

BYLAWS

of

The Staking Foundation

An exempted foundation company limited by shares

1. ADOPTION OF BYLAWS

- 1.1. These Bylaws are the bylaws adopted by **The Staking Foundation** (the “**Foundation**”), a foundation company incorporated pursuant to the Foundation Companies Act, 2017 (the “**Act**”).
- 1.2. These Bylaws are made pursuant to section 12 of the Act, and Article [69] of the Foundation’s Articles of Association (the “**Articles**”).
- 1.3. These Bylaws may be amended, varied, or revoked as set out in the Articles or as directed by the Community pursuant to any Community Guidelines and Determinations.
- 1.4. The Directors and Supervisors will exercise their powers under the Articles to implement the terms of these Bylaws, including to effect the election of Directors and Supervisors as provided for under Bylaws 5 and 6 and to ensure compliance with the Community Guidelines and Determinations as provided for under Bylaw 4.

2. DEFINITIONS

- 2.1. Where the context permits, the defined terms used in these Bylaws shall have the same definitions as assigned to them in the Articles, or as otherwise defined by the Act.
- 2.2. In these Bylaws, the following words and expressions shall have the following meaning:
 - (a) “**Community**” means the holders of the DIVA token or other suitable denomination which is the native token issued to facilitate the governance of the Diva Staking Protocol provided that such holders have effectively completed a process called “delegation” which implies the act of making an on-chain transaction in the Ethereum network (or any other equitable mean) denoting its intention to participate in the governance of the protocol by self-granting voting powers or delegating those powers to a third party.
 - (b) “**Community Guidelines and Determinations**” means the guidelines and determinations (if any) which are in place from time to time that have been adopted by the Community (an initial version of said Guidelines is attached herein) in accordance with the Protocol.
 - (c) “**DAO Proposals**” and “**DAO Resolution**” has the meaning specified in the Community Guidelines.

- (d) **"DIVA Tokens"** means the tokens issued in the Ethereum network and intended to facilitate the curation of the Diva Staking Protocol and further referred to in <https://github.com/staking-foundation>.
- (e) **"Governance Tokens"** has the meaning specified in the Community Guidelines.

3. SHAREHOLDERS

- 3.1. The Foundation will take all steps necessary pursuant to the Articles and the Act to cancel any issued shares and effect the removal of all Shareholders of the Foundation immediately following the incorporation of the Foundation.

4. SOFTWARE REPOSITORY

- 4.1. The Foundation will at all times have a designated software repository consisting of the preferred or core instance of any and all software created, developed, maintained, or otherwise affected by the Diva decentralized autonomous organization (the **"Diva 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://github.com/staking-foundation> GitHub (<https://github.com/staking-foundation>) (including all sub-domains, sub-folders, private repositories, and similar thereto, the **"Designated Software Repository"**). These designations may be changed from time to time by valid DAO Resolution (as defined in the Community Guidelines and Determinations) to further the Purposes.

5. CONTROL AND OPERATIONAL RESTRICTIONS

- 5.1. The Directors and Supervisors of the Foundation must at all times exercise their powers in a manner which is consistent with the decentralised nature of the Diva Staking Protocol and the Foundation must not therefore seek to 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.
- 5.2. For the purposes of this Bylaw 5, 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, does not constitute "control."

6. COMMUNITY INVOLVEMENT

In accordance with the Foundation's objectives set out on its Memorandum of Association, the Foundation may receive and distribute DIVA tokens for the sole purpose of decentralising the curation (also referred to as 'governance') of the Diva Staking Protocol. Such Distribution (if any) would be based on principles of geographical diversification and representational distribution; it may take into account the particular characteristics of the recipient; i.e. strategic added value to the community. In any case, such distribution shall NOT be based on economic principles in accordance with the non-for-profit nature of the Foundation.

7. COMPLIANCE WITH COMMUNITY GUIDELINES AND DETERMINATIONS

- 7.1. The Community Guidelines and Determinations are hereby incorporated into these Bylaws.
- 7.2. Unless contrary to the law, the Directors and Supervisors must at all times exercise their powers to comply with the Community Guidelines and Determinations.
- 7.3. Further to Bylaw 7.2, the Community by way of its Community Guidelines and Determinations, may require the Directors and/or Supervisors to amend the Foundation's Bylaws, Memorandum and/or Articles of Association in any way provided that such amendment is not contrary to the law.
- 7.4. Where any Director or Supervisor is unable to comply with the Community Guidelines and Determinations, then such person must give notice to the Community setting out the details and reasons for such non-compliance.
- 7.5. Following receipt of a notice under Bylaw 7.4, the Community may determine to amend, revise or make further Community Guidelines and Determinations which the Directors/Supervisors must then comply with, unless contrary to the law.

8. ELECTION OF DIRECTORS

- 8.1. Directors will be elected, and may be removed, by the Supervisors pursuant to the Community Guidelines and Determinations.

9. SUPERVISORS

- 9.1. Supervisors will be elected, and may be removed by the Community pursuant to the Community Guidelines and Determinations.
- 9.2. Supervisors must meet the following criteria:
 - a. they must be natural persons OR legal entities providing a full disclosure of any officer and ultimate beneficial owner holding and/or controlling directly or indirectly at least 5% of said entity's paid up capital ; and
 - b. they must comply with any other criteria set out in the Community Guidelines and Determinations.

10. REPORT

- 10.1. The Foundation shall, upon lawful request made in accordance with the Community Guidelines and Directions and validly passed as a DAO Resolution, provide an annual report no later than four (4) months after the close of each fiscal year of the Foundation.
- 10.2. 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. Such report shall be made publicly available by its publication in the Foundation webpage or any other reasonable means.
- 10.3. The DAO Resolution may specify any audit requirements applicable to the annual report.

11. INDEMNIFICATION

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, the Community, the DAO Proposals, DAO Resolutions, and other delegated actions to and from Governance Token holders, 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 Diva 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, the Community, the Diva DAO, the Diva Staking Protocol 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.

12. QUALIFIED DEFERENCE

12.1. **Qualified Code and Governance Deference.** The Foundation shall defer all material operational and financial decision-making to the Community on any action based upon DAO Resolutions (including delegation thereunder) as set forth in these Bylaws except in 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").

12.2. MAEEs may include:

(a) **Error:** a material and adverse effect on the use, functionality or performance of the Diva DAO as the result of any bug, defect or error in the Diva 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 Diva 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 Diva 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 Diva DAO having become inoperable, inaccessible or unusable, including as the result of any code interface, library or repository (including but not limited to the Designated Software Repository) imported or incorporated by reference into the Diva DAO or any other smart contract or function or oracle or storage or hosting program, network

or layer on which the Diva 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 Diva DAO depends, for any of the voting or arbitral or other functions, 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 Diva DAO treasury, or a single arbitral claim validly within the parameters set by Diva DAO, or the majority concentration of Diva DAO's voting power in a single entity and the submission of a DAO Proposal that alters Diva DAO's fundamental consensus rules;

(e) Legal Order: Diva DAO or the Foundation being subject to a judicial or legal order that prohibits Diva DAO (or that, if Diva DAO were a person, would prohibit Diva 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 Diva DAO's core functionality.

- 12.3. Exception Notice. If any Director, Supervisor or other stakeholder becomes aware that there is a MAEE, they (the "Sending Party") shall deliver to the Foundation and Diva 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 Diva 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.
- 12.4. 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 Supervisors, if the Sending Party remains dissatisfied with the Supervisors' response then the Sending Party may follow any further dispute resolution procedure which is specified in the Community Guidelines and Determinations. The decision resulting from any dispute resolution procedure shall be non-appealable, binding, and conclusive upon the Foundation and all Governance Token holders 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) Diva DAO's funds into a multi-signature account owned by all of the Directors and Supervisors of the Foundation (or their respective designees) as trustees, to be treated, to the extent permitted by applicable law, as a

custodial trust held for the benefit of Diva DAO, until entering into an applicable Exception Handling Addendum, as defined below.

- 12.5. Exception Handling. After depositing the funds in accordance with Section 12.4(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 Governance Token holders have signalled approval of the Exception Handling Proposal, represented by at least 50% of the Governance Token holders from the previous Diva DAO treasury account/governance contract depositing an equivalent amount of Diva Tokens into the custodial trust or by other reasonable designation of approval signalled by at least 50% of the Governance Token holders. Each Exception Handling Addendum shall automatically and without further action of the Diva DAO or Foundation be deemed incorporated into and to form 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 protocol-owned DAO account and reimburse and/or duplicate the applicable DIVA Tokens. If the Foundation neglects to return the funds within 30 calendar days, any beneficiary may lodge a complaint against the Foundation to the Supervisor if the party remains dissatisfied with the Supervisors' response then they may follow any further dispute resolution procedure which is specified in the Community Guidelines and Determinations.

Bylaws enacted on 29th June 2023

Pursuant to a resolution of the Directors dated 29th June 2023