

THE IMPACT DAO COOPERATIVE

STATUTES

I. Definitions

Art. 1

In these Statutes as well as all other documents issued under these Statutes, the following shall apply as far as this is permitted by the context:

- a) the singular also includes the plural;
- b) reference to one gender also includes the other gender;
- c) the term “annex” refers to a written instrument attached to this or any other document that forms an integral part of the document in question;
- d) the term “documents” refers to the Declaration of Formation, these Statutes, the Innovation Document, Regulations and annexes;
- e) the term “Formation Deed” refers to these Statutes together with the Declaration of Formation;
- f) the term “invention” refers to the idea for a new product, service or business model as the basis for an innovation;
- g) the term “innovation” refers to the result of the process for turning the invention into a successful product or business model;
- h) the term “LVC” is the abbreviation for “Liechtenstein Venture Cooperative”, i.e. the legal entity established through this document;
- i) the term “founder(s)” refers to the person(s) who has/have established the LVC;
- j) the term “innovator(s)” refers to the person(s) who has/have contributed the idea as the basis for the LVC;
- k) the term “Innovation Document” refers to the document issued by the founders in accordance with Article 3.2 of these Statutes that defines the invention as well as the interim steps in the innovation process;
- l) the term “person” refers to natural and legal persons, institutions and organizations;
- m) the term “PGR” refers to the Liechtenstein Persons and Companies Act in the version applicable on the date on which the cooperative was established;
- n) the term “mental or physical disability” refers to the inability of a member of the Management Group to make appropriate financial decisions or to communicate them orally or in writing in a readily understandable manner;
- o) the term “Regulations” refers to a document issued by the founders, the members’ meeting and/or the Management Group and containing internal rules pertaining to the execution of the Statutes and/or the Innovation Document;
- p) the term “shareholder” refers to a member to whom a share (unit) in the LVC has accrued;
- q) the term “Management Group” refers to the body that conducts the LVC’s business in accordance with the statutory requirements and the applicable documents in accordance with Article 13 ff;

- r) the term “member of the Management Group” refers to a present or future member of the Management Group;
- s) all powers granted to the members of the Management Group either in a document or by operation of the law (as far as the context permits) may be exercised on a recurring basis and at all times during the existence of the LVC;
- t) these powers are such that they are exercised by the members of the Management Group at their own free discretion in the best interests of the business purpose of the LVC;
- u) The term “Decentralised Autonomous Organisation” (abbreviated as “DAO”) refers to a governance mechanism that enables members to vote on specific proposals using their tokenised member points in a consensus-based system on a blockchain, which may implement and enforce the decision outcome of the vote using computer code.

II. Description of the LVC

1. Name and location

Art. 2

A legal entity in the form of a small cooperative has been established under the name

“Impact DAO Cooperative”,

hereinafter referred to in these Statutes as **“LVC”**, in accordance with Art. 483 ff PGR.

The LVC shall come into being upon the Statutes and the Formation Deed being signed by the founders. The LVC shall not be filed or registered in the Liechtenstein public registry.

The LVC shall have its registered office in Vaduz, Liechtenstein.

2. Purpose

Art. 3

The purpose of the LVC shall be to develop the invention and further innovations for market readiness and commercialisation, at least up to the point that financial returns on revenues generated and investment returns reach a break-even to equal or exceed the total nominal value invested into the LVC.

The interests of the innovators and other parties involved shall be duly supported so that this new idea can be successfully implemented.

The innovation shall be developed autonomously. To this end, the members shall make a contribution to the LVC in the form of money, work, expertise or other intangible contributions towards the development and advancement of the innovation. These contributions shall be quantified in member points that shall be represented in the format of cryptographic tokens. The members shall adopt Contribution Regulations that define the mechanisms for quantifying and allocating member points (DAO tokens) for member contributions.

The invention and the innovation shall be defined in the Innovation Document. The individual development steps shall be defined separately in addenda to the Innovation Document ("addenda").

The Innovation Document and the addenda shall each be signed by the members of the Management Group, it being agreed that the Chairman's signature at least shall be officially certified.

The Management Group may authorise the Chairman to sign the Innovation Document and addenda on behalf of the Management Group. The Innovation Document and the addenda are confidential and shall be stored in a safe place. They may also be deposited with the Office for Justice, Public Registry Department.

III. Finance

1. Financial resources

Art. 4

The activities of the LVC shall be particularly financed by the issue of member points (DAO tokens). The Management Group may also access other sources of finance provided that this does not have any adverse effect on the LVC's objectives.

However, a material part of the LVC's input shall stem from the development of the innovation and the related increase in value. All forms of contributions (money, expertise, work, infrastructure etc.) that increase the value of the innovation shall be remunerated with the issue of member points (DAO Tokens). The details shall be governed by the Contribution Regulations. Accordingly, the LVC's capital shall comprise the sum total of the member points, reflecting the value of the innovation, as well as the capital assets that are held by the LVC, which may include digital assets and equity shares.

2. Management of assets

Art. 5

The Management Group shall manage the LVC's assets in accordance with the resolutions of the members.

Members shall make resolutions relating to the management of assets by voting on governance proposals.

The proposal and voting procedures shall be conducted using the blockchain mechanisms that are implemented for the LVC Decentralised Autonomous Organisation (DAO). The weight of each Member's vote will be determined by the number of membership points (DAO Tokens) they hold at the time of the vote.

3. Liability

Art. 6

The LVC's liabilities shall be limited to the value of its assets. The members shall have no personal liability.

IV. Organisation

1. Administrative bodies

Art. 7

The LVC shall have the following bodies:

- a) the Members Group
- b) the Management Group
- c) the Auditors
- d) Groups that are given specific commissions or delegated authority, in accordance with the resolutions and Regulations adopted by the Members Group.

2. Members Group

a) General

Art. 8

The Members Group is a virtual assembly of all cooperative members (referred to as “**members**” in these Statutes).

Each member shall have voting rights in the Members Group in proportion to their membership points (DAO Tokens).

The Members Group shall be the LVC's ultimate decision-making body (constituting the quorum of the cooperative members as defined in Art. 490 PGR).

A Members Group Annual Meeting shall be held within seven months of the end of the previous financial year. The financial year shall be the same as the calendar year.

Additional extraordinary meetings of the Members Group shall be held if either one third of the members request such a meeting through a governance vote by the members on a written proposal that included the agenda, or if the Management Group considers such a meeting to be necessary.

b) Invitation to Members Group meetings

Art. 9

A written invitation to Members Group meetings will be submitted as proposals to the DAO that include details of the agenda, and these proposals shall be notified to all members in good time, however no later than 14 days before the date of a proposed meeting.

As a rule, meetings of the Members Group shall be hosted from Liechtenstein and be held virtually (e.g. via Zoom). The Chairman or his Proxy must at least be physically present in Liechtenstein at the time of the meeting.

Members shall submit proposals to the Members Group in good time, so that these can be placed on the agenda. Only proposals and motions that are of minor importance (miscellaneous) do not have to be expressly placed on the agenda.

c) Quorum

Art. 10

A meeting of the Members Group shall be deemed to have the requisite quorum if at least half of the members are present in person or by proxy.

If a meeting of the Members Group does not have the requisite quorum, a second meeting shall be convened as soon as possible, however no later than within one week. This second meeting shall be deemed to have the requisite quorum regardless of the number of members who are present in person or by proxy.

Members may arrange to be represented by other cooperative members. One member may represent a maximum of two other member.

d) Resolutions

Art. 11

In the absence of any provisions to the contrary in these Statutes, the Members Group shall pass its resolutions with a simple relative majority of the votes cast.

e) Responsibility

Art. 12

The Members Group shall be responsible for:

- a) Approving the Management Group's annual report;
- b) Approving the minutes of the last meeting of the Members Group;
- c) Approving the annual accounts;
- d) Approving any other reports;
- e) Ratifying the actions of the Management Group, the auditors, any commissions and any delegates;
- f) Electing the Management Group and the auditors;
- g) Setting up new commissions, typically as DAO groups, and appointing delegates;
- h) Excluding members;
- i) Amending the Statutes (Art. 21);
- j) Passing a resolution to dissolve the LVC;
- k) Issuing regulations, in particular the Contribution Regulations
- j) Passing resolutions on proposals and motions that are submitted by the Management Group which are of fundamental importance. If a resolution is required urgently or the guidelines for passing a resolution are included in the regulations for the members' meeting, the Management Group may also make decisions on such matters.

d) Management

Art. 13

The annual meeting of the Members Group shall be chaired by the Chairman of the Management Group. The Management Group Secretary shall take the minutes of the members' meeting.

3. Management Group

a) General

Art. 14

The Management Group shall have 3 to 9 members who serve as the Executive Board of the LVC. It shall be self-constituting. However, the Chairman and the Deputy Chairman shall be determined by a Members Group governance proposal. Members of the Management Group shall hold office for two years. Re-election shall be permissible.

The Management Group shall adopt its own regulations (Management Group Regulations), which shall particularly govern its organisation as well as the convocation, quorum and chairing of the Management Group meetings.

In principle, Management Group meetings shall be held in Liechtenstein. Minutes shall be taken of the Management Group meetings.

b) Management Responsibility

Art. 15

The Management Group shall conduct the business required to achieve the LVC's purpose. In particular, it shall be responsible for:

- a) Representing the LVC in relations with outside parties;
- b) Organising and overseeing the development of the invention into an innovation and for market readiness, or at least to a stage in which further development or the sale and marketing of the innovation is possible;
- c) Preparing and convening the members' meeting;
- d) Maintaining the share register (Art. 18);
- e) Preparing the annual financial statements as of June each year;
- f) Supporting the smooth operation of the DAO mechanisms.

In addition, the Management Group shall hold all powers that are not expressly allocated to other bodies.

4. Auditors

Art. 16

The Management Group may appoint auditors. The auditor's office shall comprise one or two persons elected by the Members Group. It is not necessary for the auditors to be members. They must not be members of the Management Group. They shall hold office for two years. Re-election shall be permissible.

The auditor's office shall examine the balance sheet, inventories, the orderly allocation of member points (DAO Tokens), the accuracy of the share register, the income statement, and the rest of the LVC's bookkeeping as to its compliance, correctness and reliability. It shall submit a corresponding written report to the Members Group annual meeting.

5. Commissions and delegates

Art. 17

The Members Group and also the Management Group may establish commissions and appoint delegates for special purposes (e.g. research and development groups for certain activities). The duties to be performed in this regard shall be determined as written proposals approved by majority vote of the Members Group, or by the Management Group.

V. Membership

1. General Information

Art. 18

Legal and natural persons may be members of the LVC.

The members shall receive member points (DAO Tokens) in return for their contributions. There shall be one voting right at the members' meeting for every member point (DAO Token) held and in every vote on a proposal in the DAO governance mechanism.

An individual member's entitlement to the LVC's assets shall be determined on the basis of the shares defined in the Contribution Regulations.

Membership rights shall be inheritable.

Members shall be under a duty of loyalty towards the LVC and have a duty to disclose any conflict of interests.

2. Admittance

Art. 19

a) Eligibility for membership

The Members Group shall decide on the admission of new members. The request for admission shall include the legal entity name and registered office address, or last name, first name and residential address of the candidate.

b) Description, rights and obligations

Art. 20

The members shall perform their activities in accordance with the Contribution Regulations.

The contribution and the number of member points (DAO Tokens) or fixed shares accorded in return for such contribution shall be determined in writing for each individual member on the basis of the Contribution Regulations (where applicable, step by step after the achievement of certain milestones).

If a member is unable or unwilling to make any further investments, membership and the member points shall be retained unless the member declares his withdrawal from the LVC (in accordance with Art. 21).

Member points shall be embodied by Cryptographic tokens (DAO Tokens) issued on a blockchain and the Management Group shall maintain a register of members and their member points, using a blockchain ledger.

4. Termination

Art. 21

Each member may declare their withdrawal from the LVC at the end of any financial year. However, in the absence of any agreement to the contrary, the member shall not be entitled to receive any part of the LVC's assets. Declarations of withdrawal shall be served in writing on the Chairman. All cryptographic tokens that represent membership points shall be returned to the LVC within 14 days of the member declaring their withdrawal.

A member may be excluded from the LVC in a resolution passed by governance vote of the Members Group with three quarters of the votes cast.

Any proposal by the members to exclude another member shall be served as a governance proposal to the Members Group, stating in writing the reason for such motion. A member may only be excluded for good cause, e.g. a breach of the duty of loyalty.

VI. Miscellaneous

1. Amendments to the Statutes

Art. 22

The Members Group may pass resolutions to amend these Statutes with a majority of two thirds of the votes cast by members, or points attributable to members.

Governance Proposals to amend these Statutes shall state the entire wording of the amendment to the Statutes.

The requirements for amendments to the Statutes shall also apply to any changes to the Innovation Document and the Contribution Regulations.

2. Dissolution

Art. 23

The LVC may only be dissolved if a Governance Proposal resolution is passed with a majority of two thirds of the votes cast by the members group. The LVC shall always be continued if at least ten members vote in favour of its continued existence.

If the LVC is to be dissolved, any liquidation surplus shall be used for purposes that approximate as close as possible to the LVC's objective. The surplus may be held in trust for transfer to a successor entity. In the absence of any provision to the contrary, the LVC's assets including its inventories shall be transferred for safekeeping to the municipal administration in the town or city in which the LVC has its registered office. This municipal administration shall then release these assets to any new cooperative society established at a later date for the same purpose.

3. Conversion

Art. 24

The LVC may decide to convert the small cooperative into a registered cooperative (Art. 483 (3) PGR).¹ The requirements applicable to any amendments to the Statutes shall also apply to the resolution affecting such conversion.

4. Disputes

a) Mediation duty

Art. 25

In the event of any dispute, an amicable solution shall be sought before the matter is referred to the court of arbitration. Such attempted settlement shall be documented in writing.

If it is not possible to settle the dispute internally, the matter shall be referred to a qualified mediator for mediation. If the parties are unable to agree on a mediator, any party may ask the *Verein Mediation Liechtenstein* to nominate a mediator.

b) Court of arbitration

Art. 25

All disputes, differences of opinion or claims between the LVC, its bodies, the members in connection with the LVC, its establishment, activities or liquidation including the existence and scope of any entitlement (e.g. amount of member points), the validity of the LVC or lack thereof, any changes to or the dissolution of the LVC, challenges to resolutions and regulatory measures, shall be settled in arbitration proceedings conducted in accordance with the arbitration rules of the Liechtenstein Chamber of Industry and Commerce, it being agreed that there shall be no right of recourse to the ordinary courts of law. Arbitration proceedings may only be commenced after mediation efforts have failed.

Upon being admitted to the LVC, each member agrees to be bound by these arbitration rules. On request, the court of arbitration may transfer its seat to the location of the LVC's registered office if this is necessary to ensure the validity under corporate law of the decision made by the court of arbitration for the LVC.

The court of arbitration shall have one arbitrator. The seat of the court of arbitration shall be Vaduz. The arbitration proceedings will be conducted in English.

Signed in Vaduz on 14 February 2023

The Chairman

A handwritten signature in black ink, appearing to be 'SC' or similar initials, written in a stylized, cursive manner.

Shaun Conway