Amendments SUP 10,11

Summary of Changes

- Update on strategic topics for Legal Resilience (SUP 10.3 - 10.8)

- Update on Resilience Fund's policy (SUP 10.1.1.3)

- Update on Lawyer Registry requirements (SUP 10.1.2)

- Update on Legal Research framework (SUP 11)

ToC SUP 10

10. Legal Resilience

10.1 Legal Defense Resources

10.1.1 The Resilience Fund

10.1.1.1 Resilience Fund Budget

10.1.1.2 Resilience Technical Committee

10.1.1.3 Resilience Fund Policy

10.1.1.4 Resilience Fund Processes

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10.1.3 Legal Defense SOPs

10.1.4 The Guardian

10.2 Legal Risk Management

10.2.1 Legal Risk Management Bodies

10.3 Privacy and Operational Security

10.4 Advocacy and Public Policy

10.5 Legal and Regulatory Risk Monitoring

10.6 General Procurement Framework

10.7 Atlas Amendment and Audit

10.8 Legal and Technical Standards

New Articles

Legal Defense

- SUP 10.1.1.1 Transition Funding for DAO legal defense

- SUP 10.1.1.3.3: New Beneficiary Group for Resilience Fund:

- DAI Foundation Board Members

- SUP 10.1.1.3.4, ff: Definition of geographical coverage, time scope, and retroactivity period

for Resilience Fund

- SUP 10.1.1.4.1 ff: Onboarding process and Cryptographic Proof of Eligibility for Resilience

Fund

- SUP 10.1.1.4.3 Caps and Exclusions for Resilience Fund

- SUP 10.1.1.4.4. Refund Policies for Resilience Fund

- SUP 10.1.1.4.5 Litigation / Defense Management principles

- SUP 10.1.2 Update on Counsel requirements for the Lawyer Registry

*SUP 10.1.2.3 Update onboarding process of new counsel in Lawyer Registry

- SUP 10.1.4 Creation of a specialized SPV "The Guardian" designed

For undertaking the legal defense of unincorporated DAOs and

subDAOs in the Maker ecosystem.

- SUP 10.3 Privacy and Operational Security

- SUP 10.4 Advocacy and Public Policy

- SUP 10.5 Legal and Regulatory Risk Monitoring

- SUP 10.6 Public Procurement Framework

- SUP 10.7 Atlas Amendment and Audit

*SUP 10.8 Technical and Legal Standards

Legal Research

- SUP 11.2 ff: Objectives and Application Process for Legal Research Projects

Amended Articles

SUP 10. Legal Resilience (Change Title)

SUP 10.1.1.4.2.2.4 : Add to substantial criteria in the claim process:

- Reasonability of lawyer fees, which must take into account market

rates in the respective jurisdiction

SUP 10.1.1.4.3.2 Definition of "reasonable expense"

SUP 10.1.1.2.2 . Clarify eligibility criteria of Members of the Resilience Technical

Committee

SUP 10.1.2.2.1 : Number of years of experience required for litigation Counsel

reduced to 10.

10: Legal Resilience

This section defines the general framework for legal resilience, legal risk management, and legal governance.

10.1: Legal Defense Resources

This section covers the resources available for legal defense. Over time, it can include both Maker Governance-controlled assets and external third-party resources and may be used to cover additional risks.

10.1.1: The Resilience Fund

The Resilience Fund (RF) is a self-insurance instrument fully controlled by Maker Governance, which will cover legal defense expenses in case of legal or regulatory action against the DAO or active participants in the Maker ecosystem. The RF will be the primary source for direct legal defense funding. The conditions of use are defined in the "Resilience Claims Process" (10.1.1.4.2).

10.1.1.1 Resilience Fund Budget

The budget of the Resilience Fund is defined in 10.1.1.1A. The Support Facilitator can propose to pay out the budget manually through a weekly cycle, according to the rules related to claims described in this Section. The Support Facilitator can propose modifications to 10.1.1.1.1A through the weekly cycle.

10.1.1.1A:

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The current active budget for the Resilience Fund is: 5000000 Dai per year, with the full amount available at the start of each calendar year.

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10.1.1.1.1 Transition Funding

Legal defense expenses directly related to the DAO may be temporarily financed using the resources of the Resilience Fund. However, a separate Claim Protocol and Standard Operational Procedure will be developed if the DAO is the target of a legal or regulatory action (SUP 10.1.3). The Resilience Technical Committee will assist in elaborating the ruleset.

10.1.1.2 The Resilience Technical Committee

The Resilience Technical Committee is a group of Ecosystem Actors authorized by Maker DAO to provide operational support such as onboarding new beneficiaries to the RF, approving quotes, assessing claims to be supported by the RF, and additionally providing general advice on the further development of the fund, amendments to the claim procedure, resilience measures and other risk management topics.

10.1.1.2.1:The Resilience Technical Committee is selected and paid for services on a project basis by the Support Facilitator. The budget for this is included in 10.1.1.1A. This is later intended to move to a separate budget.

10.1.1.2.2: The individual members of the Resilience Technical Committee directly involved on behalf of the organization must fulfill the following requirements:

10.1.1.2.2.1 Members must have experience equivalent to or currently working for a world-leading insurance broker, insurance company, risk management company, or legal role.

10.1.1.2.2.2 Members must have at least three years of experience managing Self- Insurance instruments or experience in legal or regulatory risk analysis.

10.1.1.2.2.3: Members must have a law, management, risk, or insurance professional degree.

10.1.1.2.2.4 Members must not be involved in any business activity outside Maker DAO or in any role within MakerDAO that could result in a conflict of interest, either directly or indirectly.

10.1.1.2.2.5 Members must have at least three years of experience in the cryptocurrency, DeFi, Web3, or emerging technology sectors.

10.1.1.2.2.5: Current approved Resilience Technical Committee members are specified in 10.1.1.2.2.5A. The Support Facilitators can directly edit the Active Element to include new Resilience Technical Committee Members that fit the criteria.

10.1.1.2.2.5A:

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List of active Resilience Technical Committee Members:

Gallagher

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10.1.1.3 : Resilience Fund Policy

This section will govern the conditions and terms of use of the Resilience Fund.

10.1.1.3.1 : Loss Event

The Resilience Process covers legal defense or legal representation expenses incurred by a participant of the Maker Ecosystem when they are the defendant or respondent in a legal or regulatory action ("The Loss Event"). There must be a

direct relationship between the legal or regulatory action and the Beneficiary's activity at MakerDAO.

A (non-exhaustive) list of legal or regulatory actions that may qualify is described in the following subelements.

10.1.1.3.1.1 Official requirements, or communications, from a regulatory body, governmental authority, or a court

10.1.1.3.1.2 Subpoenas

10.1.1.3.1.3 Lawsuit

10.1.1.3.1.4 Writs

10.1.1.3.2 Exclusions

The cases specified in the following subelements will generally be excluded from coverage by the legal defense process:

10.1.1.3.2.1 Prior or pending claims.

10.1.1.3.2.2 Claims between persons involved in the Maker ecosystem.

10.1.1.3.2.3 Loss covered by other insurance.

10.1.1.3.2.4 Willful criminal offenses, fraud, or dishonesty.

10.1.1.3.2.5 Conflict of Interest.

10.1.1.3.3 : Beneficiaries

Eligible beneficiaries are persons who fulfill the following requirements:

a) act on their own behalf OR b) act on behalf of a legal entity OR c) act on behalf of a collective AND have one of the following roles:

Previous Structure:

- Recognized Delegates

- Core Unit Facilitators

- Core Unit Contributors

- DAI Foundation Board Members

Current Structure:

- Active MKR or SubDAO Token Holders that participate regularly in governance (e.g., voting, writing proposals)

- Alignment Conservers

- Aligned Voter Committee Members (AVCs)

- Aligned Delegates (ADs)

- Aligned Voter Committee Members (AVCs)

- Aligned Delegates (ADs)

- Scope Facilitators

- The Guardians (SUP 10.1.4) or actors that fulfill an equivalent role

10.1.1.3.3.12 Persons qualified as beneficiaries do not have any acquired right or claim. The claim decision process is described in 10.1.1.4, and the payout of a claim is subject to the approval of the Resilience Technical Committee (at their sole and absolute discretion) and further contingent on an MKR vote endorsing payment of the claim.

10.1.1.3.4 Geographical Coverage

Geographical coverage is worldwide.

10.1.1.3.5 Effective Date

A Beneficiary's eligibility for coverage under this Artifact will start after ratification of MIP 106: 2023-03-27. ("Effective Date") and expire twenty - four (24) months after cessation of their role as a Beneficiary.

10.1.1.3.6 Base of coverage

Coverage is "Claims made". This means the Loss Event (10.1.1.3.1) must occur after the Effective Date (10.1.1.3.5).

The facts and circumstances that originated the Loss Event may have occurred in the past for a maximum period of up to twenty-four (24) months before the date representing the later of (a) the Effective Date and (b) the date the Beneficiary is first eligible for coverage under this Artifact (the "Retroactivity Period").

10.1.1.4. Resilience Fund Processes and Principles

Overview of the related processes and principles:

- Application process

- Claim management process

- Caps and Exclusions

- Refund of amounts to the Resilience Fund

10.1.1.4.1 Application process

10.1.1.4.1.1 Proof of Eligibility (PoE)

To become recognized as a Beneficiary, an Applicant must first select an Ethereum address that is linked to their activity at MakerDAO ("Proof of Eligibility:) Each Beneficiary type will have specific Proofs of Eligibility that are suitable for their role.

Valid PoE:

- Address set as owner and used to sign transactions from MakerDAO multisigs, such as Core Unit operational wallets, auditor wallets or SPFs (old structure), or a Facilitator multisig (Endgame Structure)

- PoE valid for former Core Unit Contributors, Core Unit Facilitators, and Scope Facilitators.

- PoE valid for former Core Unit Contributors, Core Unit Facilitators, and Scope Facilitators.

- Address that voted directly or through delegation in at least ten governance polls or executive votes.

- PoE valid for active MKR holders, former Recognized Delegates (Old structure), and Aligned Delegates (Endgame structure)

- PoE valid for active MKR holders, former Recognized Delegates (Old structure), and Aligned Delegates (Endgame structure)

- Address that received compensation from MakerDAO, with the following conditions:

- at least six payouts spread over at least six months in DAI OR

- DAI DssVest stream spanning at least six months OR

- 3 MKR payouts spread over at least three months OR

- MKR DssVest stream spanning at least three months

- PoE valid for former Core Unit Contributors and Facilitators

- at least six payouts spread over at least six months in DAI OR

- DAI DssVest stream spanning at least six months OR

- 3 MKR payouts spread over at least three months OR

- MKR DssVest stream spanning at least three months

- PoE valid for former Core Unit Contributors and Facilitators

- Address that holds >1 MKR

- PoE valid for AVC members

- PoE valid for AVC members

- Attestation

- If no PoE is available, a verified Beneficiary must attest eligibility on behalf of the applicant.

- This PoE will be used exceptionally if no other Proof is available and will be assessed individually by the Resilience Fund Technical Committee.

- If no PoE is available, a verified Beneficiary must attest eligibility on behalf of the applicant.

- This PoE will be used exceptionally if no other Proof is available and will be assessed individually by the Resilience Fund Technical Committee.

10.1.1.4.1.1T Applications for the RF must follow this template:

- .x: [Application RF]

- .x.1: [PoE]

- .x.2: [Active Period]

- .x.3: [Relevant Executive Proposal: Governance decision ratified by a governance vote]

- .x4: [Signature hash]

The application form template will be integrated into the DAO Toolkit's user-friendly frontend.

10.1.1.4.1.2 Digital Signature

The Applicant must sign additionally an application message from the Ethereum Address (Digital Signature) used as PoE (10.1.1.4.1.1)

10.1.1.4.1.3 Terms and conditions

By signing this message, the Applicant accepts and agrees:

- To comply with the terms and rules of SUP 10 (the "SUP 10 Terms").

- That participation in the program is opt-in and voluntary and can be waived anytime by the Beneficiary.

- That SUP 10 Terms can be amended at any time through the established governance processes.

- That being registered as Beneficiary does not give rise to any right, benefit, entitlement, or claim, nor creates an obligation on any party to pay the Beneficiary.

Additionally, the Beneficiary declares that:

- No situation currently involves or appears to involve a conflict of interest, and any emerging potential conflict of interest shall be disclosed as soon as it happens.

- Any role change in MakerDAO or termination of active engagement will be immediately communicated to the Resilience Technical Committee.

The Resilience Technical Committee will elaborate a user-friendly onboarding manual for the RF.

10.1.1.4.1.4

The Applicant will additionally send an encrypted message to the Resilience Technical Committee Member in charge of the onboarding process to confirm the application.

10.1.1.4.1.5 Approval process and verifiability

PoEs rely on a governance decision that was ratified by an executive vote.

The Resilience Technical Committee Member must identify this governance decision by verifying the spell that enacted the executive vote ratifying the respective governance decision. This spell contains the hash of the respective executive vote. Exceptional circumstances where no direct governance decision is available or difficult to assert will be handled case by case.

The Resilience Technical Committee Member will confirm the onboarding decision via an encrypted message to the

Applicant.

10.1.1.4.2 : Claim Management Process

Overview of the claim management processes:

- Legal Counsel Pre-approval

- Claim approval / Advance Payment

- Reimbursement

10.1.1.4.2.1 Legal Counsel and quote Pre-approval

The first step in the claim management process is to approve the Legal Counsel to undertake legal defense or representation and the quote presented to commence legal work. The Beneficiary must present the Quote from the law firm they selected for their legal defense/representation. The request must indicate at least the following:

- Name of Legal Counsel

- Name of Law Firm

- If not in the Lawyer Registry, Proof of Eligibility

- Quote

- The Quote must include:

- The initial payment required by Counsel to commence work immediately. This is the initial amount to be claimed against the Resilience Fund.

- A global estimated fee based on an hourly rate OR fixed fee OR monthly retainer fee

10.1.1.4.2.1.1 : If the Legal Counsel is RF qualified in the Lawyer Registry (10.1.2), the claim is automatically submitted to the Claim Approval process (10.1.1.4.2.2).

10.1.1.4.2.1.2 : If Legal Counsel is NOT RF qualified in the Lawyer Registry (10.1.2), then the Support Facilitators or alternatively the Resilience Fund Technical Committee Member verify if the Legal Counsel complies with requisites in 10.1.2.1 (Lawyer Registry Acceptance Criteria) and 10.1.2.2 (LR Resilience Fund Acceptance Criteria).

*: If the Legal Counsel of the quote is determined by the Resilience Technical Committee to comply with the requirements of this Artefact, the quote is pre-approved and the legal counsel is added to the LR.

- : If the Legal Counsel doesn't comply with the LR requirements, the claim is rejected and the Beneficiary must propose a different Legal Counsel.

10.1.1.4.2.2 : Claim Approval

If a Beneficiary incurs a Loss Event, they can submit a Reimbursement Payout Claim against the LD RF according to the following process:

10.1.1.4.2.2.1 : The Beneficiary submits a Payout Claim by sending an encrypted message to a Support Facilitator.

The Support Facilitator must review the Reimbursement Claim and decide whether to trigger a Governance Poll to perform a claims payout, by developing an internal model with input from experts and professionals.

- : The Payout Reimbursement Claim must contain the following elements:

- Description of Loss Event with relevant commentaries and context

- Advance Payment or Reimbursement

- Type of process

- Date of writ/subpoena / lawsuit

- Supportive Documentation

- Law firm's proposal and invoice OR Quote

- Copy of the Lawsuit/writ/ communication OR official requirement issued by a Court or Governmental Agency Supportive documentation is highly sensible. It is required to use encryption tools.

- Law firm's proposal and invoice OR Quote

- Copy of the Lawsuit/writ/ communication OR official requirement issued by a Court or Governmental Agency Supportive documentation is highly sensible. It is required to use encryption tools.

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- Copy of the Lawsuit/writ/ communication OR official requirement issued by a Court or Governmental Agency Supportive documentation is highly sensible. It is required to use encryption tools.

- 10.1.1.4.2.2.2 : The Recognized Support Facilitators must develop with the Resilience Technical Committee (10.1.1.2) a framework for establishing limits and coverage amounts per case, and apply these limits to individual claims.

10.1.1.4.2.2.3: The Support Facilitators will review the Payout Claim and if it contains all required elements and supportive documentation, will immediately transmit it to the Resilience Fund Technical Committee (10.1.1.2).

10.1.1.4.2.2.4 : The Resilience Fund Technical Committee will verify the merits of the claim according to the following substantial criteria (non-exhaustive list):

- Absence of Exclusions (Identity and Role of Beneficiary Time scope

- Authenticity of writ/lawsuit

- Reasonability of lawyer fees, which must take into account market rates in the respective jurisdiction

10.1.1.4.2.2.5 From the moment the Payout Claim is filed, the Resilience Technical Committee will have five (5) working days to provide a payout recommendation. The recommendations of the Technical Committee are made in their sole and absolute discretion, are definitive, and are not subject to appeal.

10.1.1.4.2.2.6 Quorum and decision majorities.

Decisions related to claim payouts require a quorum of three (3) experts from the Resilience Technical Committee with a simple majority (>50%).

10.1.1.4.2.2.7 The recommendations of the Resilience Technical Committee are non-binding and will not give rise to any right or claim to the beneficiaries nor give rise to any obligation or responsibility.

10.1.1.4.2.2.8 Based on the recommendation of the Resilience Technical Committee, the Support Facilitators will decide whether to trigger a Governance Poll through the weekly cycle to perform a claim payout.

10.1.1.4.2.3 Payout / reimbursement.

If the governance poll for paying out a claim is successful, an executive vote must be created and approved through MakerDAO governance processes to draw the funds from the Surplus Buffer and send them to the Beneficiary's registered wallet. The spend must be accounted for in the Active Element of the relevant budget.

10.1.1.4.3 : Caps and Exclusions

Unless otherwise approved by a governance vote of MakerDAO, claim funds approved under this Artifact:

10.1.1.4.3.1 will be subject to an aggregate cap for all claims in relation to a Claim Event determined by the risk models elaborated by the Resilience Technical Committee

10.1.1.4.3.2 can only be used to reimburse Beneficiaries for their and disbursements directly arising from a Claim Event, and reasonable legal expenses. "Reasonable legal expense" is a variable amount that will be determined taking into account the average market rates of the respective jurisdiction.

10.1.1.4.3.3 must not be used to reimburse the payment of government or regulatory fines or damages awarded by the court.

10.1.1.4.4: Refund of amounts to the Resilience Fund

10.1.1.4.4.1 Where Beneficiaries receive financial benefit or reimbursement of any type as a result of orders of a court, governmental or investigative body or regulatory agency that results in a windfall to the Beneficiary, these windfall amounts will be returned by the Beneficiary to the Resilience Fund within 14 days of receipt.

10.1.1.4.4.2 By way of example only and without limiting the generality of the principle described in 10.1.1.4.4.1, such amounts include, without limitation:

- Amounts awarded by a court towards the Beneficiary's legal fees or disbursements;

- An award of damages to a Beneficiary in relation to a Claim Event;

- Monies or digital assets located by police or other investigative bodies that were identified as the property of MakerDAO; and

- Interest payable to a Beneficiary in relation to a Claim Event.

10.1.1.4.5 : Litigation/Defense Management

Beneficiaries and their legal teams must, in the conduct of the litigation and as a condition of receiving reimbursement from the Resilience Fund:

10.1.1.4.5.1 Act honestly, consistently, and fairly in handling claims and litigation;

10.1.1.4.5.2 Make an early assessment of the prospects of success and deal with claims promptly;

10.1.1.4.5.3 Keep costs to a minimum and avoid reliance on technical defenses which have low probability of success; and

10.1.1.4.5.4 Consider alternative dispute resolution (ADR) options at all times.

10.1.2: The Lawyer Registry (LR)

The LR is a registry of specialized Ecosystem Actors who are qualified to perform legal work for MakerDAO or participants in the MakerDAO ecosystem, such as, and not limited to, legal representation or legal defense.

Lawyers covering at least the following areas will be onboarded in the Lawyer Registry:

Category

Areas of Law

Examples

Disputes/Investigations

Regulatory Enforcement – Securities/Finance Law

SEC/FinCEN/CFTC/Central Bank matters

Tax authority actions

OFAC Orders, Sanctions

Securities Law Disputes (private party claims, class actions etc)

MKR investor claims Lawsuits against Maker CORE actors

Intellectual Property

Patent Claims/Trolls

Trademark Claims/Trolls

General Litigation –

Any other Party-Party Disputes

Disputes between Maker DAO and 3rd party suppliers

Breach of contract disputes

Employment law disputes

Disputes between Maker DAO and Ecosystem actors

Commercial Matters

(non-litigious)

Commercial and Contracts

Commercial transactions (Audits, listing agreements, inter Sub-DAO agreements affecting Maker Core etc.)

Contracts and Procurement (includes contract management)

Competition/Anti-Trust Law

Data protection and Privacy

Insurance Law

Intellectual Property, Information Technology

IT procurement, licenses, and contracts

Convergent technologies

Intellectual property rights

Data protection and privacy

Trademark/Patent applications

Corporate Structuring, Entity Formation/Reporting, Corporate Financing and Tax

Entity formation assistance provided to Maker Core.

Annual Reporting/Filings

Company Law

Corporate Finance

Tax Law

10.1.2.1: Lawyer Registry Acceptance Criteria. To be included in the Lawyer Registry, lawyers must satisfy the requirements described in the following subelements.

10.1.2.1.1 Licensed legal professionals in their respective jurisdiction.

10.1.2.1.2 Proven experience with MakerDAO, crypto, or emerging technologies.

10.1.2.1.3 No Conflict of Interest in the matter over which they have carriage.

10.1.2.1.4 Lawyers must have internal processes to conduct conflict checks prior to any engagement under this Artefact.

10.1.2.1.5 Where conflicts arise within the lawyer's firm, the firm must:

1. **In the case where a Beneficiary is handling the claim, cease all further work and immediately notify the Resilience Technical Committee in writing and cooperate with the Resilience Technical Committee to avoid a continuing conflict or, where this is not practicable, transferring the matter to another LR registered Lawyer, and**

2. **In the case where the Guardian is handling the claim, cease all further work and immediately notify the Guardian in writing and cooperate with the Guardian to avoid a continuing conflict or, where this is not practicable, transfer the matter to another LR registered Lawyer.**

10.1.2.2: Legal counsel providing services funded through the RF must fulfill additional requirements specified in the following subelements. Legal counsel qualified for RF will be listed as such in the Lawyer Registry:

10.1.2.2.1 Lead Counsel, lead Barristers, and lead Trial Attorneys, (as applicable) to each have ten years of relevant legal experience, including demonstrable experience in the relevant area of law, type of process and jurisdiction in which they have been included on the Lawyer Registry.

10.1.2.2.2 In relation to lawyers included on the Lawyer Registry for litigious categories, they have been Lead Counsel in at least 15 cases in

the relevant area of law, type of process, and jurisdiction for which they are listed or, in relation to non-litigious matters, having demonstrable experience in the relevant area of law, type of process and jurisdiction indicated in the table set out under 10.1.2.

10.1.2.2.3T: LR template. Entries in the LR must follow this template:

- .x: [Advisor name and short description]

- .x.1: [Name of Firm]

- .x.2: [Specialization Area]

- .x.3: [Jurisdiction]

- .x.4: [RF qualified (y/n)]

10.1.2.3: The current approved legal counsels in the LR are recorded in 10.1.2.3A. The Resilience Technical Committee will verify the eligibility criteria of new candidates and submit a list of approved candidates to the Support Facilitator, who can directly edit the Active Element to include new legal counsel

10.1.2.3.A:

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List of active legal counsel in the Lawyer Registry:

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10.1.3 Legal Defense Standard Operational Processes

This section defines the Standard Operational Processes (SOPs) for reacting against legal or regulatory actions against a participant of the Maker ecosystem or against an unincorporated DAO.

10.1.4 The Guardian

The Guardian is a specialized Ecosystem Actor that will be exclusively mandated to retain and instruct counsel to assist with the legal defense of actors in the Maker ecosystem that, due to their organizational structure or circumstances, may be unable to obtain legal representation when pursuing or defending claims against adversarial parties.

10.2 : Legal Risk Management

This section defines the framework for managing, retaining, transferring, and structuring legal risk through instruments such as self-insurance and insurance.

10.2.1 Legal Risk Management Bodies

10.2.1.1 The Policyholder definition:

The Policyholder is a specialized Ecosystem Actor in charge of executing agreements with external entities with the exclusive purpose of structuring and transferring risk to third parties through instruments such as insurances, reinsurances, mutuals, or other types of arrangements. These instruments will provide extended risk coverage for participants of the Maker Ecosystem, DAOs, and SubDAOs.

The object of the Policyholder is to

- Act as a legal counterparty with insurance brokers, insurance, reinsurance, underwriters, or risk management companies.

- Act as a policyholder of insurance contracts, which will have as beneficiaries participants of the Maker Ecosystem.

- Hire suppliers and contractors necessary for the operation of self-insurance or insurance instruments, such as

- The Resilience Technical Committee for claim management

- Managers, Directors, and other executive staff of the legal vehicle. The power of directors will be limited to administrative and operative roles.

- The Resilience Technical Committee for claim management

- Managers, Directors, and other executive staff of the legal vehicle. The power of directors will be limited to administrative and operative roles.

Maker Governance will have all necessary control mechanisms over the Policyholder:

- Maker Governance can designate and remove Directors, Supervisor, and Committees

- Maker Governance can instruct the entity to act and ratify decisions

- Power of directors is limited to administrative/operative roles

- The Policyholder will not manage MakerDAO's assets nor will be legally affiliated with MakerDAO.

The setup and operational budget of the legal vehicle will be sourced initially from the Resilience Fund (10.1.1.1A:). This is intended to move later to a separate budget.

10.2.1.2: Policyholder management

This section handles the logic of adding and removing Policyholders.

MKR holders must previously approve the structure and costs of the Policyholder based on a governance poll by MKR voters that the Facilitators initiate if they deem it necessary. The active state of current approved PolicyHolders is maintained in 10.2.1.3A

- 10.2.1.3A:

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List of current active PolicyHolders:

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10.3 Privacy and operational security

This section will define the policies for operational security, privacy, and pseudonymity to be implemented in the DAO toolkit (SUP 3). The general purpose of this framework is to maximize security and safety for contributors and users and minimize potential attack vectors for the Ecosystem.

10.4 Advocacy and Public Policy

This section will define the framework and processes for public policy, advocacy, and governmental relations, The general purpose of this framework is to develop innovative regulatory frameworks and standards that protect open source resources and position the Public Good Purpose of the Maker ecosystem.

10.5 Legal and Regulatory Risk Monitoring

This section will define the general framework and standard processes for monitoring and assessing risk and implementing responses. Risk assessment will include external/jurisdictional risk monitoring and internal risk monitoring.

Responses will be structured as Standard Operational Protocols (SOPs). The categories of Legal and Regulatory Risk Monitoring responses are:

Preventive responses that reduce the likelihood of occurrence of a risk event

Reactive responses that reduce the severity of consequences if the risk event materializes.

Emergency Responses and Contingency Plans.

10.6 Public Procurement Framework

This section will define a Public Procurement Framework for contributors and actors involved in the Maker Ecosystem. The purpose is to develop a standard framework that rules the entire lifecycle of service providers, which includes the following processes:

Application process

Selection process (Scoring / evaluating proposals or applications)

Hiring and payment process

Performance evaluation and reporting

Terminating involvement and resolving disputes

10.7 Atlas Amendment and Audit

This section will define the standard processes for amending the nonimmutable provisions of the Atlas and ex-performing post legal and technical audit. The general purpose of these processes is to ensure internal consistency and alignment of new provisions and to police the integrity of the Atlas.

10.8 Technical and Legal Standards

This section will define the required techno-legal standards and tools such as, but not limited to, legal agreements (SUP 9), templates, and legal structures required to perform specific functions or roles in the Maker Ecosystem. The general purpose of this framework is to minimize trust assumptions and dependencies on specific actors, minimize personal exposure, and increase the accountability and predictability in their behavior.

11: Legal resilience research and preparedness

The Support Facilitators must ensure that resilience research and preparedness work is covered continuously to ensure the ecosystem is well-positioned to deal with any legal uncertainty or risk that should arise. These projects must generally be broadly diversified across all jurisdictions where the Maker Ecosystem could be directly or indirectly exposed, but efforts and resources must be prioritized towards jurisdictions where risks are more likely to emerge.

11.1: Resilience Research and Preparedness Budget

The resilience research and preparedness budget is specified in 11.1.1B. The Support Facilitators can trigger a payout from the budget to a relevant recipient address through an MKR vote with the weekly governance cycle.

11.1.1B:

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The resilience research and preparedness budget is

Up to 2,000,000 DAI available per year.

The full amount is immediately available at the start of the calendar year.

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11.2 Resilience Research Objectives

Resilience research and preparedness projects must fulfill at least one of the following objectives:

- Bootstrap necessary infrastructure to develop one of the high-order legal resilience objectives as defined in SUP 10.1-10.8:

-Legal Defense

-Legal Risk Management

-Privacy and Operational Security

-Advocacy and Public Policy

-Legal and Regulatory Risk Monitoring

-Public Procurement Framework

-Atlas Amendment and Audit

-Technical and Legal Standards

- Design and implement processes that contribute directly to one of the high-order legal resilience objectives defined in SUP 10.1- 10.8.

- Implement specific preventive or reactive legal risk mitigation tools.

- Execute specific activities or tasks necessary to fulfill one of the high-order legal resilience objectives defined in SUP 10.1- 10.8.

11.3 Application Process

Ecosystem Actors can apply for a Resilience Research Project by submitting a proposal to be processed by the Support Scope. To submit a Resilience Research Proposal, the Ecosystem Actor must make a post on the Maker Forum following the template provided in 11.3T and comply with all requirements described in this section.

11.3.1 Resilience Research Proposals must clearly detail their direct and indirect costs and the results and benefits concerning the Resilience Research Objectives.

11.3.2: Resilience Research Proposals must detail their headcount, team skill set composition, and reliance on third parties.

11.3.3: Resilience Research Proposals must provide a clear timeline with detailed, granular milestones and the KPIs to review at each milestone.

11.3.4 Resilience Research Proposals must justify how the project will mitigate a specific risk or help bootstrap resources necessary to improve legal resilience.

11.3T Application Template

Applications for Resilience Research projects must follow this template:

- .x: [Project Name]

- .x.1: [Project Abstract: In 3-5 sentences, what problem are you trying to solve?]

- .x.2: [Objectives: What are you hoping to accomplish? How do you define and measure success for this project?]

- .x.3: [Outcomes: How does this project benefit the Maker ecosystem? How does this project help fulfill one of the Legal Resilience Objectives in SUP 10.1-.10.8?]

- .x.4: [Scope: What will you research/build /design/implement? What is the expected output?]

- .x.5: [Project Team: How many people are working on this project? Please list their names and roles for the project and how many hours per month each person will work on this project?]

- .x.6: [Background: Relevant links, reference to other projects or research papers]

- .x.7: [Methodology: How do you plan to achieve your objectives?]

- .x.8: [Timeline: Please include a brief explanation of the milestones/roadmap, along with expected deliverables and KPIs. Also, outline how the funds will be used for the project and or members of the team.]

- .x.9: [Budget: Requested grant amount and how this will be used. Please provide the requested amount and outline of how the funds will be used.

11.4 Resilience Research Proposals Review Process

The Support Facilitators must use the Resilience Research budget to ensure the highest quality Research Proposals are thoroughly reviewed, with the final review published in the Maker Forum before the Support Facilitators decide to fund a proposal or trigger a governance vote to fund a proposal.

11.4.1: Proposals should only be reviewed if there is an available budget in the Legal Research budget.

11.4.2: Multiple factors should be considered holistically when reviewing Resilience Research Proposals, including the amount of remaining budget, the potential impact on the Resilience Research Objectives, and, whether the Resilience Research Proposals help improve legal resilience as described in SUP 10.

11.4.3 De Minimus rule:

Resilience Research Projects with a total cost under 15k DAI, can be directly approved by the Support Facilitator. Projects with a total cost above 15k will require a governance vote on the weekly cycle that can be triggered by the Support Facilitator.

11.5A Active Resilience Research Projects: