive access, power or authority over any Community Autonomous System (either through any Stewardship Multisig or otherwise) except for an Authorized Use. Any BORG

Personnel that become aware of the potential to abuse the foregoing powers, privileges or authority shall, to the extent not already disclosed and where disclosure would not reasonably jeopardize or impair the operation of a Community Autonomous System, publicly disclose the potential for abuse in reasonable detail such that the Community can avoid, detect, mitigate, or resolve the potential for abuse.

- 3.2.1.7** The Board shall ensure the BORG at all times maintains a list of the legal names, record addresses and other necessary or desirable personally identifiable information (sufficient to serve legal process) of the Stewardship Multisig Members (the “*Stewardship Multisig Member PII*”). In the event that the Stewardship Multisig Member is a corporation or other entity, the BORG shall also at all times maintain all necessary and desirable information for identifying and serving legal process on such entity. The Stewardship Multisig Member PII shall be deemed to include the association of the Stewardship Multisig Member’s personally identifiable information with such Stewardship Multisig Member’s membership, participation in and conduct relating to each Stewardship Multisig. The Stewardship Multisig Member PII shall be treated as Confidential Information of the BORG in accordance with Article 5.

3.2.2 Multisig Key Management Practices

3.2.2.1 Key Generation

- (a) The Board or an Officer shall provide each person intended to be a Stewardship Multisig Member (“*Prospective Stewardship Multisig Member*”) with instructions for generating a Private Key intended for use in each Stewardship Multisig, and such Prospective Stewardship Multisig Member shall follow such instructions strictly.
- (b) Each Private Key must be unique to one and only one Stewardship Multisig Member and not shared with or accessible to the BORG or any other person.
- (c) The Private Key generated by a Prospective Stewardship Multisig Member in accordance with the aforementioned requirements may be deemed to be the Multisig Key of such Prospective Stewardship Multisig Member for one or more Stewardship Multisigs, and thus the Prospective Stewardship Multisig Member becomes a Stewardship Multisig Member for such Stewardship Multisig(s).
- (d) From time to time, the Board or a majority of the Stewardship Multisig Members may require and direct that any Stewardship Multisig Member replace or substitute any Multisig Key with a new Private Key generated in accordance with the aforementioned requirements.
- (e) The Private Key shall be the private information of the Stewardship Multisig Member or Prospective Stewardship Multisig Member and shall not constitute the property or private information of the BORG. The Private Key of the Stewardship Multisig Member or Prospective Stewardship Multisig Member shall not represent or constitute any interest in or claim to any asset which is controlled by a Multisig.

3.2.2.2 Private Key Security

- (a) Each Stewardship Multisig Member shall securely hold, control, custody and safeguard his, her or its Multisig Key(s) and immediately notify the BORG and the other Stewardship Multisig Members if any of such Stewardship Multisig Member's Multisig Key(s) could reasonably be expected to have been stolen, published or otherwise accessed by, made available to or become known to any other person (including any other Stewardship Multisig Member).
- (b) Stewardship Multisig Members shall not disclose or make available any Stewardship Multisig Key to, or share any Stewardship Multisig Key with, any other person, including other Stewardship Multisig Members.

3.2.3 Ownership of Multisig-Controlled Property

- 3.2.3.1** No Stewardship Multisig Member shall be deemed to own any Community Tokens held in, by or through any Stewardship Multisig or any other Blockchain Tokens, digital assets or other property held in, by or through, or received by a Stewardship Multisig Member on account of such Stewardship Multisig Member's participation in any Stewardship Multisig (including, without limitation, any "airdrops" or other distributions of Community Tokens or other Blockchain Tokens received or claimable by such Stewardship Multisig Member's externally owned account or blockchain address on account of such Stewardship Multisig Member's participation in the Stewardship Multisig).
- 3.2.3.2** In the event any such Community Tokens or other Blockchain Tokens, digital assets or other property held in, by or through any Stewardship Multisig or any other Blockchain Tokens, digital assets or other property held in, by or through, or received by a Stewardship Multisig Member on account of such Stewardship Multisig Member's participation in any Stewardship Multisig is not owned or controlled by a third party or held on trust for the benefit of a third party in accordance with Article 3.2.1.7, then such Community Tokens or other Blockchain Tokens or property shall automatically be deemed to be owned by, and constitute the sole property of, the BORG, and the Stewardship Multisig Members shall take all required steps to ensure that such property is properly transferred to the BORG.
- 3.2.3.3** In the event a Stewardship Multisig Member receives any property of the BORG to such Stewardship Multisig Member's externally owned account or blockchain address, such Stewardship Multisig Member shall promptly notify the BORG and remit such property to the BORG in the manner directed by the BORG (which may include encumbering such property under the control of a Stewardship Multisig).
- 3.2.3.4** In no event shall any Multisig, Stewardship Multisig Member, or the BORG be deemed to own or control the Treasury Control System, the Ops Fund, the Treasury Funds, or any funds or assets held or controlled within.

3.2.4 Conduct of Stewardship Multisig Members

3.2.4.1 Coordination Among Stewardship Multisig Members; Multisig Procedures

- (a) Each Stewardship Multisig Member shall undertake to maintain good relations with and engage in reasonably prompt, frequent and timely consultation and cooperation with the other Stewardship Multisig Members on all other matters arising in connection with or relating to the BORG or Community Autonomous Systems.
- (b) The Stewardship Multisig Members may from time to time establish various standard rules, practices, customs, protocols and procedures related to being a Stewardship Multisig Member or participating in the Stewardship Multisig, provided that the foregoing are only supplemental to these Bylaws, the Multisig Participation Agreement and the independent contractor agreements and do not conflict with, amend, terminate, limit or waive any express provision of or right or duty existing under these Bylaws (the “***Multisig Procedures***”).
- (c) Multisig Procedures may be established through course of conduct, informal agreement, ‘rough social consensus’ or other means providing the Stewardship Multisig Members with reasonable notice thereof.
- (d) Each Stewardship Multisig Member shall use its commercially reasonable best efforts to comply with any Multisig Procedures of which it is aware.

3.2.5 Proposals; Response to Proposals.

3.2.5.1 Stewardship Multisig Member Proposals

Any Stewardship Multisig Member may from time to time propose that a certain action be taken or transaction effected by the Stewardship Multisig, pursuant to the Authorized Uses. A Stewardship Multisig Member shall make such a proposal by signing with such Stewardship Multisig Member’s Multisig Key a draft executable transaction message that, if such draft executable transaction message receives sufficient other such signatures from other Stewardship Multisig Members, will be executed by the Stewardship Multisig (each such proposal, a “***Stewardship Multisig Proposal***”). A Stewardship Multisig Member shall also follow any Multisig Procedures applicable to the making of a Stewardship Multisig Proposal; *provided, however*, that any breach or non-observance of a Multisig Procedure in respect of a Stewardship Multisig Proposal shall not in itself impair, void, or require any reversal or limitation of a Stewardship Multisig Proposal that is executed by the Stewardship Multisig pursuant to the Authorized Uses and otherwise in accordance with these Bylaws and the other Governance Agreements.

3.2.5.2 Emergency System Governance Process Proposals

The Emergency System Governance Process shall be deferential to Terra Governance. An Emergency System Governance Proposal, as enacted through the Terra Governance process, shall be treated as a Mandatory Autonomous System.

3.2.5.3 Process For Considering and Executing Proposals

Each Stewardship Multisig Member shall promptly, reasonably, diligently, independently, and in good faith evaluate the merits of each Stewardship Multisig Proposal, and each Emergency System Governance Process Proposal (each, a “**Proposal**”) solely in light of the Purposes, Authorized Uses and the Principles, and, based solely on such evaluation, and without regard to any personal or extrinsic interest or consideration, determine whether to vote in favor of such Proposal (i.e, to sign the relevant transaction message with such their respective Multisig Keys) or vote against such Proposal (i.e, intentionally refrain from so signing Proposal) (each, a “**Signature Decision**”). Upon a Stewardship Multisig Member reaching an affirmative Signature Decision with respect to a Proposal, such Stewardship Multisig Member shall promptly sign the relevant transaction message with such Stewardship Multisig Member’s Multisig Key for potential execution by the Stewardship Multisig. Once a Proposal has received sufficient signatures by the Stewardship Multisig Members to be executed, the Stewardship Multisig Members shall cause such Proposal to be executed by the Stewardship Multisig as promptly as reasonably practicable in light of all applicable facts and circumstances, including security considerations relating to front-running and similar issues. The approval of a Proposal by a sufficient number of Stewardship Multisig Members of a Stewardship Multisig (to cause such Stewardship Multisig to execute such Proposal onchain or as otherwise provided by these Bylaws) shall constitute the action of such Stewardship Multisig as a body. If any type of Signature Decision is mandatorily subject under these Bylaws or any Mandatory Autonomous Systems to a veto by the Community (or any sub-constituency thereof), the Stewardship Multisig Members shall refrain from repeatedly transmitting (“spamming”) Signature Decisions in order to bypass, overwhelm, or discourage the use of or otherwise evade such veto.

3.2.5.4 Treasury Control System

- (a) The Treasury Control System refers to the smart contract system available at <https://github.com/erisprotocol/contracts-ve3/tree/main/contracts/phoenix-treasury> that is operable using the Stewardship Multisig, but excluding the Ops Fund. The Treasury Control System allows for the management of the Blockchain Tokens by the Stewardship Multisig and is subject to programmatically imposed token holder approvals, vetos by the token holders, or programmatically require co-approval of the token holders (each, a “**Community Token Holder Approval**”), during one or more waiting periods programmatically impose Community Token Holder Approvals prior to their execution (each such period, a “**Timelock**”). Timelocks may be subject to extension by other onchain transactions.
- (b) If a Treasury Control System action which requires a Community Token Holder Approval during a programmatic Timelock does not obtain such approval (or is vetoed, as the case may be) prior to the expiration of the Timelock, the failed Treasury Control System action shall be considered an action. (or inaction) of the Stewardship Multisig.

3.2.6 Navigating Conflicting Community Interests

- (a) In determining whether and how to make an Authorized Use of any Stewardship Multisig in a circumstance that, when considered in light of the Purposes and the Principles, involves any conflict, competition or inconsistency between:
 - (i) the financial interests of the Users (in their capacities as such) with funds at risk (not including the Community Tokens); and
 - (ii) the interests of any one or more other categories of Community members,each Stewardship Multisig Member shall prioritize the financial interests of such Users in such funds at risk over the interests of all other categories of Community members.
- (b) In considering how to act in connection with a matter that, when considered in light of the Purposes and the Principles, involves any other conflict, competition or inconsistency among the interests of categories of Community members other than the conflict identified in the preceding clause ‘(a)’ of this Article 3.2.6, each Stewardship Multisig Member shall act in a manner intended to maximize benefits and minimize harms to the overall Community taking into account all relevant facts and circumstances then known to or reasonably discoverable by such Stewardship Multisig Member. Each Stewardship Multisig Member shall be permitted to make such a decision notwithstanding that it might adversely impact one or more specific members of, or sections or sub-sections of the Community.

4 VOLUNTARY NATURE OF BORG ACTIVITIES; NO GENERAL DUTIES TO COMMUNITY; CONFLICTS OF INTEREST

- 4.1** To the maximum extent permitted under applicable Legal Requirements, all activities of the BORG of potential benefit to the Community are to be conducted by the BORG and the BORG Personnel on a purely volunteer, *ad hoc* basis, without any express or implied affirmative promise, duty, obligation, warranty, undertaking or assumption of duty or risk of performing such activities, other than duties owed by BORG Personnel to the BORG.
- 4.2** The BORG, the Directors, Officers, Stewardship Multisig Members, Supervisors, Emergency Supervisors, and other BORG Personnel each acknowledge and agree that:
 - 4.2.1** The Community members are an unknown, diverse and disparate group of persons, each of whom may have conflicting economic, personal, political, social or other interests and that at any one time any Community member may be in competition with or pursuing interests that are adverse to or inconsistent with the interests of another Community member;
 - 4.2.2** The Community members are an unknown, diverse and disparate group of persons with whom the BORG, the Directors, Officers, Stewardship Multisig Members, Supervisors, Emergency Supervisors, and other BORG Personnel may have had no contact and who

may have never interacted directly with the Community Autonomous Systems which are the focus of the Purposes and the Principles; and

4.2.3 As such none of the BORG, the Directors, Officers, Stewardship Multisig Members, Supervisors, Emergency Supervisors, and other BORG Personnel are able to, or will, accept, undertake or perform a duty of loyalty to or owe any fiduciary obligation to any single Community member, sub-group of the Community, or the Community as a whole.

4.3 No participation in the BORG, whether as a Director, Officer, Multisig Member, or other BORG Personnel, shall constitute, or be deemed to constitute, a trust, partnership, association, joint venture or other unincorporated association or entity among or involving any BORG Personnel (other than the BORG itself, which is an exempted limited guarantee Foundation Company incorporated in the Cayman Islands with limited liability). To the maximum extent permitted by law, no Director, Officer, Multisig Member or other BORG Personnel shall be deemed to owe to the Community or any member thereof, or any other BORG Personnel, any fiduciary obligation or duty or any other duties implied by law or equitable principles or imposed by applicable Legal Requirement to the Community or any member thereof. All duties and obligations owed by the BORG Personnel in connection with the BORG shall be owed solely to the BORG.

4.4 Without limiting the generality of Article 4.3, none of the BORG, Directors, Supervisors, Multisig Members or other BORG Personnel shall have any duty to the Community or any member thereof to monitor, respond to, prevent, mitigate, or announce any actual or perceived security threat or risk, by using any Stewardship Multisig or otherwise.

4.5 These Bylaws have been made available to the Community so that, among other things, each Community member has had a chance to inspect these Bylaws and to be put on notice of, to understand, acknowledge and agree to the limitations under this Article 4.

4.6 Conflicts of Interest

4.6.1 Each BORG Personnel shall use reasonable best efforts to continuously monitor and evaluate such BORG Personnel's personal facts and circumstances (including such BORG Personnel's direct and indirect investments and other economic interests in other blockchain-based companies, systems and communities) that could reasonably be expected to give rise to a material conflict of interest on the part of such BORG Personnel in connection with such BORG Personnel's activities relating to the BORG.

4.6.2 If a BORG Personnel becomes aware of an ongoing material conflict of interest with respect to such BORG Personnel's participation in the BORG, such BORG Personnel shall resign from the BORG, unless such conflict of interest has been disclosed (along with all relevant material facts and circumstances) to the Board and the Community in reasonable detail and such BORG Personnel's continued participation in the BORG has been approved by a majority of the disinterested Directors notwithstanding such conflict of interest (which consent may be conditioned on appropriate ongoing procedures, disclosures, limitations, or similar terms and conditions, which shall be observed by the applicable BORG Personnel from and thereafter).

5 CONFIDENTIAL INFORMATION

- 5.1 “Confidential Information”** means: (a) information in any form or medium (whether oral, written, electronic, or other) that is determined by the Board to be confidential, non-public or proprietary; (b) all Private Keys; (c) all Multisig Member PII; and (d) unless otherwise determined by the Board, all communications and deliberations between, among, or involving one or more Directors, Supervisors, Emergency Supervisors or Multisig Members in their capacities as such.
- 5.2** Except to the extent permitted by Article 5.3 or 5.4, the BORG and each Director, Supervisor, Emergency Supervisor and Multisig Member shall not disclose or permit access to Confidential Information other than to the representatives of the BORG (including the Directors, Supervisors and Multisig Members) who: (i) need to know such Confidential Information for purposes of fulfilling their duties to the BORG; (ii) have been informed of the confidential nature of the Confidential Information; and (iii) are bound by confidentiality and restricted use obligations at least as protective of the Confidential Information as the terms set forth in this Article 5.
- 5.3** If any Director, Supervisor, Emergency Supervisor or Multisig Member is compelled by applicable Legal Requirements to disclose any Confidential Information then, to the extent permitted by applicable Legal Requirement, such person shall: (a) promptly, and prior to such disclosure, notify the BORG in writing of such requirement so that the BORG can seek a protective order or other remedy, or waive its rights under Article 5.2; and (b) provide reasonable assistance to the BORG, at the BORG’s sole cost and expense, in opposing such disclosure or seeking a protective order or other limitations on disclosure. If the BORG waives compliance or, after providing the notice and assistance required under this Article 5.3, the relevant Director, Supervisor, Emergency Supervisor or Multisig Member remains required by applicable Legal Requirements to disclose any Confidential Information, the person subject to such requirement shall disclose only that portion of the Confidential Information that, on the advice of such person’s legal counsel, such person is legally required to disclose and, upon the BORG’s request, shall use commercially reasonable efforts to obtain assurances from the applicable court or other presiding authority that such Confidential Information will be afforded confidential treatment.
- 5.4** The BORG may disclose, and treat as non-confidential, the PII of a Stewardship Multisig Member under the following circumstances (in addition to those set forth in Article 5.3): (a) such Stewardship Multisig Member has been determined to have committed fraud, gross negligence, an intentional and knowing breach of these Bylaws or another Governance Agreement, or a crime involving moral turpitude by: (i) a Emergency System Governance Process ; (ii) the Board; or (iii) a Supervisor or Emergency Supervisor; and (b) such Stewardship Multisig Member’s Multisig Key(s) has/have been removed from the applicable Multisig Key Set(s).

6 INDEMNIFICATION

- 6.1 Indemnification of Officers, Directors, and Stewardship Multisig Members.** Each person who was or is made a party to, or is threatened to be made a party to, or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a “**Proceeding**”), by reason of the fact that such person (or a person of whom such person is the legal representative), is or was a Director, Officer, Stewardship Multisig Member, Supervisor or Emergency Supervisor (each an “**Indemnitee**”) shall be indemnified and held harmless by the BORG upon

the terms and conditions set forth in this Article 6 against all expenses, liability and loss (including attorneys' fees, judgments, fines, excise taxes and penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such Indemnatee in connection therewith, provided such Indemnatee acted in good faith and in a manner that the Indemnatee reasonably believed to be in or not opposed to the best interests of the BORG, did not commit fraud, gross negligence, an intentional and knowing breach of these Bylaws or another Governance Agreement or legal agreement with the BORG, or a crime involving moral turpitude, and, with respect to any criminal action or Proceeding, had no reasonable cause to believe the Indemnatee's conduct was unlawful. Such indemnification shall continue as to an Indemnatee who has ceased to be a Director, Officer, Stewardship Multisig Member, Supervisor or Emergency Supervisor and shall inure to the benefit of such Indemnitees' heirs, executors and administrators. Notwithstanding the foregoing, the BORG shall indemnify any such Indemnatee seeking indemnity in connection with a Proceeding (or part thereof) initiated by such Indemnatee only if such Proceeding (or part thereof) was authorized by the Board or such indemnification is authorized by an agreement approved by the Board.

6.2 Advance of Expenses. The BORG shall pay all expenses (including attorneys' fees) incurred by such an Indemnatee in defending any such Proceeding as they are incurred in advance of its final disposition; *provided, however,* that (a) the payment of such expenses incurred by such an Indemnatee in advance of the final disposition of such Proceeding shall be made only upon delivery to the BORG of an undertaking, by or on behalf of such Indemnatee, to repay all amounts so advanced if it should be determined ultimately by final judicial decision from which there is no appeal that such Indemnatee is not entitled to be indemnified under these Bylaws; and (b) the BORG shall not be required to advance any expenses to a person against whom the BORG directly brings a claim, in a Proceeding, alleging that such person has breached such person's duty of loyalty to the BORG (if applicable), committed an act or omission not in good faith or that involves intentional misconduct or a knowing violation of law, or derived an improper personal benefit from a transaction.

6.3 Non-Exclusivity of Rights. The rights conferred on any person in this Article 6 shall not be exclusive of any other right that such person may have or hereafter acquire under any statute, Governance Agreement, or otherwise. Additionally, nothing in this Article 6 shall limit the ability of the BORG, in its discretion, to indemnify or advance expenses to persons whom the BORG is not obligated to indemnify or advance expenses pursuant to this Article 6.

6.4 Right of Indemnatee to Bring Suit.

6.4.1 Right to Bring Suit. If a claim under Article 6.1 or 6.2 is not paid in full by the BORG within sixty (60) days after a written claim has been received by the BORG, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the Indemnatee may at any time thereafter bring suit against the BORG to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the BORG to recover an advancement of expenses pursuant to the terms of an undertaking, the Indemnatee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (a) any suit brought by the Indemnatee to enforce a right to indemnification hereunder (but not in a suit brought by the Indemnatee to enforce a right to an advancement of expenses) it shall be a defense that, and (b) in any suit brought by the BORG to recover an advancement of expenses

pursuant to the terms of an undertaking, the BORG shall be entitled to recover such expenses upon a final adjudication that, the Indemnatee has not met any applicable standard for indemnification set forth in any applicable Legal Requirement or these Bylaws.

6.4.2 Effect of Determination. Neither the failure of the BORG to have made a determination prior to the commencement of such suit that indemnification of the Indemnatee is proper in the circumstances because the Indemnatee has met the applicable standard of conduct set forth in applicable Legal Requirements, nor an actual determination by the BORG that the Indemnatee has not met such applicable standard of conduct, shall create a presumption that the Indemnatee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnatee, be a defense to such suit.

6.4.3 Burden of Proof. In any suit brought by the Indemnatee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the BORG to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnatee is not entitled to be indemnified, or to such advancement of expenses, under this Article 6, or otherwise, shall be on the BORG.

6.5 Nature of Rights. The rights conferred upon Indemnitees in this Article 6 shall be contract rights and such rights shall continue as to an Indemnatee who has ceased to be a Director, Officer, Stewardship Multisig Member, Supervisor or Emergency Supervisor and shall inure to the benefit of the Indemnatee's heirs, executors and administrators. Any amendment, repeal or modification of any provision of this Article 6 that adversely affects any right of an Indemnatee or an Indemnatee's successors shall be prospective only, and shall not adversely affect any right or protection conferred on a person pursuant to this Article 6 and existing at the time of such amendment, repeal or modification.

7 GENERAL PROVISIONS

7.1 Governing Law. These Bylaws shall be governed by and construed under the internal laws of the Cayman Islands, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws.

7.2 Dispute Resolution

7.2.1 Any controversy or claim brought against the BORG by or on behalf of any BORG Personnel or member of the Community relating to the subject matter of these Bylaws ("***Dispute***") shall be determined and resolved exclusively by confidential, binding arbitration.

7.2.2 If a Dispute arises, any party to a Dispute may contact the other party in writing requesting (a "***Dispute Notice***") that the Dispute be resolved in accordance with UKJT Digital Dispute Resolution Rules. If all parties to the Dispute do not agree to the Dispute being resolved in accordance with the UKJT Digital Dispute Resolution Rules within a period of 60 days from the date of the Dispute Notice, then the Dispute shall be determined and resolved exclusively by confidential, binding arbitration in accordance with Articles 7.2.3 and 7.2.4 below. The parties to any Dispute that is agreed to be resolved in accordance with the UKJT Digital Dispute Resolution Rules may agree to

expert determination instead of arbitration, but in absence of agreement, arbitration shall prevail. The appointment body shall be the Society for Computers and Law, or any other ad-hoc group of independent lawyers qualified and experienced in advising on crypto-related matters as may be agreed by the parties to the Dispute.

7.2.3 If a Dispute is not agreed to be resolved in accordance with Article 7.2.2 above, it shall be determined and resolved exclusively by confidential, binding arbitration conducted in accordance with the Cayman Islands Arbitration Act, 2012 (the “*Act*”) and administered by the Cayman International Mediation and Arbitration Centre Ltd under the CI-MAC Arbitration Rules 2023 (the “*Rules*”). The seat or legal place of arbitration shall be George Town, Grand Cayman. The language to be used in the arbitral proceedings shall be English. The number of arbitrators shall be one.

7.2.4 The arbitral tribunal shall have the powers applicable under the Act and the Rules including, without limitation, the power to order on a provisional basis any relief which it would have power to grant in a final award, and to award legal fees and expenses to the prevailing party or parties. The decision and award of the arbitral tribunal shall be final and binding, and shall be enforceable by any court of competent jurisdiction (including the courts of the Cayman Islands) in accordance with applicable Legal Requirements and international treaties. The BORG Personnel expressly waive any right under the laws of any jurisdiction to appeal or otherwise challenge the award, ruling or decision of the arbitrator.

7.2.5 Each BORG Personnel and each member of the Community: (i) hereby irrevocably and unconditionally submit to the jurisdiction of the arbitral tribunal and the courts of the Cayman Islands for the purpose of any Dispute, including the enforcement of any decision of the arbitral tribunal as set forth above, (ii) agrees not to commence any Dispute except in accordance with these Bylaws, including the use of binding arbitration as set forth above; and (iii) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any Dispute, any claim that it is not subject personally to the jurisdiction of the arbitral tribunal or the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that these Bylaws or the subject matter hereof or thereof may not be enforced in or by such court.

7.2.6 EACH OF THE BORG PERSONNEL AND EACH MEMBER OF THE COMMUNITY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY DISPUTE. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF ANY OF THE TRANSACTIONS CONTEMPLATED BY THESE BYLAWS, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS.

7.3 Amendment; Waiver. These Bylaws may be amended and provisions may be waived (either generally or in a particular instance and either retroactively or prospectively), only by approval of the Stewardship Multisig, subject, as applicable to the Veto Multi-Sig and Terra Governance.

- 7.4 Severability.** Any term or provision of these Bylaws that is found invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If a final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the court making such determination shall have the power to limit such term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and these Bylaws shall be enforceable as so modified. In the event such court does not exercise the power granted to it in the prior sentence, such court or the Board shall be empowered to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term or provision.
- 7.5 Entire Agreement.** These Bylaws, the Governance Agreements and any other documents or agreements referred to herein or therein constitute the entire agreement and understanding with respect to the subject matter hereof and thereof, and supersedes any and all prior negotiations, correspondence, warrants, agreements, understandings duties or obligations with respect to the subject matter hereof and thereof.
- 7.6 Further Assurances.** The BORG Personnel shall execute and deliver any further instruments or documents and to take all such further actions as may be necessary or advisable in order to carry out the intent of these Bylaws.
- 7.7 Rules of Construction.**
- 7.7.1 Gender; Etc.** For purposes of these Bylaws, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.
- 7.7.2 Ambiguities.** The Parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be applied in the construction or interpretation of these Bylaws.
- 7.7.3 No Limitation.** As used in these Bylaws, the words “include,” “including,” “such as” and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation.” The word “or” shall mean the non-exclusive “or”.
- 7.7.4 References.** Except as otherwise indicated, all references in these Bylaws to “Articles,” “Schedules” and “Exhibits” are intended to refer to Articles of these Bylaws and Schedules and Exhibits to these Bylaws.
- 7.7.5 Hereof.** The terms “hereof,” “herein,” “hereunder,” “hereby” and “herewith” and words of similar import will, unless otherwise stated, be construed to refer to these Bylaws as a whole and not to any particular provision of these Bylaws.
- 7.7.6 Captions/Headings.** The captions, headings and similar labels contained in these Bylaws are for convenience of reference only, shall not be deemed to be a part of these Bylaws

and shall not be referred to in connection with the construction or interpretation of these Bylaws.

7.7.7 *Person.* The term “person” refers to any natural born or legal person, entity, governmental body or incorporated or unincorporated association, partnership or joint venture.

Certain Defined Terms

“Adverse Event” means (i) any fraud, gross negligence or violation of law committed by or on behalf of the BORG, or by or on behalf of BORG Personnel in connection with the BORG’s activities; (ii) any knowing and intentional material breach of any material term of the Governance Agreements by the BORG or any BORG Personnel that could reasonably be expected to materially adversely impact the BORG or the Community (or any part of the Community); (iii) the commission of a felony or any crime of moral turpitude by any BORG Personnel (whether or not in connection with the BORG or the Community); (iv) any material legal proceedings by or against the BORG or BORG Personnel in their capacities as such; or (v) any other change, event, effect, claim, circumstance or matter that is or could reasonably be expected to become materially adverse to the ability of the BORG or BORG Personnel to perform or satisfy any of their respective duties, liabilities, or obligations under these Bylaws, including without limitation any persistent deadlock or dysfunction of any Body or Community Autonomous System.

“Blockchain” means a distributed data structure consisting of hashlinked sets (‘blocks’) of transactions that is directly or indirectly produced, maintained and/or secured by the automated consensus of a network of independent nodes operating a byzantine-fault-tolerant protocol; and any ‘layer-2’ distributed data structure consisting of hashlinked sets (‘blocks’) of transactions that is directly or indirectly produced, maintained and/or secured by the consensus of one or more nodes which create validity proofs, fraud proofs, or other similar proofs and cause such proofs to be recorded on Terra or other applicable ‘layer-1 distributed data structure.

“Blockchain System” means the combination of:

- (a) a Blockchain; and
- (b) a network of one or more devices operating software clients or software applications that jointly or individually store, validate, process transactions with respect to, update, resolve forks with respect to or otherwise maintain, validate, read from, store data with respect to, create public proofs with respect to, or write to such Blockchain.

“Blockchain Tokens” means any virtual currency, token, data structure, or other unit of account or medium of exchange that is implemented exclusively or primarily on an actively operated Blockchain System, regardless of whether transferable, non-transferable, fungible or non-fungible.

“Charter” means the articles of association, together with the memorandum of association of the BORG.

“Community Autonomous Systems” means:

- (a) the Community Blockchain System;
- (b) the Smart Contracts stored on or deployed to the Community Blockchain System, including each of the Stewardship Multisig and Treasury Control System;
- (c) while the Community Blockchain System depends for its security or operations on another Blockchain System and certain Smart Contracts stored or deployed thereon, such Blockchain System and Smart Contracts (including the Terra Blockchain System and the Smart Contracts stored or deployed thereon that enables creating or storing proofs or other data relating to the Community Blockchain System on such Terra Blockchain System), but, in

each case, only to the extent relating to the Community Autonomous Systems described in the preceding clause ‘(a)’ or clause ‘(b)’; and

- (d) any testnets or other testing environments or systems primarily serving testing, prototyping, and similar functions for the systems described in the preceding clauses, such as are not reasonably expected to have independent competitive commercial value.

“Community Blockchain System” means, at any time, the smart contract platform known as Terra, built on the Cosmos SDK and powered by Tendermint. It offers a permissionless and secure environment for developers to launch smart contracts and interoperate with other protocols and app-chains. The platform is integrated with CosmWasm, providing native support for smart contracts written in Rust and other languages.

“Community Token” means:

- (a) each Blockchain Token belonging to the class of Blockchain Tokens with the symbol ‘\$LUNA’ mintable from, and whose balances and transfers are tracked by, the Community Blockchain System
 - i. have the power to natively govern, secure, utilize or otherwise participate in the Community Autonomous Systems through the Community Token Holder Approval system; or
 - ii. are natively convertible into or stakeable for Representational Community Tokens, which Representational Community Tokens have any one or more of the powers described in the preceding clause ‘(i)’;

and

- (b) each Blockchain Tokens belonging to a class of Blockchain Tokens endorsed by a Stewardship Multisig Approval as a supplement or successor to the class of Blockchain Tokens referred to in the preceding clause ‘(a)’.

“Emergency System Governance Process” means the process for enacting an upgrade to the Community Blockchain System, through Terra Governance.

“Emergency System Upgrade” means an onchain upgrade to the Community Blockchain System that is enacted in accordance with the Emergency System Governance Process.

“Governance Agreements” means the Charter, these Bylaws, the Multisig Participation Agreements and any other written legally binding agreements affecting the governance of the BORG or any Body.

“Legal Requirement” means any federal, state, local, municipal, foreign, supranational or other law, statute, constitution, treaty, directive, resolution, ordinance, code, order, writ, injunction, judgment, edict, decree, ruling, award, rule, regulation, judgment, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any (i) nation, multinational, supranational, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (ii) federal, state, provincial, local, municipal, foreign or other government; (iii) instrumentality, subdivision, department, ministry, board, court, administrative agency or commission, or other governmental entity, authority or instrumentality or political subdivision thereof; or (iv) any quasi-governmental or private body exercising any executive, legislative, judicial, regulatory,

taxing, importing or other governmental functions, in each case as applicable to the BORG or the BORG Personnel.

“**Multisig**” means a Smart Contract or native multi-key signature management arrangement deployed by or on behalf of the BORG that: (i) is configured to recognize a specified set of Private Keys (the “**Multisig Key Set**”); and (ii) one or more of the functions of which can be executed in response to a transaction message that has been signed by a specified minimum number of Private Keys belonging to such set of Private Keys.

“**Multisig Key**” means, with respect to each Multisig, each Private Key belonging to the Multisig Key Set recognized by such Multisig.

“**Multisig Member**” means, at any time, each person who, as of such time, holds a Multisig Key for a Stewardship Multisig; *provided, however*, that the term “Multisig Member” shall not include each a voting token holder with Community Token Holder Approval powers of Multisig actions.

“**Private Key**” means a cryptographic key that is intended to be secret and corresponds to at least one public key that: (i) is known to the BORG; and (ii) constitutes a Blockchain System address.

“**Protocols**” means [INSERT TERRA DESCRIPTION]

“**Regular System Governance Process**” means the process for enacting an upgrade to the Community Blockchain System at any time when an Emergency System Governance Process is not in effect.

“**Regular System Upgrade**” means an upgrade to the Community Blockchain System that is enacted in accordance with the Regular System Governance Process.

“**Representational Community Tokens**” means any Blockchain Token that:

- (a) without reduction or dilution of the value of or economic, governance or other powers and benefits of Community Tokens, is derived from or designed to represent or to be convertible with Community Tokens (or the value of or economic, governance or other powers and benefits of such Community Tokens) (including pursuant to any ‘liquid staking’ or similar arrangements), natively on the Community Autonomous Systems;
- (b) cannot be minted, generated, credited, assigned or otherwise come into existence without staking, converting, depositing, locking, burning or otherwise removing from circulation a proportional amount of Community Tokens, natively on the Community Autonomous Systems; and
- (c) cannot remain in existence except while the proportional amount of Community Tokens referred to in the preceding clause ‘(b)’ remains staked, converted, deposited, locked, burned or otherwise removed from circulation, natively on the Community Autonomous Systems.

“**Stewardship Multisig**” has the meaning given to that term in [Article 3.2.1.1](#).

“**Stewardship Multisig Member**” has the meaning given to that term in [Article 2.4.1](#).

“**Smart Contract**” means any executable bytecodes (commonly known as ‘smart contracts’) deployed to Blockchain Systems for operation by validators, sequencers or similar network operators.

“**System Upgrade**” means a Regular System Upgrade or an Emergency System Upgrade.

“Terra Governance” means the system currently in place for Community Blockchain which permits and facilitates the use of Votable Blockchain Tokens to express preferences using the Cosmos SDK gov module.

“Veto Multisig” means the DAO DAO Multisig deployed to the address terra15l7567hhxttv2k5enmu4k8uez8e3cx3sxqfg6fsq4zzuwuzy2fqsjq00gr on the Terra Blockchain.

“Votable Community Tokens” all Community Tokens (or Representational Community Tokens) that have the power to vote on governance proposals in accordance with Terra Governance.

SCHEDULE 1 TO THE BYLAWS

MULTISIGNATURE PARTICIPATION AGREEMENT

This Multisignature Participation Agreement (this “*Agreement*”) is being entered into by and between _____ (the “*Undersigned*”) and the **PHOENIX FOUNDATION**, an exempted limited guarantee Foundation Company incorporated in the Cayman Islands with limited liability (the “*BORG*” and, collectively with the Stewardship Multisig Member, the “*Parties*”) as of the later date of the signatures below. Capitalized terms used but not defined herein shall have definitions that are ascribed to them in the Bylaws (as defined below).

By the execution of this Agreement, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Stewardship Multisig Member hereby covenants and agrees as follows:

- 1 Agreement to Bylaws. The Undersigned is hereby adopting, joining, becoming a party to, and acknowledging and agreeing to the terms and conditions of, and becoming bound by the Bylaws of the BORG of which this Multisignature Participation Agreement is Schedule 1 (the “*Bylaws*”), as a ‘BORG Personnel’ who is a ‘Stewardship Multisig Member’ of the Stewardship Multisigs referred to on Schedule 3 (Stewardship Multisigs) to the Bylaws. Without limiting the generality of the foregoing, the Undersigned hereby agrees to use all powers, privileges and rights the Undersigned may have in, under or by virtue of the Stewardship Multisig solely in accordance with this Agreement, the Bylaws and for the Authorized Uses, applied in light of the Principles (as defined in the Bylaws).
- 2 Independent Contractor Agreement. The specific rights, responsibilities, response times and other requirements of the Undersigned as a ‘BORG Personnel’ who is a ‘Stewardship Multisig Member’ of the Stewardship Multisigs referred to on Schedule 3 (Stewardship Multisigs) to the Bylaws are set forth in the independent contractor agreement between the Undersigned and the BORG.
- 3 Compensation. All compensation, benefits, and perquisites to which the Undersigned may be entitled from or on behalf of the BORG or the Community in connection with this Agreement and the Undersigned’s service to the BORG as a Stewardship Multisig Member are set forth in the independent contractor agreement between the Undersigned and the BORG, a copy of which is scheduled to the Bylaws as Schedule 2.
- 4 Additional Multisig Schemes. The BORG may create, and the Undersigned may participate in, multiple Multisigs, and, except to the extent otherwise expressly agreed in writing by the BORG and the Undersigned, any Multisig created by the BORG and participated in by the Undersigned shall automatically be deemed to be covered by the Bylaws and this Agreement.
- 5 Representations. Each Party hereby represents and warrants to the other Party as follows (other than Sections 5.8, 5.9, 5.10, which shall be representations and warranties of the Undersigned only):
 - 5.1 Authorization. The Party has all requisite capacity, power and authority to enter into, and to perform, hold, assume, undertake, and exercise all rights, powers, duties, obligations, and liabilities applicable to the Party hereunder, and the foregoing constitute the legal, valid and binding obligations of the Party, enforceable against the Party in accordance with their terms,

except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and any other laws of general application affecting enforcement of creditors' rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

- 5.2 Organization.** If the Party is an entity, the Party: (a) is duly formed, organized, validly existing, recognized as having separate legal personhood and is in good standing, in each case, under the laws of the jurisdiction of its incorporation or formation; and (b) has the requisite corporate power and authority to conduct its business in the manner in which its business is currently being conducted and to own, control and use its assets in the manner in which its assets are currently owned, controlled and used.
- 5.3 Non-Contravention.** This Agreement, the Bylaws, and the Party's rights, powers, duties, obligations, and liabilities thereunder do not contravene, conflict with, or violate or constitute a breach or default under (or an event that with notice or lapse of time or both would become a violation or constitute a breach or default under) any applicable Legal Requirement, or agreement to which the Party is subject or a party or by which the Party or any asset of the Party is bound.
- 5.4 No Required Consents.** The Party will not be required to make any filing with or give any notice to, or to obtain any approval, clearance, consent, ratification, permission, waiver, or authorization (including any governmental authorization) from, any person in connection with the execution, delivery, or performance of this Agreement or the Bylaws.
- 5.5 Solvency.** The Party (a) is not in, and does not reasonably expect to enter, bankruptcy, insolvency or similar proceedings; (b) is able to pay the debts of the Party as they become due; (c) owns property which has a fair saleable value greater than the amounts required to pay its debts (including reasonable estimates of any contingent liabilities); and (d) has adequate capital to carry on its business. The Party is not entering into this Agreement or the Bylaws with the intent to hinder, delay or defraud any present or future creditors of the Party.
- 5.6 No Sanctions.** The Party is not resident in, controlled by or under common control with, owned in whole or in part by, affiliated with, or acting on behalf of a country, territory or person subject to sanctions under the laws of any nation-state or any international sanctions regime applicable to the BORG.
- 5.7 No Convictions.** The Party has not been (and, if the Party is an entity, the directors, officers, managers, and 5% or greater shareholders of the Party have not been) convicted of or held liable for fraud, willful misconduct, gross negligence, breach of fiduciary duty, or (in connection with the Party's professional or commercial activities) a crime of moral turpitude.
- 5.8 Experience.** The Undersigned is sophisticated, experienced and knowledgeable in Blockchain Systems and related technologies, and the detection, prevention, defense, mitigation, and security best practices.
- 5.9 Representatives.** If the Undersigned is an entity, the foregoing representations are true as to each individual serving on a Multisig in connection with this Agreement or the Bylaws.
- 5.10 Non-Reliance.** The Undersigned has sufficient knowledge and experience to evaluate the transactions contemplated by this Agreement, including without limitation, the tax, and other implications of consummating the transactions contemplated hereby. The Undersigned has conducted sufficient independent due diligence into the facts and circumstances relating to this

Agreement, and is not relying upon any statements, omissions of statements, representations, or warranties of any person.

6 Independent Contractor. The Undersigned is an independent contractor of the BORG, and nothing in this Agreement shall be construed as establishing an employment relationship between the BORG or the Undersigned (or, if the Undersigned is an entity, between the BORG and any director, officer, manager, employee, independent contractor, shareholder, debtholder, or representative, agent or fiduciary of the Undersigned (the Undersigned's "***Representatives***")). The Undersigned has no individual authority to bind the BORG by contract or otherwise. The Undersigned will determine the manner and means by which the Undersigned's services to the BORG are accomplished (subject to and consistent with the applicable terms and conditions of this Agreement and the Bylaws).

7 Limitation of Liability.

7.1 In no event shall the BORG or any of the BORG Personnel, or the Community or any member thereof, owe to or incur toward the Undersigned (or of the Undersigned's Representatives) any damages (however caused and under any theory of liability, whether under this Agreement, the Bylaws, or otherwise arising in any way in connection with the services or these terms and whether in contract, strict liability, or tort (including negligence or otherwise) even if previously advised of the possibility of such damage), debts, or other liabilities (including any unknown, undisclosed, unmatured, unaccrued, unasserted, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liabilities) arising from or in connection with the BORG, this Agreement or the Bylaws, including any of the foregoing arising from the Undersigned's or the Undersigned's Representatives participation in the Stewardship Multisigs ("***Liabilities***"), other than monetary Liabilities to the Undersigned for failure to pay the compensation set forth in Section 3 or to indemnify the Undersigned as set forth in Article 6 of the Bylaws.

7.2 In no event shall the Undersigned or any of the Undersigned's Representatives owe to or incur toward the BORG or any BORG Personnel any Liabilities in excess of the amounts paid as compensation to the Undersigned pursuant to Section 3, except in the case of fraud, willful misconduct, or an intentional and knowing breach of this Agreement or the Bylaws by or on behalf of the Undersigned.

8 Term.

8.1 The Undersigned's service to the BORG shall be "at-will" and may be terminated by or on behalf of the BORG (or, if so permitted by the Bylaws or the Mandatory Autonomous Technologies, by the other Stewardship Multisig Members, by the Community) or the Undersigned at any time with or without cause, without good reason, or without notice; *provided, however*, that the Undersigned shall provide at least 90 days' prior written notice to the BORG of a voluntary termination of service by the Undersigned.

8.2 The Undersigned's service to the BORG shall automatically be deemed terminated upon the Undersigned, without obtaining the prior written consent thereto from the BORG:

8.2.1 applying for or consenting to the appointment of a receiver, trustee, liquidator, custodian, or conservator of the Undersigned or of all or a substantial part of the Undersigned's property,

8.2.2 making a general assignment for the benefit of any of the Undersigned's creditors,

8.2.3 undergoing a dissolution or liquidation (if an entity) or death (if a natural person)

8.2.3.1 "**Disability**" means having the inability, due to illness, accident, injury, physical or mental incapacity or other disability or condition, to effectively carry out the Undersigned's duties or exercise the rights or powers in connection with the Stewardship Multisig for a period of at least 60 consecutive days or for an aggregate of 60 days over any three-month period.

8.2.4 initiating or otherwise becoming subject to (voluntarily or involuntarily) a case or other proceeding seeking liquidation, reorganization or other relief with respect to the Undersigned or the Undersigned's debts under any bankruptcy, insolvency or other similar law now or hereafter in effect; or

8.2.5 if the Undersigned is an entity:

8.2.5.1 any person or group becoming the beneficial owner, directly or indirectly, of more than 50% of the outstanding voting securities of the Undersigned,

8.2.5.2 any reorganization, merger or consolidation of the Undersigned, other than a transaction or series of related transactions in which the holders of the voting securities of the Undersigned outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Undersigned or such other surviving or resulting entity or

8.2.5.3 a sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Undersigned.

8.3 The Undersigned shall use commercially reasonable efforts to notify the BORG in writing at least 60 days prior to any of the foregoing termination events, if such could be reasonably be expected by the Undersigned.

8.4 Upon any termination of the Undersigned's service to the BORG: (a) all of the BORG's obligations under Section 3 of this Agreement shall be deemed immediately terminated (other than the obligation to pay any accrued but unpaid amounts, pro-rated as applicable); (b) the Undersigned shall be required to use all means reasonably requested by or on behalf of the BORG to remove the Undersigned and the Undersigned's Representatives from all Multisigs; (c) the Undersigned's Duties relevant to the safekeeping of the Undersigned's Key(s) shall continue until the Undersigned has relinquished exclusive possession of such Key(s) to the BORG or such Key has been de-permissioned from all Multisigs; and (d) all obligations and liabilities of the Undersigned under the provisions of this Agreement or the Bylaws that by their nature are intended or customarily do survive a termination of contract (including confidentiality obligations) shall survive and be continuing. From and after any such termination, the Undersigned shall refrain from using the Undersigned's Key or otherwise exercising any of the rights, powers or privileges of the Undersigned under this Agreement or otherwise available to the Undersigned in connection with the Multisigs except to the extent explicitly requested otherwise in writing by the BORG.

- 9 No Partnership or Implied Entities/Duties/Agency. This Agreement, the Bylaws, and the matters contemplated hereby and thereby do not form, establish, or imply, and nothing contained herein or therein shall be deemed to form, establish or imply a joint venture, partnership, association, unincorporated association or other implied-at-law or implied-at-equity entity or arrangement between or involving the BORG, any of the BORG Personnel, the Undersigned, any of the Undersigned's Representatives, or the Community or any member thereof, or to create or imply any fiduciary duty or other duty not expressly set forth in this Agreement or the Bylaws other than the covenant of good faith and fair dealing under applicable contract law. None of the foregoing persons will be agent for any of the others or have any authority to make any contract, whether expressly or by implication, in the name of any the others, unless otherwise agreed in a separate written agreement between or among such persons. Each party hereto may have other business relationships and fee arrangements with other persons, notwithstanding that such persons may conduct similar businesses or activities as or be competitive with the other party, including the BORG or the Community Autonomous Systems.
- 10 Governing Law; Dispute Resolution. Articles 7.1 and 7.2 of the Bylaws shall apply to this Agreement, *mutatis mutandis*, to determine the governing law and dispute resolution of this Agreement, as if set forth herein.
- 11 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties. Nothing in this Agreement, express or implied, is intended to confer upon any Party other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.
- 12 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which when executed and delivered shall be an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.
- 13 Amendment. Except as otherwise expressly provided in this Agreement, any term of this Agreement may be amended, supplemented, terminated or waived only with the written consent of the BORG and the Undersigned; *provided, however*, that any amendment hereto relating to a matter that would otherwise require an amendment to the Bylaws shall not be permitted without obtaining the same consents thereto and approvals therefor that would be required for such an amendment to the Bylaws.
- 14 Severability. Any term or provision of this Agreement that is found invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If a final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the Parties hereto agree that the court making such determination shall have the power to limit such term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified.

In the event such court does not exercise the power granted to it in the prior sentence, the Parties hereto agree to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term or provision.

15 Waiver; Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any Party, shall be cumulative and not alternative.

16 Parties in Interest. None of the provisions of this Agreement are intended to provide any rights or remedies to any employee, creditor or other person other than the BORG, the Undersigned and their respective permitted successors and assigns (if any).

17 Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between the Parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the Parties are expressly voided.

18 Further Assurances. Each Undersigned shall execute and cause to be delivered to BORG such instruments and other documents, and shall take such other actions, as BORG may reasonably request for the purpose of carrying out or evidencing any of the matters contemplated by this Agreement.

19 Rules of Construction.

19.1 *Gender; Etc.* For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

19.2 *Ambiguities.* The Parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be applied in the construction or interpretation of this Agreement.

19.3 *No Limitation.* As used in this Agreement, the words “include,” “including,” “such as” and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation.” The word “or” shall mean the non-exclusive “or”.

19.4 *References.* Except as otherwise indicated, all references in this Agreement to “Sections,” “Schedules” and “Exhibits” are intended to refer to Sections of this Agreement and Schedules and Exhibits to this Agreement.

19.5 *Hereof.* The terms “hereof,” “herein,” “hereunder,” “hereby” and “herewith” and words of similar import will, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.

19.6 *Captions.* The captions contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

19.7 *Person.* The term “person” refers to any natural born or legal person, entity, governmental body or incorporated or unincorporated association, partnership or joint venture.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have executed this Multisignature Participation Agreement as of the later of the dated signature blocks below.

**SCHEDULE 3 TO THE BYLAWS
STEWARDSHIP MULTISIGS**

SCHEDULE 4 TO THE BYLAWS
MANDATORY AUTONOMOUS SYSTEMS

Stewardship Multisig

Veto Multisig

Terra Governance

