

## **BYLAWS OF THE SPARKS FOUNDATION**

### **A CAYMAN ISLANDS LIMITED LIABILITY FOUNDATION COMPANY**

#### **ARTICLE 1. PURPOSES AND POWERS**

**Section 1.** The SPARKS Foundation (this “**Foundation**”) has the powers and objectives stated in its Memorandum of Association and Articles of Association (collectively and including all special resolutions incorporated thereto from time to time, the “**Charter**”) and whatever powers are or may be granted by the Foundation Companies Law, 2017 of the Cayman Islands (the “**Act**”).

Furthermore, the primary purposes of this Foundation (the “**Purposes**” or the “**Purpose**”) are to facilitate, support, promote, operate, represent and advance:

- the open-source development and adoption of blockchain-related technology and software (including, but not limited to the SPARKS project and code related thereto, and other items, software and other materials from time to time in the Stipulated Software Repository);
- each DAO Resolution (as such term is defined in Section 5 below);
- research and education materials concerning onchain entities, decentralized autonomous organizations (DAOs), open-source software, blockchain or distributed ledger technology-based digital assets, tokenization of securities, Non-Fungible Tokens (NFTs), staking and fundraising using blockchains, token issuance and distribution models, sovereign identity and attestation, and
- any necessary private use modes or commercial agreements or relationships in furtherance of any of the above.

For the purposes of the foregoing, the Foundation granting assets and/or monies and/or paying for accounts, services, programs, events, incentives, researchers, contractors and/or vendors in support of any of the above Purposes is expressly permitted as set forth herein.

**Section 2.** The Foundation will at all times have a designated Stipulated Software Repository consisting of the preferred or core instance of any and all software created, developed, maintained, or otherwise affected by the SPARKS decentralized autonomous organization (the “**SPARKS DAO**”), the Foundation, or any affiliates, subsidiaries, contractors, agents, or other related entities thereto, which initially shall consist of all repositories, files, and other materials and information located at and within <https://sparks.foundation>, <https://github.com/sparksfoundation> and <https://sparks-foundation.gitbook.io/sparks-dao> (including all sub-domains, sub-folders, private repositories, and similar thereto, the “**Stipulated Software Repository**”). These designations may be changed from time to time by valid DAO Resolution (as defined in Section 5 below) to optimally further the Purposes.

**Section 3.** The Foundation may not solely operate, solely control, have or take sole custody of any blockchain network instance, which may be evidenced by a control of a majority of such an instance’s validators, hash-power, or other consensus mechanism. For the purposes of this provision, the software development, deployment, alteration, or other interaction with a testnet or permissioned blockchain or other digital ledger network instance, governance by possessors or controllers of blockchain or other digital ledger tokens, or receipt of contributions or fees in any form as donations to the Foundation, do not constitute “control.” The Foundation may have custody or control of the Stipulated Software Repository.

**Section 4.** The Foundation may establish from all and any of its general funds, which include any SPARKS tokens (“**SPARKS Tokens**”), the symbol which is “**SPARK**” and contract address

0x5F5C86A9F8aAF63Ce27b82FaB3B33DF73CbC3d12

, stablecoins and other cryptocurrencies, assets, and monies, a reasonable budget for its own

operation and maintenance. Funds designated as for grants or rendered services, without reference to a specific project or proposal, shall be considered unearmarked, and, therefore, shall be deemed general funds for the purposes of this term.

**Section 5.** In accordance with the Charter and incorporating all relevant special resolutions thereto, each holder of SPARKS Token(s) which are revocably participating in the applicably designated Snapshot of the SPARKS DAO is deemed a beneficiary of the Foundation (each, a **“beneficiary”**) and has the right to submit and vote on binding proposals (each valid proposal which is comprehensible, lawful, in keeping with the Purposes, and subject to the vote of the beneficiaries by way of the SPARKS DAO, and in accordance with and subject to any applicable thresholds, restrictions, guidelines and parameters in the code and pursuant to the governance of SPARKS of the SPARKS DAO, a **“Proposal”**, and each validly passed Proposal in accordance with the governance of SPARKS of the SPARKS DAO, a **“DAO Resolution”**) and may receive benefits from time to time from the Foundation, and may have any other applicable rights of a beneficiary under the Act.

## **ARTICLE 2. PROPOSALS AND DAO RESOLUTIONS**

**Section 1.** The Foundation, by duly authorized power under the Charter and as duly instructed and authorized by DAO Resolution, will undertake any lawful actions permitted under the Act and so directed by DAO Resolution, including but not limited to awarding grants to entities or individuals for software development or related projects, business development, research, legal and consulting services, audits, hackathons, bug bounties, events and marketing or any applicable participants or contractors in connection with any of the foregoing, or to other decentralized autonomous organizations or similar entities or persons, or undertaking the special resolutions of the Foundation from time to time (including affecting necessary legal

agreements, licenses, or registrations as necessary and contemplated by the foregoing), in accordance with the Purposes. Upon SPARKS token holders in the SPARKS DAO making a Proposal, or voting on a Proposal, such beneficiaries confirm their accession to the SPARKS Terms and Conditions (as accessible at <https://sparks.foundation/terms>, the “**Terms and Conditions**”). The Terms and Conditions shall require that beneficiaries covenant, represent and warrant their compliance with all related regulatory conditions, including but not limited to sanctions compliance and anti-money laundering (AML) procedures, and adhere to any such related covenants as provided from time to time by the Foundation, which shall in any case be no less stringent than the ones in place on the date of the Foundation’s formation and of the ratification of these Bylaws.

**Section 2.** Proposals may be submitted by any beneficiary subject to any applicable SPARKS Token amount threshold and any frequency restriction or other parameter so designated by the SPARKS DAO. All beneficiaries are eligible voters upon Proposals, for avoidance of doubt excluding the Foundation itself, as may be subject to vote weighting or delegation or such thresholds in accordance with the governance of SPARKS of the SPARKS DAO and terms of applicable Proposals.

**Section 3.** Grants pursuant to Article 2 Section 1 above may be in the form of any asset held by the Foundation and/or SPARKS DAO, including but not limited to cryptocurrencies, stablecoins, SPARKS Tokens, other digital tokens, or assets, national (fiat) currencies, or real or tangible personal property.

**Section 4.** The Foundation, by duly authorized power under the Charter or by DAO Resolution, may delegate Foundation operational decision-making for anything reasonably related to the Purposes to the SPARKS DAO, including any and all disbursement, management or other usage of the SPARKS DAO treasury or any funds which are or become within the Foundation’s possession or control, in accordance with the majority and quorum requirements of such

Proposal (if applicable), the SPARKS DAO governance of SPARKS, the Charter, and herein.

**Section 5.** The Foundation’s directors (the “**Directors**”) shall observe, implement, carry out, action, and execute any and all DAO Resolutions with best efforts and in a commercially reasonable manner, subject to any applicable limitation on any Director pursuant to any fiduciary duties to the Foundation, statutory requirements of the Act, and the Charter, and where applicable and necessary for entering into agreements or arrangements on behalf of the Foundation.

### **ARTICLE 3. OFFICES**

**Section 1.** The principal registered office of the Foundation shall be at Suite 102, Cannon Place, P.O. Box 712, North Sound Rd., George Town, Grand Cayman KY1-9006. The Foundation shall have a designated registered office in accordance with law and shall maintain it continuously. The Foundation may have offices at other places within and outside the Cayman Islands.

### **ARTICLE 4. MEMBERS**

**Section 1.** The Foundation shall not have Members presently. The Directors may at a future time, only if expressly permitted by DAO Resolution, create one or more classes of membership. In such case, the membership classes and members individually must be created or admitted in keeping with the Purposes and the Act.

### **ARTICLE 5. BOARD OF DIRECTORS**

**Section 1.** General Powers. Subject to the limitations of the Charter and these Bylaws, all corporate powers shall be exercised by or under the authority of the Directors collectively (the “**Board of Directors**” or “**Board**”) as directed or permitted by DAO Resolution, and the

management and affairs of the Foundation and actions of the Directors pursuant thereto shall be governed by the SPARKS DAO in all respects subject to any applicable limitation on any Director pursuant to any fiduciary duties to the Foundation, statutory requirements of the Act, and the Charter.

**Section 2.** Number, Qualification, Election, and Tenure. The number of Directors shall be the number of Directors elected from time to time in accordance with these Bylaws, and shall be no less than three (3) from the date of the second anniversary of the Foundation's existence. The number of Directors may be increased or decreased from time to time by election organized pursuant to a DAO Resolution and in accordance with these Bylaws and as permitted by the Act. The Directors need not be Members of the Foundation or residents of the Cayman Islands.

**Section 3.** Annual Meetings. The Board of Directors shall hold at least one annual meeting unless a written special resolution has been signed by the Board and passed in such year, as permitted by the Act.

**Section 4.** Regular, Special, and Remote Meetings. Regular meetings of the Board of Directors may be held remotely by digital medium. Special meetings of the Board of Directors may be called by DAO Resolution. Directors may participate in meetings of the Board of Directors by means of an internet or telephone conference or similar communications equipment by which all persons participating can hear each other at the same time, and participation by such means shall constitute presence in person at such a meeting.

**Section 5.** Action Without Meeting. Any action of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken is signed by at least 50% of the Directors and the action is pursuant to a DAO Resolution.

**Section 6.** Notice and Waiver. Notice of any special meeting shall be given at least three (3) days prior thereto by written notice delivered by email to each Director. If notice is given by email to a corresponding address provided by the recipient Director, notice shall be deemed to have been delivered when sent. Any Director may waive notice of any meeting, either before, at, or after such meeting by signing a waiver of notice. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting and a waiver of all objections to the place of such meeting or the manner in which it has been called or convened, except when a Director states at the beginning of the meeting any objection to the transaction of business because the meeting is not lawfully called or convened.

**Section 7.** Quorum and Voting. 50% or more of Directors in office shall constitute a quorum for the transaction of business. The vote of 50% or more of Directors present at a meeting at which a quorum is present shall constitute the action of the Board of Directors, provided such action is pursuant to a DAO Resolution.

**Section 8.** Vacancies. Any vacancy occurring in the Board of Directors may be filled by DAO Resolution. A Director elected to fill a vacancy shall hold office only until the next election of Directors by the Members if there are Members. If there are no members, a Director's appointment shall last for a maximum period of two (2) years, or until resignation, death, incapacitation, commission of a felony or any crime of moral turpitude (or the Foundation's discovery of such having occurred in the past five (5) years), defamation or disparagement of the Foundation or SPARKS DAO, embezzling Foundation resources or using the Foundation for self-dealing or any illegal or conflicting purpose (including all actions taken as an ostensible or apparent representative or agent of the Foundation), entering or being reasonably-likely to enter into legal conflict with the Foundation, knowing violation or disparagement of the Purposes, or unavailability lasting a period of at least sixty (60) days from the first and thirty

(30) days from the last *bona fide* contact attempt, with at least two such contact attempts required. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by DAO Resolution.

**Section 9.** Removal. By DAO Resolution or if required by the terms of the Charter, any Director or Directors may be removed from office, with or without cause. New Directors may be elected contemporaneously by DAO Resolution for the unexpired terms of Directors removed from office. If SPARKS DAO fails to elect persons to fill the unexpired terms of removed Directors, and if SPARKS DAO did not intend to decrease the number of Directors to serve on the Board, then the vacancies unfilled shall be filled in accordance with provisions in these Bylaws for vacancies.

**Section 10.** Presumption of Assent. A Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he or she votes against such action or abstains from voting because of an asserted conflict of interest.

**Section 11.** Minutes. The Board shall keep minutes of all meetings and record them in the Foundation's minute book or the Stipulated Software Repository if not otherwise detailed in a DAO Resolution.

**Section 12.** Budget and Disbursements. The Board may budget for and otherwise pay reasonable costs, including reasonable remuneration of Directors. However, the Board shall not pay to its Directors a salary or similar compensation for service on the Board unless there are sufficient funds to do so after considering the Foundation's current and anticipated mandatory operating costs and all other duly authorized payables. All funds management and investment contracts, Director contracts, officer and employee contracts must be pursuant to a duly authorized written agreement. All disbursements from the SPARKS DAO treasury or



otherwise from the SPARKS Foundation must be pursuant to a valid DAO Resolution.

**Section 13.** Treasury Management; Investment. The Foundation, by DAO Resolution, may place its funds or portions thereof with professional third parties or audited third party of SPARKS to preserve and to prospectively grow the Foundation's treasury, and pay reasonable fees for such service. In doing so, the Board shall also ensure adequate demand liquidity to cover the Foundation's regular and necessary costs and known outstanding liabilities. Neither the Board, nor any individual Director, may directly invest, speculate, or engage in hedging with the Foundation's funds.

## **ARTICLE 6. OFFICERS, EMPLOYEES AND CONTRACTORS**

**Section 1.** Officers. The Officers of this Foundation may include a President, Secretary, and Treasurer, each of whom shall be elected by the Board of Directors. Any two (2) or more offices may be held by the same person. A failure to elect a President or Treasurer shall not affect the existence of the Foundation, but there must always be a "qualified person" as defined in the Act appointed as Secretary. If there is a change in Secretary, the Foundation must notify the SPARKS DAO in writing or electronic notice within 10 business days of the change in Secretary.

**Section 2.** Election and Term of Office. Any Officers of the Foundation may be elected by DAO Resolution. Each Officer shall hold office until his or her successor shall have been duly elected and shall have qualified, or until his or her death, or until he or she shall resign or shall have been removed in the manner hereinafter provided.

**Section 3.** Removal. Any Officer may be removed from office at any time, with or without cause, by DAO Resolution. Removal shall be without prejudice to any contract rights of the

person so removed, but election of an Officer shall not of itself create contract rights.

**Section 4.** Vacancies. Vacancies in offices, however occasioned, may be filled at any time by election by the Board of Directors for the unexpired terms of such offices.

**Section 5.** Officer Compensation. The reasonable salaries or grant amounts of the Officers shall be fixed from time to time by the Board of Directors pursuant to any applicable DAO Resolution, and no Officer shall be prevented from receiving such reasonable compensation by reason of the fact that he or she is also a Director of the Foundation.

**Section 6.** Delegation of Duties. In the absence or disability of any Officer or for any other reason deemed sufficient by the Board of Directors, the Board may delegate his or her powers or duties to any other Officer or Director.

**Section 7.** Employees. Non-officer employees as may be deemed appropriate may be appointed by DAO Resolution from time to time. Employees may have such duties, salaries and tenures as may be deemed appropriate by such DAO Resolution in each instance; however, all must be terminable for cause. No employee shall be prevented from receiving a salary by reason of the fact that he or she is also a Director of the Foundation.

**Section 8.** Independent Contractors. Independent contractors (“**Contractor(s)**”) may be engaged for the provision of services to further any Purpose by or pursuant to DAO Resolution (where necessary) from time to time. Contractors may have such duties, grant amounts, pay schedules and terms as may be deemed reasonably appropriate by DAO Resolution or the terms thereto, in each instance; however, all Contractors must be terminable for cause. No Contractor shall be prevented from receiving compensation by reason of the fact that he or she is also a Director or beneficiary of the Foundation.

## **ARTICLE 7. SUB-DAOs**

**Section 1.** Creation of Sub-DAOs. The SPARKS DAO may, by DAO Resolution, designate decentralized autonomous organizations which further any Purpose and which may be wholly owned subsidiaries of SPARKS DAO and the Foundation (each, considering and including any legal entity corresponding to or governed by such decentralized autonomous organization, a “**Sub-DAO**”). Such Sub-DAOs shall have such functions and responsibilities and may exercise such power as can be lawfully delegated and to the extent provided in the special resolution or DAO Resolution creating such Sub-DAO.

**Section 2.** Meetings. Regular meetings of any Sub-DAO may be held without notice at such time and at such place as shall from time to time be determined by such Sub-DAO and may be called by any member thereof upon two (2) days’ email or other mutually agreed electronic medium notice to the other members of such Sub-DAO.

**Section 3.** Minutes. Each Sub-DAO shall keep regular minutes of its proceedings and its accounts and finances and report the same to the Foundation and SPARKS DAO within ten business days of written request if not already publicly accessible and reviewable.

## **ARTICLE 8. BOOKS, RECORDS, AND REPORTS**

**Section 1.** Report. Any Director or designee of a Director shall, upon lawful request, provide an annual report to the Board of Directors not later than four (4) months after the close of each fiscal year of the Foundation. Such report shall include a balance sheet as of the close of the fiscal year of the Foundation and a revenue and disbursement statement for the year ending on such closing date. Absent a formal lawful request for a specific form of balance sheet or revenue and disbursement statement from the Foundation, the publicly visible blockchain address (and transactions thereto) of SPARKS DAO will serve as such a report or

financial statement for the Foundation to extent permissible under the Act.

**Section 2.** Inspection of Records. Any person who is a Director or supervisor of the Foundation shall have the right, for any proper purpose and at any reasonable time, on written demand stating the purpose thereof, to examine and make copies from the relevant books and records of accounts, minutes, and records of the Foundation or those of the Contractors with respect to their Foundation-related work and services. For the purposes of this provision, electronic storage of records in a digital services account registered to the Foundation or in a Stipulated Software Repository but not physically located in or hosted from its registered office shall be considered to be stored or located at the registered office of the Foundation. Absent a formal lawful request for a specific form of balance sheet or revenue and disbursement statement or records from the Foundation, the Stipulated Software Repository and publicly visible blockchain address of SPARKS DAO will serve as such a report or financial statement or records for the Foundation to extent permissible under the Act.

## **ARTICLE 9. NONPROFIT OPERATION**

**Section 1.** The Foundation will not have or issue shares of stock. No dividends will be paid nor will any part of the income nor assets of the Foundation be distributed to its Members (if any exist), Directors, or Officers without full consideration. No Member (if any exist) of the Foundation has any vested right, interest, or privilege in or to the assets, property, functions, or activities of the Foundation. The Foundation may contract in due course with its Members (if any exist), Directors, and Officers and may transfer, remit, reapportion or destroy SPARKS Tokens held in its treasury or distributed to the governance contract or beneficiaries or otherwise received from third parties without violating this provision.

## **ARTICLE 10. FISCAL YEAR**

**Section 1.** The fiscal year of the Foundation shall be the period selected by the Board of Directors as the fiscal year of the Foundation.

## **ARTICLE 11. INDEMNIFICATION**

**Section 1.** The Foundation shall indemnify all current and former Officers, Directors, founders, professional advisors and supervisors of the Foundation and their respective representatives, including as to any and all matters of the Foundation, SPARKS DAO, Proposals, DAO Resolutions, and other delegated actions to and from beneficiaries, to the full extent permitted by the laws of the Cayman Islands or any other applicable jurisdiction, against all actions, proceedings, costs, charges, expenses, losses, damages, or liabilities incurred or sustained, in or about the conduct of the Foundation's or the SPARKS DAO's business or affairs or in the execution or discharge of that person's powers, duties, discretions or authorities. Without limitation to the preceding sentence, this indemnity shall extend to all costs, expenses, losses or liabilities incurred by such parties in defending (whether successful or otherwise) any civil, criminal, administrative, regulatory or investigative proceedings (whether threatened, pending or completed) concerning the Foundation or SPARKS DAO or any current and former Officer, Director, founder, professional advisor or supervisor of the Foundation or any of the foregoing's affairs in any court or tribunal regardless of jurisdiction. This indemnity will not extend to any matter arising out of any such individual's or entity's fraudulent or dishonest conduct.

## **ARTICLE 12. QUALIFIED DEFERENCE**

**Section 1.** Qualified Code and Governance Deference. The Foundation shall defer all material

operational and financial decision-making to SPARKS DAO and DAO Resolutions (included delegation thereunder) as set forth in these Bylaws except emergencies and crises reasonably deemed to result from unconscionable or incomplete legal contracts or operation of code, or unforeseen events (any such material adverse exception event, an “**MAEE**”). MAEEs may include:

- (a) Error: a material and adverse effect on the use, functionality or performance of the SPARKS DAO as the result of any bug, defect or error in the SPARKS DAO code, framework or interface, or the triggering, use or exploitation (whether intentional or unintentional) thereof (it being understood that for purposes of this clause, a bug, defect or error will be deemed material only if it results in the unauthorized use of accounts or private keys within the SPARKS DAO functions (which therefore have power over DAO Resolutions), or the unauthorized alteration of the permissions/powers (e.g. voting weights or multi-signature access, whether temporary or permanent) of the aforementioned accounts);
- (b) Unauthorized Use: any unauthorized use of an administrative function or privilege of SPARKS DAO, including: (i) any use of any administrative credential, key, password, account, function, or address by a person, entity, or program which has misappropriated or gained unauthorized access to such administrative credential, key, password, account or address or (ii) any unauthorized use of an administrative function or privilege by the permission holder or representative of the permission holder (including Directors and their proxies);
- (c) Inoperability: the SPARKS DAO having become inoperable, inaccessible or unusable, including as the result of any code interface, library or repository (including but not limited to the Stipulated Software Repository) imported or incorporated by reference

into the SPARKS DAO or any other smart contract or function or oracle or storage or hosting program, network or layer on which the SPARKS DAO depends for any of its functions having become inoperable, inaccessible or unusable or having itself suffered a MAEE;

- (d) Compromised Incentive: reasonable suspicion that any smart contract or third party oracle or storage program, network or layer or other infrastructure on which SPARKS DAO depends, for any of the voting or arbitral or other functions, e.g. Kleros, or similar service, is materially incentive-compromised, which may be evidenced by such factors as the total value of assets securing that smart contract or oracle or storage or execution layer (e.g. stakes or other economic incentives) being surpassed by the value of the SPARKS DAO treasury, or a single arbitral claim validly within the parameters set by SPARKS DAO, or the majority concentration of SPARKS DAO's voting power in a single entity and the submission of a Proposal that alters SPARKS DAO's fundamental consensus rules;
- (e) Legal Order: SPARKS DAO or the Foundation (as SPARKS DAO's executor) being subject to a judicial or legal order that prohibits SPARKS DAO (or that, if SPARKS DAO were a person, would prohibit SPARKS DAO) from executing any function or operation it would otherwise reasonably be expected to execute; or
- (f) any other reasonably unforeseen events resulting in unauthorized or material unintended alterations to SPARKS DAO's core functionality.

**Section 2.** Exception Notice. If any Director, beneficiary or interested person becomes aware that there is a MAEE, they (the "**Sending Party**") shall deliver to the Foundation and SPARKS DAO a signed notice (an "**Exception Notice**"): (a) certifying that the Sending Party believes in good faith that there is a MAEE; (b) describing in reasonable detail the facts, circumstances,

and reasons forming the basis of such belief; and (c) containing a representation by the Sending Party, made to and for the benefit and reliance of the Foundation and SPARKS DAO, that, to the Sending Party's knowledge, the certification and statements made pursuant to the contents of the Exception Notice (i) are true and accurate including as to all material facts and (ii) do not omit to state any material fact necessary in order to make such statements, in light of the circumstances in which they were made, not misleading, as of the date of the Exception Notice.

**Section 3.** Response. (a) If the Foundation disputes the existence of a MAEE, then the Foundation or designee thereof shall promptly deliver a written notice of such non-acceptance to the Sending Party (an "**Exception Response Notice**"), which shall include such necessary responses to and refutations of the same categories of information, statements, evidence and representations and warranties as in the corresponding Exception Notice. The Sending Party, if in receipt of an Exception Response Notice from the Foundation, may at its option formally submit a complaint against the Foundation to the applicable dispute resolution forum or the Cayman Island judiciary authority. The decision resulting from the following court proceedings shall be non-appealable, binding, and conclusive upon the Foundation and all beneficiaries thereto.

(b) If the Foundation agrees with the contents of the Exception Notice, promptly after receipt the Foundation shall deposit (or, to the extent possible, shall undertake all reasonably necessary action to affect the deposit of) SPARKS DAO's funds into a multi-signature account owned by all of the Directors and supervisors of the Foundation (or their respective designees), to be treated, to the extent permitted by applicable law, as a custodial trust held for the benefit of SPARKS DAO, until entering into an applicable Exception Handling Addendum, as defined below.



**Section 4.** Exception Handling. After depositing the funds in accordance with Section 3(b) above, the Foundation shall within 14 calendar days publish a planned response to the MAEE (an "**Exception Handling Proposal**") describing in reasonable detail the actions to be taken, the agreements to be entered into, and the remedies to be sought by the involved parties, and including copies of any written evidence or other material information relevant to, and material for the consideration of, the MAEE and the other matters referred to in the Exception Notice. The term "**Exception Handling Addendum**" refers to an addendum to these Bylaws setting forth the agreement on the existence or non-existence of a MAEE and the actions to be taken, the agreements to be entered into, and the remedies to be sought in response thereto. An Exception Handling Proposal shall become an Exception Handling Addendum once the beneficiaries have signaled approval of the Proposal, represented by at least 50% of beneficiaries from the previous SPARKS DAO treasury account/governance contract depositing an equivalent amount of SPARKS Tokens into the custodial trust or by other reasonable designation of approval signaled by at least 50% of the beneficiaries. Each Exception Handling Addendum shall automatically and without further action of the SPARKS DAO or Foundation be deemed incorporated into and to form a part of these Bylaws. Once the Foundation has executed on the Addendum and the MAEE is resolved, the Foundation shall return all funds in the custodial trust to a prSPARKSI-owned DAO account and reimburse duplicate the applicable SPARKS Tokens. If the Foundation neglects to return the funds within 30 calendar days, any beneficiary may lodge a complaint against the Foundation to the applicable Cayman Island judiciary authority. The decision resulting from the following court proceedings shall be non-appealable, binding, and conclusive upon the Foundation and all relevant parties.

## **ARTICLE 13. AMENDMENTS**

**Section 1.** These Bylaws may be altered, amended, or replaced and new Bylaws may be

adopted by the Board of Directors pursuant to a DAO Resolution.