

BLOCKCHAIN GOVERNANCE INITIATIVE NETWORK

Preliminary Bylaws

1. Definitions

Each of the following initially capitalized terms has the respective meaning stated below. All other initially capitalized terms have the meanings assigned in BGIN Process Document (“Process Document”) or in the BGIN’s IPR Policy (“IPR Policy”).

- 1.1. “**BGIN**” means the Blockchain Governance Initiative Network, an independent community formed and temporarily organized under BN Association, a Japanese [not for profit] Corporation.
- 1.2. “**BN**” means the BN Association (Company Number: 0104-05-018489), a Japanese general incorporated association established for the purpose of concluding contracts and other legal acts related to the operation of BGIN and the management of property rights (including intellectual property rights) related to BGIN.
- 1.3. “**Code of Conduct**” means the BGIN Code of Conduct formulated on June 10, 2020 and subsequent amendments.
- 1.4. “**Note Well**” means the BGIN Note Well formulated on June 10, 2020 and subsequent amendments.
- 1.5. “**Study Group**” means the Study Group defined in Article 1.7 of the Process Document.
- 1.6. “**Working Group**” means the Working Group defined in Article 1.8 of the Process Document.

2. Purpose and Key Activities

2.1. Purpose

BGIN will take a leading role to develop healthy governance where stakeholders cultivate common understanding, enhance dialogue, and work together to make a significant positive impact on the blockchain ecosphere and society at large.

2.2. Key Activities

- 1) Create study reports to provide common understandings and insights for specific issues on which each stakeholder may have different views such as issues related to identity, privacy and key management.
- 2) Create technology/operational standards.
- 3) Create other output documents.
- 4) All other activities that contribute to the achievement of BGIN's purpose in addition to the above.

2.3. Category of Output Documents

- 1) Agreed Document: A document including Standards (documents describing technical and operational specifications) that all stakeholders agree on by consensus (consensus indicated in Article 3 of the Process Document and same for the next paragraph).

- 2) Study Report: A snapshot created under the consensus of WG/SG, which reports current status and results of research conducted by members of the WG/SG (including presentation materials).
- 3) Discussion Paper: A document (including presentation material) that provides a snapshot of the current status and results of research conducted by members of the WG/SG, excluding Agreed Documents and Study Reports.
- 4) Meeting Report: Minutes of general meetings and WG/SG meetings.

3. Funding

The fundraising by BGIN shall be determined through a prescribed procedure established by resolution of the General Meeting and in accordance with a separately prepared Fundraising Policy, if one has been created through the resolution of the General Meeting.

4. General Meeting

4.1. Composition

The General Meeting shall consist of the participants of the General Meeting. Participants in the General Meeting are those who participate in the General Meeting in response to the convocation of each General Meeting. Prospective participants are those who have indicated their intention to participate in the General Meeting when the General Meeting is convened.

4.2. Participation to General Meeting

Prospective participants are required to agree to the BGIN Code of Conduct and Note Well. Those who have become a prospective member of the General Meeting are regarded that they have agreed to be bound by the BGIN Code of Conduct and Note Well.

4.3. Matters to be Resolved at General Meeting

The General Meeting shall make resolutions on the following matters.

- 1) Election of Steering Committee (the “SC”) Members
- 2) Procedures for fundraising
- 3) Amendment of Bylaw
- 4) Amendment of BN Bylaw
- 5) Creation or amendment of each policy
- 6) Dissolution of BGIN and/or BN
- 7) Other matters that are appropriate to be resolved at the General Meeting

4.4. Convocation of General Meeting

- 1) The General Meeting is convened as needed.
- 2) The General Meeting shall be convened by the Co-Chairs on a resolution of the SC.
- 3) Notice of convocation of the General Meeting shall be given by the prescribed manner at least four weeks prior to the Day 1 of the meeting.
- 4) Prospective participants may propose an agenda item in the prescribed manner after the convocation of the General Meeting until two weeks prior to the date of the meeting. The Programming Committee proposes a draft agenda and agenda items of the General Meeting to the SC at least one week prior to the date of the meeting, taking into account the proposals made by prospective participants. The SC approves the agenda and agenda

items proposed by the Programming Committee or approves them with additions and amendments.

4.5. Chair

The Co-Chairs will chair the meeting. However, in case of accident or hindrance, other SC Members will take their place in the order previously determined.

4.6. Method of Resolution

Resolutions at the General Meeting shall be adopted by consensus, in accordance with Article 3.1 and the main text of Article 3.2 of the Process Document.

4.7. Meeting Reports

The Programming Committee shall prepare a meeting report on the said General Meeting promptly after the conclusion of the meeting

5. Steering Committee (SC) Members

5.1. Number of SC Members

- 1) The number of SC Members shall be 3 or more. However, if there are SC members who are not employees of BN in accordance with the provision of Article 5.6, 2), the number of SC members excluding such SC members shall be at least three.
- 2) The number of Co-Chairs shall be 1 or more.
- 3) Co-Chairs shall be selected from among the SC members.

5.2. Term of Office

- 1) Term of office of SC members shall be from the close of the General Meeting at which they are elected until the earlier of below:
 - The close date of the earliest of the General Meetings (limited to those in which the SC members are elected at the General Meeting) held between January and June of the year that includes the date of the second anniversary (the "Termination Year of a Term").
 - The last day of June of the Termination Year of a Term.
- 2) Half of the SC members shall be appointed for a new term of office every year, and if reasonably necessary to accomplish this, an optional term of office may be established.
- 3) The term of office of a person appointed to fill a vacancy of a SC member who retires or is dismissed before the expiration of his/her term shall be the same as the remaining term of office of his/her predecessor.

5.3. Appointment of SC Members

- 1) SC members will be appointed through the resolution of the General Meeting.
- 2) Anyone may run for a SC member. However, in appointing SC members, efforts shall be made to ensure that SC members are selected in a balanced manner from the following stakeholder groups: (1) authorities, (2) engineers, (3) businesses, (4) academia, and (5) standard-setting bodies.

5.4. Appointment of Co-Chair

- 1) The Co-Chairs shall be elected by the resolution of the SC.
- 2) The Co-Chairs will endeavor to facilitate the discussions of the General Meeting and the SC.

5.5. Dismissal of SC Members

- 1) SC Members and Co-Chairs shall be dismissed by the resolution of the SC.

- 2) SC Members who act improperly in the management of the BN must be dismissed.

5.6. Management of BN

- 1) SC members will be employees of BN. However, this shall not apply in cases where it is reasonably deemed that becoming an employee of BN would be in violation of laws and regulations or the terms and conditions set forth by the organization to which the SC member belongs, or in other unavoidable circumstances that would prevent the SC member from becoming an employee of BN.
- 2) SC members shall comply with the resolutions made by the General Meeting, the SC and other bodies of BGIN. In addition, SC members (except SC members who do not become members of BN under the proviso of 1) of this section, the same in 4) and 5)) shall exercise the member rights of the BN in a manner that is reasonably consistent with the purpose and objectives of the BGIN's activities (including, but is not limited to, the election and dismissal of directors and amendment of the Bylaws at the General Meeting as a legal procedure).
- 3) The representative directors and directors of BN must comply with the decisions made by the General Meeting, the SC and other bodies of BGIN, and must conduct his/her work in a manner reasonably consistent with the purpose of the BGIN's activities (this includes, but is not limited to the following: for Representative Directors, to perform legal acts such as entering into contracts on behalf on BN, and for Directors, to make business decisions at meetings, appointing and dismissing Representative Directors, and reporting on financial management to the General Meeting).
- 4) SC members shall not resign from the BN until he/she resigns from the said position in BGIN.
- 5) SC members shall not amend the Bylaw of the BN or dissolve the BN without a resolution of the General Meeting of the BGIN.

5.7. Remuneration

Remuneration for SC Members shall be free for the time being.

5.8. Responsibilities of SC Member

It is confirmed that BGIN's activities are externally carried out under the BN and that, except for its responsibilities as a director of the BN, it is not responsible as a SC Member of the BGIN unless it acts in breach of trust, such as by taking actions expressly contrary to those set forth in this Bylaw or in the resolutions of the General Meeting.

6. Steering Committee (SC)

6.1. Composition

The SC shall consist of all SC Members.

6.2. Role of SC

The logistical matters of the BGIN will be managed under the direction and supervision of the SC. In addition, the SC shall facilitate the discussion on business development of the BGIN and management of logistical matters including;

- 1) Decision on the venue for the General Meeting and set up of the Programming Committee
- 2) Roadmap formulation
- 3)
- 4) Collaboration with external organizations

6.3. Restrictions on Power of SC

The SC will not influence the decision-making of business and strategy of BGIN or documentation process of each group.

6.4. Convocation

- 1) The SC shall be convened by the Co-Chairs, who shall issue a notice of convocation to each SC member at least one week prior to the date of the meeting. However, this may be shortened in case of an emergency.
- 2) Notwithstanding the preceding paragraph, the SC may be held without going through the procedures for convening a meeting if all of the SC members agree to do so.

6.5. Chair

The SC shall be chaired by the Co-Chairs.

6.6. Method of Resolution

Resolutions of the SC shall be adopted by the method which the SC agreed on in advance. The method shall be prepared in a written document and the document shall be open to the public.

6.7. Omission of Resolution

In the event that a SC member makes a proposal concerning a matter to be resolved at the SC, and all of the SC members (limited to those who may participate in the voting on the matter) express their consent to the proposal in writing or by electromagnetic record, the proposal shall be regarded as approved by the SC members.

6.8. Meeting Report

Meeting reports of the proceedings of the SC shall be prepared by the Secretary Office.

7. Secretary Office

7.1. Appointment of the Secretary-General

The Secretary-General shall be appointed through consensus at the SC if necessary.

7.2. Appointment of Secretary Staff

The Secretary-General may appoint a person to assist him/her in their duties.

7.3. Functions of the Secretary Office

The secretary office performs administrative work necessary for the operation, etc. of the SC under its direction, and the Secretary-General supervises the duties of the secretary office.

7.4. Remuneration

The remuneration of the Secretary-General and Secretariat staff shall be determined by resolution of the SC.

8. Composition of Groups

The BGIN shall establish the following groups in accordance with the Process Document in order to achieve its objectives.

- 1) Working Group (WG)
- 2) Study Group (SG)

9. Document Publication Process

9.1. The publication process for Agreed Documents shall be as follows.

- 1) A group willing to publish a document shall reach consensus within the group on the publication of the document and its contents in accordance with the Process Document.
- 2) The group asks for the public review of the BGIN Broad community by reasonable means that allows the reviewers to easily express their own views. The term of the public review is no shorter than 2 weeks.
- 3) The group resolves all comments from the reviewers into the deliverable before publication.
- 4) A resolution shall be adopted at the General Meeting regarding the publication of said document and its contents.
- 5) It shall be indicated prominently at the beginning of the document which of the deliverable categories the document falls under.
- 6) The finalized document is uploaded on the reasonable space of the BGIN official website (<https://bgin-global.org/>).

9.2. The publication process for Study Reports shall be as follows.

- 1) A group willing to publish a document shall reach consensus within the group on the publication of the document and its contents in accordance with the Process Document.
- 2) The group asks for the public review of the BGIN Broad community by reasonable means that allows the reviewers to easily express their own views. The term of the public review is no shorter than 2 weeks.
- 3) The group resolves all comments from the reviewers into the deliverable before publication.
- 4) It shall be indicated prominently at the beginning of the document which of the deliverable categories the document falls under.
- 5) The finalized document is uploaded on the reasonable space of the BGIN official website (<https://bgin-global.org/>).

9.3. The process for publication of discussion papers shall be as follows.

- 1) The person willing to publish the document shall reach consensus within the group on the publication of the document in accordance with the Process Document. For the avoidance of misunderstanding, discussion papers by their nature do not require consensus on their content.
- 2) It shall be indicated prominently at the beginning of the document which of the deliverable categories the document falls under (it should be made clear that the document has not reached consensus in the group).
- 3) The finalized document is uploaded on the reasonable space of the BGIN official website (<https://bgin-global.org/>).

9.4. Meeting Reports on the General Meeting will be published by the secretary office promptly after the General Meeting in the manner described in Section 9.1 (4). Meeting reports on the SC will be published by the secretary office in the same manner if necessary.

10. IPR Policy.

Deliverables of BGIN must be managed in accordance with the IPR Policy.t

 BGIN - IPR_Policy (Draft)

Supplementary Provisions

1. Until the end of the first General Meeting after the adoption of the BGIN Preliminary Bylaw, the SC Members in the Preliminary Bylaw shall be replaced by [the Steering Committee Members as of mm/dd/yy], and the Co-Chairs shall be replaced by [● and ●].
2. The provisions of Article 5.2 1) shall apply only to SC Members who are elected for the first time after the enactment of the BGIN Preliminary Bylaw, with “after two years” replaced by “after one year” for half of them.
3. The provisions of Article 5.6 1), 2), 4), 5) shall remain not be effective until the end of the first General Meeting held after the formation of the BGIN Preliminary Bylaw.

Appendix

【Reference Documents】

- 1) [BGIN Process Document](#)
- 2) [BGIN IPR Policy](#)
- 3) [Code of Conduct](#)
- 4) [Note Well](#)