

Code4rena Foundation

(Company)

Written resolutions by the sole director of the Company

The sole director of the Company passes the resolutions set out below.

1 Definitions and interpretation

1.1 In these written resolutions, the following definitions apply:

Companies Act means the Companies Act (2021 Revision).

Foundation Companies Act means the Foundation Companies Act, 2017.

Company means the foundation company which is the subject of these written resolutions.

1.2 Unless defined above or unless the context otherwise requires, terms used in these written resolutions:

- (a) that are defined in the Foundation Companies Act (such as “interested person”, “qualified person” or “supervisor”) have the meanings given to them in the Foundation Companies Act; or
- (b) that are not defined in the Foundation Companies Act but are defined in the Companies Act (such as “Registrar”) have the meanings given to them in the Companies Act.

1.3 Other defined terms used in the body of these written resolutions have the meanings given to them appearing from their context.

2 Incorporation

2.1 The Company was incorporated in the Cayman Islands as a foundation company on 2 November 2021.

2.2 Pursuant to section 5 of the Foundation Companies Act, the certificate of incorporation contains a declaration that it is a foundation company.

2.3 The foregoing declaration evidences that the Registrar was satisfied the requirements specified in section 4(1) of the Foundation Companies Act (the **foundation company requirements**) would be met in relation to the Company. The foundation company requirements are that:

- (a) it (i.e. the foundation company in question) is limited by shares or by guarantee, with or without share capital;

- (b) it has a memorandum that:
 - (i) states the company is a foundation company;
 - (ii) generally or specifically describes its objects (which may, but need not, be beneficial to other persons);
 - (iii) provides, directly or by reference to its articles, for the disposal of any surplus assets the company may have on winding-up; and
 - (iv) prohibits dividends or other distributions of profits or assets to its members or proposed members as such; and
- (c) it has adopted articles; and
- (d) its secretary is a qualified person (being a person who is licensed or permitted by the Companies Management Act (2003 Revision) to provide company management services in the Cayman Islands).

2.4 By signing these written resolutions, the director confirms that he has received copies of the following documents:

- (a) the certificate of incorporation of the Company; and
- (b) the memorandum and articles of association of the Company.

2.5 Pursuant to section 4(1) of the Foundation Companies Act, in order for the Company to be registered as a foundation company, it was necessary for the subscriber of the memorandum of association of the Company, being Silverside Management Ltd. (the **Subscriber**), to satisfy the Registrar that the foundation company requirements would be met in relation to the Company. In particular, the Subscriber satisfied the Registrar that:

- (a) the Company is a company limited by guarantee;
- (b) the Company's memorandum satisfies the requirements specified in section 4(1)(b) of the Foundation Companies Act;
- (c) the Company has adopted the foregoing articles of association; and
- (d) the Company's secretary is a qualified person – see paragraph 4 of these written resolutions.

2.6 It is resolved:

- (a) that adoption of the memorandum and articles of association of the Company by the Subscriber be ratified; and

- (b) that the statements made by the Subscriber to satisfy the Registrar that the foundation company requirements would be met in relation to the Company be ratified as if such statements had been presented to and approved by the director of the Company before it was made.
- 2.7 Pursuant to section 165 of the Companies Act, in order for the Company to be registered as an exempted company, it was necessary to submit to the Registrar a declaration signed by a subscriber to the memorandum of association of the Company to the effect that the operation of the Company will be conducted mainly outside the Cayman Islands. The Subscriber has made such a declaration.
- 2.8 It is further resolved that the declaration be ratified, including the fact of its execution, as if it had been presented to and approved by each director of the Company before it was made.
- 3 Appointment of first director**
- 3.1 On or before the date of these resolutions, the Subscriber appointed Campbell Law to be the first director of the Company subject to, and with the benefit of the provisions of, its articles of association.
- 3.2 By signing these resolutions, the director confirms that he accepts that appointment subject to, and with the benefit of the provisions of, its articles of association and instructs the Secretary to enter his name on the register of directors of the Company and notify the Registrar in accordance with the Companies Act.
- 4 Appointment of Secretary**
- 4.1 On or before the date of these resolutions, the Subscriber appointed Silverside Management Ltd. (in such capacity, the **Secretary**) to be the first secretary of the Company subject to, and with the benefit of the provisions of, its articles of association.
- 4.2 Pursuant to section 16(1) of the Foundation Companies Act, a foundation company must at all times have a qualified person as its secretary.
- 4.3 It is noted that the Secretary:
 - (a) is a “qualified person” as defined in the Foundation Companies Act in that such person is licensed by the Companies Management Act (2003 Revision) to provide company-management services in the Cayman Islands; and
 - (b) has consented to act subject to, and with the benefit of the provisions of, its articles of association.
- 4.4 It is resolved that the appointment of the Secretary as the secretary of the Company be ratified.

5 Appointment of Supervisor

- 5.1 Pursuant to article 6.1 of the articles of association of the Company, the Company must at all times have one supervisor. Pursuant to article 6.2, the first supervisor shall be appointed by the Subscriber.
- 5.2 On or before the date of these resolutions, the Subscriber provided notice to the Company appointing Silverside Management Ltd. to be the first supervisor of the Company subject to, and with the benefit of the provisions of, its articles of association.
- 5.3 Silverside Management Ltd. has separately confirmed the appointment and the sole director instructs the Secretary of the Company to enter the name of the person above on the register of supervisors of the Company.

6 Resignation of Subscriber

- 6.1 Pursuant to article 3.4(b) of the articles of association of the Company, the Subscriber may resign as a member of the Company by giving notice to the Company.
- 6.2 On or before the date of these resolutions, the Subscriber provided notice of its resignation to take effect upon the appointment of the supervisor.
- 6.3 By signing these resolutions, each director confirms the resignation to take effect following the appointment of the supervisor and instructs the Secretary of the Company to remove the Subscriber from the register of members of the Company.
- 6.4 It is noted that, following the resignation above, the Company shall have no shareholders.

7 Appointment of legal advisers

- 7.1 It is resolved that Ogier of 4th Floor, 89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, Cayman Islands be appointed legal advisers to the Company as to matters of Cayman Islands law and that the Company adopt Ogier's terms of engagement as confirmed.

8 Company seal

- 8.1 It is resolved that, for the time being, the Company not have a corporate seal.

9 Registered office

- 9.1 Pursuant to section 13(1) of the Foundation Companies Act, a foundation company's registered office must be at its secretary's business address as a qualified person.
- 9.2 It is noted that Secretary's business address for the time being is at:

Silverside Management Ltd.
2nd Floor Whitehall House

238 North Church Street
George Town
Cayman Islands KY1-1206

10 Annual returns

- 10.1 It is resolved that the Secretary be authorised and instructed to do the following, unless and until otherwise instructed in writing by a director:
- (a) to sign for the Company the annual return form required to be submitted annually to the Registrar in and for the Cayman Islands as the Company's authorised signatory; and
 - (b) to file each annual return with the Registrar.

11 Financial year

It is resolved that the financial year of the Company end on 31 December in each year and that the first financial year of the Company end on 31 December 2021.

12 VASP Act

- 12.1 It is intended that the Company shall be involved in a project known as Code4rena (the **Project**). As part of the Project, the Company will issue a token known as \$ARENA (the **Tokens**) which will be a governance token for a decentralised autonomous organisation (**DAO**).
- 12.2 It is noted that the Company has been created for the benefit of holders of the Tokens to act as a service provider to the DAO and to take certain actions voted upon by the DAO. It is anticipated that one Token will equal one vote on the DAO. It is further anticipated that the DAO will have certain rights and powers with regards to the governance of the Company and may instruct the Company to take actions on behalf of the DAO within the limits of all applicable law.
- 12.3 It is further noted the Company will not be in the business of issuing, transferring, exchanging, safekeeping, administering or providing financial services in respect of "virtual assets" or providing "virtual asset services" as each such term is defined in the Virtual Asset (Service Providers) Act, 2020 (the **VASP Act**). The Company does, however, intend to:
- (a) issue and sell Tokens to private purchasers under a "private sale"; and
 - (b) airdrop Tokens to participants, employees, advisors and/or consultants of the Company (the **Grants**).
- 12.4 Each of the issuances above are intended to take effect as a private sale under the VASP Act which means that the issuance/ sale of Tokens will not be to the public and that the

issuances/ sale of Tokens will not be advertised, will be to a limited number of people and will each be by way of private agreement.

- 12.5 It is noted that the Company may receive contributions and donations in order to operate and fulfil its purpose. It is noted that the Company shall receive these contributions in accordance with the Foundation Companies Act and the Secretary shall, to the extent required, comply with its regulatory obligations relating thereto.

13 Generation of Tokens

It is resolved that the Tokens be minted, generated and created for the purposes of the private sales.

14 Private Sale of Tokens

- 14.1 The Company proposes to sell the Tokens privately to interested purchasers.
- 14.2 By signing these written resolutions, the sole director confirms that such director has reviewed a draft of a token purchase agreement (**TPA**) to be entered into by the Company and certain purchasers who agree to purchase Tokens.
- 14.3 By signing these written resolutions, the sole director hereby acknowledges that it is in the Company's best commercial interest that it enter into each TPA.
- 14.4 It is noted that the sale of the Tokens and entry into each TPA is being conducted as a private sale under the VASP Act.
- 14.5 It is resolved that:
- (a) the terms of the TPAs be approved, ratified and confirmed;
 - (b) the entry into the TPAs as part of a private sale under the VASP Act be approved;
 - (c) the TPAs be approved in their present form subject to such changes as the sole director or any Authorised Signatory (as defined below) may agree, the signature of the director or any Authorised Signatory on any of the TPAs being sufficient evidence of such director's or Authorised Signatory's approval of such change; and
 - (d) each director (each, an **Authorised Signatory**) be authorised to enter into and sign the TPAs on behalf of the Company.

15 Grants

- 15.1 The Company proposes to make the Grants.

- 15.2 By signing these written resolutions, the sole director confirms that such director has reviewed a draft of a token award agreement (each, a **TAA**) to be entered into by the Company and the participants, employees, advisors and/or consultants of the Company.
- 15.3 By signing these written resolutions, the sole director hereby acknowledges that it is in the Company's best commercial interest that it enter into each TAA.
- 15.4 It is resolved that:
- (a) the terms of the TAAs be approved, ratified and confirmed; and
 - (b) the TAAs be approved in their present form subject to such changes as the sole director may agree, the signature of the director being sufficient evidence of such director's or Authorised Signatory's approval of such change.

16 Regulatory Obligations - Anti-money laundering

- 16.1 The Proceeds of Crime Act (Revised) (**PCL**) and the Anti-Money Laundering Regulations (Revised) (the **Regulations**), made or deemed to be made under the PCL, set out various anti-money laundering (**AML**) requirements to which financial services providers are subject.
- 16.2 The Cayman Islands Monetary Authority (**CIMA**), in consultation with certain professional associations, has prepared and issued guidance notes on the prevention and detection of money laundering in the Cayman Islands, supplemented by statements of principle (collectively, the **Guidance Notes**), to provide guidance in complying with the Regulations.
- 16.3 The AML requirements that the Regulations impose on the Company when generating tokens may be summarised as follows:
- (a) to identify and verify Token purchasers;
 - (b) to adopt a risk-based approach to monitor financial activities;
 - (c) to maintain and monitor records relating to the verification of Token purchasers, relevant accounts files, business correspondence and the transactions effected;
 - (d) to maintain adequate systems to identify risk in relation to persons, countries and activities;
 - (e) to maintain risk-management procedures concerning the conditions under which a customer may utilise a business relationship prior to verification;
 - (f) observance of the list of countries, published by any competent authority, which are non-compliant or do not sufficiently comply with the recommendations of the Financial Action Task Force;

- (g) to establish appropriate internal controls and reporting procedures to prevent money laundering; and
- (h) to establish and maintain internal control procedures for the monitoring and testing of its anti-money laundering and suspicious activity reporting compliance systems,

(AML Procedures and Internal Controls).

- 16.4 The Company received from Ogier a document entitled "Policies and procedures to detect and prevent Money laundering and the financing of terrorism for entities conducting token generation events in accordance with relevant Cayman Islands Regulations" (**AML Compliance Manual**).
- 16.5 The sole director confirms that such director has reviewed the AML Compliance Manual.
- 16.6 It is resolved that:
 - (a) the form and terms of the AML Compliance Manual are approved on behalf of the Company;
 - (b) the sole director appoint any individual at managerial level of the Company as the Company's Money Laundering Reporting Officer and its Money Laundering Compliance Officer;
 - (c) the sole director be authorised to appoint any individual at managerial level of the Company as the Company's Deputy Money Laundering Reporting Officer, provided that, such person is not also appointed as the Company's Money Laundering Reporting Officer; and
 - (d) the sole director be authorised to insert the names of the Company's Money Laundering Reporting Officer, Money Laundering Compliance Officer and Deputy Money Laundering Reporting Officer in the AML Compliance Manual and execute the AML Compliance Manual on behalf of the Company.

17 Regulatory Obligations - Cayman Islands Beneficial Ownership Regime

- 17.1 The Cayman Islands beneficial ownership regime (**UBO Regime**) came into force on 1 July 2017. The UBO Regime establishes a secure, non-public centralised platform on which beneficial ownership information of in-scope companies must be maintained.
- 17.2 The UBO Regime requires that each company to which the UBO Regime applies (**In-Scope Company**) takes certain steps with respect to the gathering of its beneficial ownership information for the preparation of a register of such beneficial ownership information (the **Beneficial Ownership Register**) for the purposes of reporting this information pursuant to the UBO Regime.

17.3 Ogier has advised that the Company is an In-Scope Company. As such, the Company will be required to record information on such beneficial ownership register. As such, Ogier has advised that the Company is required to:

- (a) engage the Secretary to maintain an adequate, accurate and current beneficial ownership register;
- (b) take reasonable steps to identify "registrable persons";
- (c) give notice to all beneficial owners and relevant legal entities requiring such persons to confirm their status;
- (d) provide to the Secretary the required particulars of such registrable persons once those particulars have been confirmed;
- (e) instruct the Secretary to enter the required details of registrable persons into the Beneficial Ownership Register of the Company; and
- (f) upon becoming aware of any change to the particulars of a registrable person stated in its Beneficial Ownership Register, give notice to the registrable person as soon as reasonably practicable requesting confirmation of the change,

(the **Beneficial Ownership Compliance Process**).

17.4 It is noted that the Secretary has provided the following documentation, to be completed by the Company and its relevant beneficial owners in order to complete the Beneficial Ownership Compliance Process:

- (a) Cayman Islands Beneficial Ownership Regime – Classification Declaration; and
- (b) Cayman Islands Beneficial Ownership Regime – Notification Forms,

(together, the **UBO Forms**).

17.5 It is further noted that pursuant to the Company's articles of association:

- (a) supervisors have voting rights; and
- (b) supervisors hold the right, directly or indirectly, to appoint or remove a majority of the directors of Company.

17.6 It is hereby resolved that:

- (a) the UBO Forms be completed with such information as is required in respect of the Company's compliance with the UBO Regime;

- (b) any supervisors be requested to provide such information and documentation as is necessary and requested by the Company's registered office provider in order to ensure compliance with the Beneficial Ownership Compliance Process;
- (c) any one director be and is hereby authorised to sign the UBO Forms for and on behalf of the Company;
- (d) the Secretary be instructed to prepare the Beneficial Ownership Register and to take such further steps as are necessary pursuant to the UBO Regime in order to ensure the Company's compliance with the UBO Regime.

18 Regulatory Obligations – Economic Substance

18.1 It is noted that:

- (a) The International Tax Co-operation (Economic Substance) Act (2020 Revision) (the **ES Act**) requires in-scope entities that carry on particular activities to have demonstrable economic substance in Cayman;
- (b) The ES Act defines which Cayman entities are in-scope (**Relevant Entities**). All Cayman entities must make an annual report as to whether or not they are carrying on one or more of a defined list of activities (**Relevant Activities**). If a Relevant Entity is carrying on one or more Relevant Activities, then it must also satisfy an economic substance test in Cayman in respect of such Relevant Activities. Cayman's Tax Information Authority (**TIA**) is responsible for determining if a Relevant Entity satisfies the economic substance test;
- (c) The definition of Relevant Entities under the ES Act includes exempted companies including exempted foundation companies. Accordingly, the Company is a Relevant Entity; and
- (d) Like all Cayman entities, the Company will have to make an annual declaration as to whether it has conducted any Relevant Activities in the preceding financial period. Relevant Activities are fund management, banking, insurance, finance and leasing, distribution and service centre business, headquarters business, intellectual property business, shipping, and holding company business.

18.2 It is resolved that the Company is a Relevant Entity but will not carry on any Relevant Activity.

18.3 It is expected that the Company (or the Company's registered office on its behalf) will be required to submit a notification or declaration to the Registrar confirming (i) that it is a Relevant Entity, and (ii) that it does not carry on any Relevant Activity. Such confirmation is expected to be required at or around the time of the filing of the Company's annual return.

18.4 It is resolved that:

- (a) any director be authorised to sign any classification, notification, declaration or other confirmation required now or in future to be given to the Registrar or to the Company's registered office for and on behalf of the Company for the purpose of the ES Act confirming that the Company is a Relevant Entity in such form as such director shall approve, and to lodge the same with the Registrar or the Company's registered office, as the case may be;
- (b) the Company's registered office be authorised to submit confirmation of the status of the Company under the ES Act to any Cayman governmental authority if required to do so, through the annual return of the Company or otherwise, and to take such further steps as are necessary pursuant to the ES Act in order to ensure the Company's compliance with the ES Act; and
- (c) any director or other person as determined by the Company be authorised to make any necessary communications or registrations with the TIA.

19 Further actions

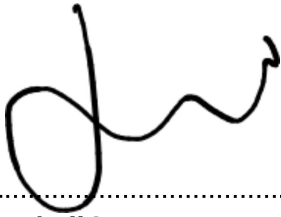
19.1 It is resolved that the directors of the Company be authorised to take such further actions or procure that such further actions are taken, as such director may consider necessary or convenient to effect the foregoing resolutions.

19.2 Without limiting the generality of the foregoing:

- (a) the directors be authorised to approve, on behalf of the Company, the terms of any documents (**Ancillary Documents**) that such director considers necessary or desirable in connection with the transactions contemplated by the Documents, such approval to be evidenced by such director's execution and delivery (whether alone or together with another authorised signatory) of the Ancillary Documents; and
- (b) the directors be authorised to do all such other actions and things as that director considers necessary or desirable for the purposes of the transactions contemplated by the Documents and the Ancillary Documents.

20 Ratification

It is resolved that any and all actions of the Company, or of any director or officer, taken in connection with the actions contemplated by the foregoing resolutions prior to the execution hereof be and hereby are ratified, confirmed, approved and adopted in all respects as fully as if such action(s) had been presented to for approval, and approved by, all the directors prior to such action being taken.



.....
Campbell Law

as director of Code4rena Foundation

22 / 12 / 2021

.....
Date signed