

BYLAWS FOR BLOC OVERSIGHT GENERAL ASSEMBLY,

Members of the Blockchain Leadership Oversight Council a Texas based Educational Non-Profit

ARTICLE I

Purpose

BLOC, through its representatives, is an organization committed to providing a decentralized regulatory framework of the best practices for actively managed blockchain companies to adopt and implement.

These bylaws constitute the code of rules adopted by BLOC for the regulation and management of its affairs.

ARTICLE II

Definitions

- ❖ *BLOC General Assembly – The BLOC General Assembly informs the board of the wishes of the assembly.*
- ❖ *BLOC Board of Directors – The BLOC Board of directors are voted of the BLOC General Assembly. The only members who can change the Non-Profit*
- ❖ *Reasonable Time Frame – A minimum of 1 calendar week.*
- ❖ *Bloc Internal Communications channels – These channels are limited to Bloc Member – Telegram and Microsoft Teams tagging system*
- ❖ *Bloc External Communications Channels – These channels are limited to Twitter, LinkedIn, YouTube, Telegram, Website, and Emails.*
- ❖ *Quorum for Voting – A quorum is a 2/3 majority.*
- ❖ *Directors – elected positions held by general BLOC assembly members for the purposes of BLOC operational oversight*
- ❖ *General BLOC Assembly – Every voting member of the BLOC General Assembly adhere to the BLOC Constitution, Code of Conduct, and Bylaws.*
- ❖ *Member – Membership where individuals represent a particular blockchain project, expertise background, or consultant role. A project is permitted to have three members in order to provide flexibility on meeting attendance. While Members are included in the General BLOC Assembly, only one Project Member is permitted to vote on any voting matter unless assigned a voting status for another role.*
- ❖ *Majority – 2/3 of the body referred to (i.e. BLOC general assembly or Board of Directors)*
- ❖ *Assembly Veto – Any decision by the Board shall be overturned if 80% or more of all General BLOC Assembly members vote to overturn a Board decision. For an Assembly Veto vote to occur, a General BLOC Assembly member must make a motion for an Assembly Veto vote that is approved by a two-thirds majority of a Quorum of members.*
- ❖ *Term End Date - The date that a Board member ends their tenure as board member*
- ❖ *Internal BLOC Meetings- Board meetings/teams and recordings, and/or votes*
- ❖ *Special Assignments- tasks given out by Committee chairs or board members*

- ❖ *Fiscal year - The fiscal year for the Organization will be the calendar year, January 1 to December 31. The Board shall approve an operating budget in the last meeting of the year, or as soon as possible thereafter.*

ARTICLE III

Board Of Directors

(1) The Board of Directors

Directors are entrusted with the management of the business and affairs of this organization, subject to the Texas Business Organizations Code, the Certificate of Formation, and these Bylaws. Under the discretion of this board and the general assembly and only under extreme circumstances, modifications to this legal structure is limited to a unanimous vote of Directors.

(2) Voting New BLOC Assembly Members

The Board of Directors acts as a final vote for any new prospective project/member that would join BLOC. BLOC board members solidify every new member with a majority vote in keeping with the bylaws.

(3) Number of Directors

The Board of Directors should consist of at least seven Directors and no more than fifteen. Upon majority resolution of the Board of Directors, the number of Directors may be increased or decreased from time to time, but in no event shall a decrease have the effect of shortening the term of an incumbent Director or decreasing the total number of Directors to less than seven Directors.

(4) Term of Directors

Directors shall serve terms of three years. A Director may succeed himself/herself for only one consecutive term. After serving two consecutive terms, a director must vacate his/her position for at least one year before seeking re-election to another term. Terms follow the calendar year.

(5) Election of Directors

Elections for Directors filling expired terms shall be held at the first meeting of the fiscal year after their term has expired. Any directorship to be filled by reason of an increase in the number of Directors shall be filled at the next regular meeting of the Board of Directors or at a special meeting called for that purpose. When a re-appointment or replacement is made, the re-appointment or replacement shall be considered effective on the date that the prior term expired (i.e., the new term does not begin on the date of the election). Board members whose terms have expired may continue serving until they are either re-appointed or until their successors are chosen.

(6) Director by Proxy.

A Director may appoint a proxy to serve in the Director's stead for Standing Committee responsibilities at the approval of a majority vote of directors. All other proxy requests must be presented to the board for majority vote approval. Proxy selection must first consider current BLOC assembly members before non-members. If there is no BLOC

member available, the Proxy must go through a general security and discourse audit, and assigned a term of service to BLOC without membership. No Outside proxy may sit in an Executive committee seat or in place of any member on the executive committee.

(7) Resignation

Any Director may resign at any time by delivering written via email or letterhead to the Secretary or Chair of the Board of Directors. Such resignation shall take effect upon receipt or, if later, at the time specified in the notice.

(8) Meeting attendance

Due to the nature of being an organization with international participation, meeting are understood to be any attendance within one week. Directors are to attend at least 50% of the meetings within a month. Members that have communicated mitigating circumstances can take a leave of absence as long as their duties are covered. Any absence longer than 1 month needs to be brought up to the ethics and compliance committee and a recommendation will be made to the board. The board will have the final say as to the action.

(9) Removal

Any Member alleged to have violated the Constitution, Bylaws and/or Code of Conduct may be referred to the Ethics and Compliance Committee by any member. The referral must be in writing and will initiate an investigation by the Ethics and Compliance Committee in accordance with the due process requirements set forth in responsibilities of the Ethics and Compliance Committee.

The Board may also remove a Director from the Board after two unexcused absences from board meetings in a thirty-day period without notice or an investigation by the board. If the Director contests an absence as unexcused in writing, then the board will investigate according to its procedures as to the merits of any reason behind an absence.

(10) Vacancies

The General BLOC Assembly members shall nominate candidates to fill any Director vacancies within 30 days of the vacancy. Vacancies shall be filled by majority vote of the remaining members of the Board of Directors. If there is no majority vote by the Board, then the vacancy is determined by a vote of the General BLOC Assembly. The General BLOC Assembly vote requires voting of 50% of the members and the candidate with the most votes wins. If Vacancies are not filled after 30 days, the Board of Directors may nominate for a general assembly vote any replacement for the vacancy. This vote will only be held for 72 hours.

(11) Compensation

The Board may be reimbursed for any actual expenses incurred in the performance of their duties for the Organization, if a majority of the Board of Directors approve the reimbursement. The Organization shall not loan money or property to, or guarantee the obligation of, any Director. Any board member wishing to report a BLOC related expense must do so in writing to the treasurer for independent scrutiny and approval. Treasurers' accounting records must be made available to all board members when requested. A clear monthly report will be made available to the board of directors for review.

(12) Board Of Directors

The Board of Directors are listed below and subject to the requirements set forth in the Bylaws. Subsequent Directors shall be nominated, appointed and/or elected in accordance with the Bylaws.

	Position	Member	Associated Project(s)	Term End Date
1.	Chairman/ Treasurer	Patrick L. Riley	Reaper Financial, Dakota Rings, OpenBlock.group, BLOC, STYX	Dec. 31, 2025
2.	Vice-Chairman	William Hughes	XOGE, BLOC, SNX, PAW	Dec. 31, 2025
3.	Chief of Operations/Secretary	James Thomas	JTXRP, BLOC,	Dec. 31, 2025
4.	Ethical Officer	James Ray Younan	Schmeckles	Dec. 31, 2025
5.	Legal Advisor	Fred Rispoli	Reaper Financial	Dec. 31, 2025
7.	Technical Officer	William Hughes	XOGE, BLOC, SNX, PAW	Dec. 31, 2025
8.	Onboarding SR	Duncan Glendinning	Treasury XRPL	Dec. 31, 2025
9.	Spokesperson	Matthew Maciel	BLOC, Dakota Rings	Dec. 31, 2025
10.	Treasurer	Patrick L. Riley	Reaper Financial, Dakota Rings, OpenBlock.group, BLOC, STYX	Dec. 31, 2025
11.	Security Officer	Joshua Qually	Physical Digital	Dec. 31, 2025
12.	Compliance Officer	TBD	----	Dec 31, 2025

ARTICLE IV

Board Of Directors

(1) Board of Directors, Roles and Responsibilities

BLOC Board Members are voting members of the board & the General BLOC assembly. Each board member may vote on matters of the assembly and of the board.

- A. Management and handling of BLOC databases securely
- B. Management of official public communications and social media, any communication relevant to BLOC members, and providing notice to BLOC regarding voting, motions, or anything else that would influence the general assembly
- C. Internal oversight of BLOC members and their enterprises (limited to code of conduct, bylaws and constitution). Internal oversight will include mediating minor disputes that would not invariably lead to a General Assembly matter.

Ensure compliance with BLOC CoC, constitution and bylaws in all activities and operations of BLOC. Any concerns with compliance must be forwarded in writing to the Ethic and Compliance committee for review

- D. Organize and help facilitate access to BLOC community resources at the behest of the General Assembly.
 - E. Research and development for BLOC infrastructure
 - F. Transparent handling and reporting of any financial or material resources provided to General BLOC Assembly
 - G. Handle meeting order and scheduling,
 - H. Onboarding, recruitment, interviews, auditing are point matters for Directors but are free to utilize additional human or other resources to carry out these tasks via subcommittee or consult of the general assembly.
 - I. Keeping a record of communications, votes, meeting minutes, membership data, board decisions, member requests/ suggestions
 - J. Social media and public sphere: actively promoting BLOC and its standards
- Conduct outreach to Blockchain projects or talent that would meet the goals of BLOC via social media or in person
- K. Provide concise information to recruited projects about BLOC membership benefits
 - L. Report on recruitment efforts at every BLOC meeting either in writing or present at the meeting
 - M. Assist Onboarding Committee where necessary

(2) Chairman

- A. Supervise, direct, and control the business of BLOC and shall have such other powers and duties as may be prescribed by the Board of Directors or by these bylaws.
- B. May engage in negotiations involving commitments of the resources of the Organization or the acceptance of money or resources by the Organization in furtherance of the purposes of the Organization as set out in the Articles of Incorporation and these bylaws.
- C. Chair the Ethics and compliance committee and provide input on BLOC dispute mediation

(3) Vice Chairman

- A. Carry out special assignments as requested by the board chair
- B. Understand the responsibilities of the board chair & be able to perform these duties in the chair's absence
- C. Participate as a vital part of the board leadership
- D. Sit on any committee in place of Chairman as needed

(4) Chief of Operations/ Secretary

- A. Assist with Microsoft teams, BLOC website and other tools of BLOC including BLOC emails, social media accounts, and other like resources
- B. Delegating tasks for operations reasonable in scope so as not to bottleneck/hamstring any committee
- C. Assist with facilitation techniques for meetings
- D. Helps to compile applicable agenda items that are brought up within the process that is in line with our bylaws
- E. Oversight of moderation of community spaces

(5) Ethical Officer

- A. Provide oversight and review of matters for the Ethics and Compliance Committee
- B. Counsel BLOC members where required or needed regarding Code of Conduct or Constitution

- C. Ensure General Assembly compliance with the Code-of-Conduct, Bylaws, and Constitution
 - D. Report violations to Chairmen and Vice Chair
- (6) **Legal Advisor**
- A. Counsel board of directors on legal matters
 - B. When permitted provide limited legal counsel and/or direction to BLOC assembly members
 - C. When providing counsel, Legal advisors have the discretion to decide what to address and should be limited to blockchain/BLOC related matters.
 - D. Provide assistance where necessary to the Ethics and Compliance committee
- (7) **Technical Officer**
- A. Review and oversee any technological tools used by BLOC and its members
 - B. Assist the Security officer or auditing team when needed if related to technical issues
 - C. Participate in all matters the general BLOC assembly would
 - D. Chair the Technical Services Committee
- (8) **Onboarding Officer**
- A. Chair the onboarding committee
 - B. Collaborate with security officer in a timely fashion with BLOC referrals
 - C. Interview prospects for BLOC
 - D. Provide limited investigative insight into BLOC prospects and their project design
 - E. Provide limited mentorship and educational support for current members and prospects on BLOC principles and practices
- (9) **Spokesperson**
- A. Collaborate with board on press/ media engagement and provide point on public communications as needed within the framework of BLOC values and expectations.
 - B. Assist recruitment officer in community outreach and public events.
 - C. Speak with the general community regarding BLOC (answer questions, discuss objectives, write and produce content, etc)
 - D. Assist in the creation and editorial review of BLOC documents as requested
- (10) **Treasurer**
- A. Maintain knowledge of the organization and personal commitment to its goals and objectives
 - B. Understanding financial accounting for nonprofit organizations
 - C. Serve as the chair of the Finance and Resource Committee
 - D. Manage, with the Finance and Resource Committee, the board's review of and action related to the board's financial responsibilities
 - E. Work with Executive committee to ensure that appropriate financial reports are made available to the board on a timely basis
 - F. Remain accountable to the General Assembly for all financial activities by giving a monthly report to the general assembly and Board of Directors
 - G. Review the annual audit and answer board members' questions about the audit
 - H. Responsible for taxes and accounting compliance for the BLOC nonprofit and organization as a whole.
- (11) **Security Officer**
- A. Assist Ethics and Compliance Committee in handling of BLOC violations and reports

- B. Conduct interviews where necessary in auditing and disclosures
 - C. Management and handling of all BLOC databases disclosure standards, background checks and other sensitive information as needed by BLOC directors to make decisions for the betterment of BLOC. Does not maintain personally compromising information of any audited or disclosed individual.
- (12) **Compliance Officer**
- A. Supervise and refine legal requirements and adherence of BLOC Projects
 - B. Recommend best practices in areas of KYC and Anti-Money-Laundering
 - C. Liaise between BLOC projects and government law enforcement

ARTICLE IV

Committees

(1) **Standing Committees**

- A. The Organization shall have standing committees which shall assist the Board of Directors in carrying out the management of the Organization. Committees are asked to present information and recommendations to either the assembly, other subcommittees and the board. The standing committees include:
 - Executive Committee (members voted to the board)
 - Ethics and Compliance Committee
 - Onboarding and Recruitment Committee
 - Security and Audit Committee
 - Technical Services Committee
- B. The creation of a standing committee: The request shall be in writing and shall explain the purpose of the proposed committee and its structure. The Directors will consider the request within thirty days at a Regular Meeting. If desired, the proponents of the committee shall select one member to provide no more than fifteen minutes of time advocating for the committee proposal. Then the Directors shall vote on the committee proposal, and its creation or rejection shall be determined by majority vote. If rejected, the proponent representative may request a General BLOC Assembly vote and if 80% of members vote to approve the committee, the Directors' vote is overturned

(2) **Ethics and Compliance Committee**

- A. Chaired by the BLOC Chairman
- B. Includes the following members: Ethics Officer, Security Officer, and no more than 6 other additions to this committee from BLOC members only. Any additions are subject to an assembly vote.
- C. Purpose: Investigate and handle violations of BLOC CoC, Constitution, and Bylaws; handle reports of violations and provide an anonymous submission process for the community; adjudicate culpability of violations committed by BLOC members for submission to the Board of directors for remedy.
- D. Discretion in carrying out the purpose, duties and protocols of the Committee is reserved to the Chair.

(3) **Onboarding and Recruitment Committee**

- A. Supervised by the Sr. Onboarding

- B. Number of personnel for committee business is to be determined by the chair but not to exceed 7 BLOC assembly members or approved proxies without an assembly vote.
- C. Purpose: Community outreach for project inclusion, mentorship within the scope of the committee's ability and time, processing new projects into the general assembly
- D. Discretion in carrying out the purpose, duties and protocols of the Committee is reserved to the Supervisory officers.

(4) Security and Audit Committee

- A. Chaired by the Security Officer
- B. Includes the following members:
 - o Compliance Officer
 - o Officer appointees
- C. Purpose:
 - o Maintain and track the integrity of BLOC members
 - o Audit prospect members and any current member with complaints or reasonable suspicions
- D. Discretion in carrying out the purpose, duties and protocols of the Committee is reserved to the Chair.

(5) Technical Services Committee

- A. Chaired by the Technical Officer
- B. Includes the following members: Technical Officer and no more than 7 proxies or assembly members without assembly approval
- C. Purpose: Assist with auditing, mentorship and onboarding using Minimum Technical Standards when needed, itemize and manage community technical resources, provide insight into project or product quality control.
- D. Discretion in carrying out the purpose, duties and protocols of the Committee is reserved to the Chair.

(6) Committee Reporting Requirements

- A. Any member of the General BLOC Assembly may request that the Board create a standing committee. The request shall be in writing to the executive committee and shall explain the purpose of the proposed committee and its structure. The Directors will consider the request within thirty days at a regular meeting. If desired, the proponents of the committee shall select one member to provide no more than fifteen minutes of time advocating for the committee proposal. Time duration can be extended by a board motion. Then the Directors shall vote on the committee proposal, and its creation or rejection shall be determined by majority vote. 80% General Assembly veto is required for override in this matter
- B. Each Chair Committee will ensure that reasonable steps are taken to document the agenda/events/outcomes of each sub-committee meeting.

ARTICLE V
Meetings & Voting

(1) General Assembly Meetings

- A. General Assembly meetings can be held weekly as needed but regular meetings are to be held once every 30 days. General Assembly meetings are open to the General Assembly unless otherwise noted.
- B. Attendance at these meetings will be kept for the purpose of intermittent audits. Assembly members are required to present themselves or an approved representative at one of these meetings every 60 days which will be reflected on audits.
- C. If a BLOC assembly member has not attended a general assembly meeting within 60 days the ethics officer will reach out to ensure intent to be a contributing member of the BLOC. Failure to respond within 30 days will result in being considered unresponsive. Unresponsive and inattentive projects will be stood down from the BLOC to apply to join BLOC again.
- D. Current General Assembly Meetings:
 - i. Last Saturday of the month Replacing the 1pm CST board meeting.
 - a. We encourage members to check the BLOC members only channels for updates.

(2) BLOC Board Meetings

- A. Due to the nature of being an organization with international participation, meetings are understood to be any attendance within one week. Directors are to attend at least 50% of the meetings within a month. BLOC Board Members that have communicated mitigating circumstances can take a leave of absence as long as their duties are covered. Any absence longer than 1 month needs to be brought up to the ethics and compliance committee and a recommendation will be made to the board. The board will have the final say as to the action.
- B. Are held:
 - i. Weekly
 - ii. Once monthly General Assembly (TBD)
 - iii. As requested, and agreed upon by consensus

(Subsequent meetings as prescribed by BLOC Board to accommodate as needed so long as the meeting is held weekly within adherence to the bylaws)

- C. Board meetings are open to the General Assembly unless otherwise noted.
- D. Meetings have no set duration and are subject to change at the need of directors per majority vote and can be arranged to meet the needs of the General Assembly.
- E. Cooperation with approved BLOC tools and software will help facilitate engagement if meetings are not able to be attended and should be considered during 6-month review.

(3) Committee Meetings

- A. Shall be determined and set by Committee Chairs and forwarded for record to the secretary

(4) Special/ Emergency Meetings

- A. Special or emergency meetings will be permitted by motion of 2 or more Directors, or 33% of the general assembly. Notice must be given in BLOC official communication channels. Special or Emergency meetings are to be held to the same operational

standards as regular meetings.

(5) Notice of Meeting

- A. Notice of the date, time, and place of *Regular Meetings* shall be provided to the General BLOC Assembly through Bloc Internal Communications Channels no less than seven days prior to the meeting. The notice shall also include the Agenda for the Regular Meeting.
- B. Notice of the date, time, and place of *Special Meetings* shall be provided to the General BLOC Assembly through Bloc Internal Communications Channels no less than four days prior to the meeting. The notice shall also include the Agenda for the Special Meeting.

(6) Voting on Bloc Matters

- A. Any matter placed on the agenda for a vote can be decided by the general assembly unless the executive committee requires the matter to be decided by the board. (The addition of new members to BLOC Oversight is an example of an executive committee vote)
- B. All board votes are required to be disclosed to the general assembly within one week of the vote's conclusion. The BLOC general assembly has 30 days from the conclusion of the vote to reach a 80% consensus in order to veto any vote the board decides on. The votes will be reasonably disclosed BLOC general assembly communications channels.
- C. If a vote does not receive at least 60% participation the vote is considered nullified.
- D. All Votes must have options of YES, NO, and ABSTAIN to be valid votes from 24 Sep 2022.
- E. Agenda matters that require a vote of the General BLOC Assembly shall be decided by a Majority of [all eligible voting members / the votes cast].
- F. Voting matters that may require the General BLOC Assembly include the following:
 - i. Votes on the election, retention, or removal of a director.
 - ii. Votes on the removal of a member only after reports are submitted by Ethics and Compliance
 - iii. Votes to amend or otherwise modify these Bylaws, Code of Conduct, or constitution.
 - iv. Votes to create or dissolve committees.
 - v. Votes regarding committee actions impacting the General BLOC Assembly
 - vi. If the board conducts a vote with the exclusion of the general assembly, the Assembly has the right to use an Assembly veto if they deem it necessary.
- G. If a committee seeks to place an item for voting on the agenda, it shall automatically be placed on the agenda for the next Regular Meeting following the approval of the request by the committee in question.
- H. Any member of General BLOC Assembly may request a matter be placed on the agenda for a vote. In order for the proposal to be placed on the agenda for a vote, a

quorum of the General BLOC Assembly must convene and submit the agenda item to the executive committee. No voting issue may be submitted for re-voting within ninety days of the original vote unless 80% of the General BLOC Assembly vote to place the matter for re-vote.

- I. Voting shall occur through Microsoft Teams using the Parrot Tool. If for any reason a voting member cannot access Teams or the Parrot Tool, the vote may be sent by email to c844b54e.BLOC.Foundation@amer.teams.ms. Until stream-lined use of these tools is implemented, the board has the discretion to provide alternative voting options as necessary. If any alternate mediums are used then reasonable evidence must be provided and stored where the vote was cast.
- J. Voting that is open to the General BLOC Assembly commences upon the release of the agenda upon which the voting matter is placed. Timeframes for voting will be 7 days from the initiation of the voting item.

(7) Actions without a Meeting

- A. Any action required or permitted to be taken by the Board of Directors under the Texas Non-Profit Organization Act, the Certificate of Formation, and these bylaws may be taken without a meeting, if a majority of Directors individually and collectively consent in writing, setting forth the action to be taken. Such written consent shall have the same force and effect as a unanimous vote of the Board. .
https://www.sos.state.tx.us/corp/nonprofit_org.shtml

(8) Record keeping, Proxy & Blockchain for Voting

- A. Directors & members may vote by proxy using blockchain tools provided by the board & with the supervision of the Technical Officer. Vote intervals will be given time allocation accordingly. Votes are recorded & stored on Blockchain &/or in the BLOC Microsoft Teams channel.

(9) Roster of Officers

- A. The Organization shall have a Chair, Vice Chair, Secretary, and Treasurer. No person shall hold more than one office concurrently unless there is no one to fulfill the role, in which case that role may be assigned to a current board member by a vote of the board. This vote is subject to a veto vote by the general assembly if a quorum. See the Board of Directors for more.

ARTICLE VI

Rules of Procedure

The proceedings and business of the Board of Directors is encouraged to adopt Robert's Rules of Parliamentary Procedure unless otherwise decided upon by the Board of Directors. .

<https://robertsrules.com/>

<https://mrsc.org/Home/Explore-Topics/Governance/Legislative-Organization-Meetings-and->

[Process/Parliamentary-Procedure.aspx](#)

Any Director facilitating a board meeting or general assembly member facilitating a sub-committee meeting shall be required to comply with the following:

- A. Meeting links
 - i. The facilitator will be expected to provide links to the platform (pre-approved by the BLOC Board) in order to host the meeting. Meeting links of the BLOC will only go out to the appropriate channels given the intended audience.
- B. Record of Attendance
 - i. Facilitator needs to record all who attend the meeting.
- C. Agenda
 - i. Action or discuss Agenda items in priority order during the meeting.
 - ii. Gather and consolidate any agenda items from the previous meeting that did not get discussed.
 - iii. Record the outcome of agenda items discussed. (Should be captured written form and posted in bloc channels, but this can be supplemented with the recording)
- D. Recording
 - i. All official meetings of the bloc (barring any exceptions at the board's discretion ex disclosure discussions, ethics private meetings) should be recorded and submitted to the proper person on the Board for Archiving.
 - ii. No recordings shall be released to the public without the consent of the Board of Directors.
- E. Action Items
 - i. Subsequent to any discussions that were had, any items that are to be actioned should be documented stipulating the action to be taken and persons(s) accountable for that action's completion. If the action takes more than one week's time, there should be a date of targeted completion.
- F. Minutes
 - i. Shall consist of the agenda items, attendance, action items, and recordings as stated above

ARTICLE VII

Indemnification

(1) Insurance

- A. When the organization takes on donations, the Organization will prioritize indemnification insurance for its Board members alongside core operational costs. The Board shall select the amount and limits of such insurance policy as is reasonable.

(2) Indemnification

- A. To the extent permitted by law, any person (and the heirs, executors, and administrators of such person) made or threatened to be made a party to any action, suit, or proceeding by reason of the fact that he/she is or was a Director or Officer of

the Organization shall be indemnified by the Organization against any and all liability and the reasonable expenses, including attorney's fees and disbursements, incurred by him/her (or by his/her heirs, executors or administrators) in connection with the defense or settlement of such action, suit, or proceeding, or in connection with any appearance therein.

(3) Limits on Indemnification

- A. Notwithstanding the above, the organization will indemnify a person only if he/she acted in good faith and reasonably believed that his/her conduct was in the organization's best interests. In the case of a criminal proceeding, the person may be indemnified only if he/she had no reasonable cause to believe his/her conduct was unlawful.

ARTICLE VIII

Operations

A. Finances and Funding

- A. The BLOC will handle funds with integrity and in accordance with the code of conduct and constitution. The Treasurer will be tasked with managing and prioritizing how the funds are best spent. The treasurer and their actions will be accountable to the Board of Directors.

B. Execution of Documents

- B. Unless specifically authorized by the Board of Directors or as otherwise required by law, all deeds, conveyances, leases, or promissory notes executed in the name of and on behalf of the Organization shall be signed and executed by the Chief Executive Officer. All conveyances of land by deed must be approved by a resolution of the Board of Directors.

C. Records

- A. The Organization will keep correct and complete records of account and will also keep minutes of the proceedings of the Board meetings and Committees. The Organization will keep at its principal place of business the original or a copy of its bylaws, including amendments to date certified by the Secretary of the Organization.

D. Inspection of Books and Records

- A. All books and records of this Organization may be inspected by any Director for any purpose at any reasonable time on written demand.

E. Fiscal Year

- A. The fiscal year for the Organization will be the calendar year, January 1 to December 31. The Board shall approve an operating budget in the last meeting of the year, or as soon as possible thereafter.

F. Seasonal Policy

- B. BLOC recognizes seasonal holidays across multiple jurisdictions, but it commits to uphold its responsibilities within reason and at the discretion and decision of the board. During seasonal close down BLOC Chair and Vice Chair reserves the right to recall board members in the case of special/time-sensitive circumstances.

G. BLOC Financial Audit

- A. The Organization shall have an annual audit to be completed by January 31st for the previous fiscal year's expenses.

H. Amendment Process

- A. BLOC Bylaws, Code of Conduct and Constitution are permitted to be amended subject to the following protocols:
 - i. Amendment request is submitted to the Ethics and Compliance committee. They will review the documents for redundancy and incongruency with current BLOC procedures
 - ii. The Ethics and Compliance committee will submit a report to the Board within a month of receiving the requested amendment.
 - iii. Proposed amendments will be presented to the general assembly by the board and debated on via meetings or Official BLOC channels.
 - iv. Process duration will be limited to 14 days and no later than 30 days from the motion to amend
 - v. 80% majority vote of the general assembly will constitute a passage of the amendment to BLOC Bylaws, Code of Conduct or Constitution.
 - vi. In the event of necessity, the board of Directors may modify BLOC procedures with a unanimous Board vote under extreme circumstances.

ARTICLE IX
Membership

(1) Membership

- A. Members must remain active in the organization in order to maintain Membership. To be considered active, all Members must:
 - i. Adhere to the Code of Conduct.
 - ii. Adhere to the Constitution.
 - iii. Adhere to these bylaws
- B. General Assembly Members must attend at least one BLOC General Assembly Meeting in a thirty-day period as outlined in Article V.1.
- C. Board Members must attend as indicated in Article III.8.

(2) Onboarding Procedures

- A. Onboarding procedures will be subject to the approval of the board of directors and carried out by the onboarding subcommittee.
- B. Onboarding must satisfy the following requirements:

- i. A thorough understanding of what it means to be compliant with the constitution, code of conduct, and the Bylaws.
 - ii. Prospect projects must be audited and pass the requirements of the BLOC approved auditor(s)
 - iii. Disclosures
 - a. Prospect members/Project Leads must meet with the security officers to complete disclosures
 - b. Members must commit to provide ongoing disclosure following any change of personal and or project circumstances that would affect the BLOCs reputation.
 - iv. Towards the end of the on-boarding process the Board must vote on the prospective project and have the final say as to the project is able to join BLOC or not.
- C. As onboarding procedures may change with the needs of the technology and constraints of the organization, the onboarding process will be outlined in the Onboarding Process Addendum.

(3) Project Auditing

- A. Any prospective project that desires to join BLOC is required to submit to an audit by a BLOC approved auditor and subject to passing that audit before becoming a member
- B. Every member of the BLOC will also be subject to a 6-month review and may be selected at random for an audit procedure to ensure projects are accountable. These audits will be conducted by the Security and Auditing committee. Any BLOC project may be audited at any time at the discretion of the Security Officer or the Ethics and Compliance Committee. The purpose of audits is accountability, not to be unduly burdensome.

(4) Enforcement Of Bylaws, Constitution and Code of Conduct.

- A. The BLOC must maintain a good reputation in order to fulfill its mission of setting the standards that the Blockchain space should aspire to. Enforcement actions are meant to live up to the values and mission of the BLOC and should be enforced to ensure the public and blockchain industry's trust. Any Report to the Ethics and Compliance Committee should be replied to no later than 14 calendar days of submission.
- B. Procedures for dealing with complaints will be as follows:
 - i. Complaints can be done on the main website or to ethics@bloc.foundation . Any Member may submit to the Ethics and Compliance Committee a concern that a particular Member is in violation of BLOC standards.
 - ii. The offense should be discussed with the accuser by the Ethics and Compliance Committee and members of the board.
 - iii. The person targeted for the complaint will be removed from any proceedings besides interviews until judgement of the board is rendered. If the complaint is about the entire board, then the judgement will be rendered by the BLOC general assembly vote.
 - iv. Preliminary Fact Finding – The Ethics Committee will gather the available

- initial information and evidence and consider if an ethics violation has occurred.
- v. Conduct a Full Investigation- If the report filed is considered an Ethics violation, the ethics committee will select an investigator best suited for the task and notify the respondent of the complaint. The Investigator conducts interviews and engage with other committees as needed in order to understand the situation fully. All Ethics and Compliance reports will be investigated within no less than 30 days of the submitted report.
 - vi. Making a Decision –
 - a. If a Violation HAS Occurred. If the allegation is substantiated by Ethics and Compliance Committee, the offense will be brought up as a high priority item at the start of the next board meeting or at a special board meeting. The substantiated offense will be discussed by the board to determine the appropriate actions and subsequently voted on for its resolution. Prior to the vote of the board of directors being finalized. The person accused of the violation has the right to call relevant witnesses and to give their side of the story. Witnesses or the accused may appear in writing or in person. The evidence is presented to the Board and a decision is made for the consequences of the violation. A report will be filed in the respective Ethic Committee Reports section. The initial person who filed the complaint will be notified of the outcome.
 - b. If a Violation did NOT Occur – A report will be filed in the respective Ethic Committee Reports section. The initial person who filed the complaint will be notified of the outcome. The accused will be informed that the ethics complaint was unsubstantiated.
 - i. Definitions of infractions may be at the discretion of the board but in the spirit of the code of conduct, bylaw, and constitution. The reason for this is to leave flexibility within a space of ever-changing technology and regulation.
 - ii. Internal policy enforcement (Ethics and Compliance Committee)
 - a. Investigates any violations of Code of Conduct
 - b. Reported concern regarding voting members and proxies of the BLOC to The Board
 - c. Address conduct of BLOC members directly to the member
 - d. Investigate potential violations of bylaws or other BLOC standards by voting members and proxies.
 - e. Recommend Punitive/Non-Punitive Actions to the board based on the results of ethical investigations.

(5) Conflicts Of Interest

- A. Whenever a member has a financial or personal interest in any matter that comes before the Directors or General. BLOC Assembly for a vote, the Board shall ensure that:
 - i. The interest of such Member is fully disclosed to the General BLOC Assembly.
 - ii. No interested Member may vote or lobby on the matter or be included in the count which determines the existence of a quorum at the meeting of the board of directors at which such matter is voted upon.
 - iii. The minutes of meetings at which such votes are taken shall record such

disclosure, abstention, and rationale for approval.

(6) Containing risks to Infrastructure

- D. Situations may arise where the BLOC needs to protect its infrastructure. At the discretion of the Chair, Vice Chair, and Security Officer, a member may be temporarily removed from BLOC accounts and access restricted if they deem it necessary. Uses of this authority are subject to the judgement of the BLOC board but discretion of the Chair, Vice Chair, and Security Officer. Such occurrences may include but are not limited to:
- i. Corrective action of a BLOC member/Contractor
 - ii. The threat of a suspected bad actor who made it past our onboarding system

ARTICLE X
Non-Members

(1) Non- Members

- A. Non-Members are members of the public and anyone who has not undergone the BLOC onboarding process. Non-members may not be granted access to any of the BLOC infrastructure, documents, deliverables, meetings, or materials unless they fall into one of the below exceptions:
- i. Proxy (Article III.6)
 - ii. Contractor/Intern (Article X.2)
 - iii. Edge-Case-Exceptions (Article X.3)

(2) Contractors/Interns

- A. Contractors or Interns are considered non-members but in order to provide the services or products they may need limited access to BLOC infrastructure, documents, deliverables, or materials. All Contractors or Interns need to sign a Non-disclosure Agreement as provided by BLOC current standing Legal Counsel. If the BLOC board members agree the Contractor/Intern may even attend board meetings. Meeting attendance is at the board's discretion as a majority. After such time that the services are rendered, the Contractor or intern will have their Access restricted.

(2) Edge-Case-Exceptions

- A. The board of directors may call a vote in order to grant access to BLOC infrastructure, documents, deliverables, or materials to a specific individual, company, or entity for a period of time. The intent behind this is to take into account special circumstances that may arise outside of normal proceedings.

ARTICLE XI
Audits

(1) Audit Process

- A. Auditing for the BLOC will be done by BLOC Approved representatives based on blockchain and is subject to change as needed. Auditing assignments will be given as needed for project onboarding and other matters. The assignment of Blockchain auditors and the Audit process shall be conducted by the Security and Auditing Committee.

(1) Continuous Improvement Plan

- A. The BLOC has worked to maintain a robust and highly trusted onboarding and auditing process. While the BLOC's standards will improve continuously with the blockchain space to ensure quality. The intent behind this plan is to get as close to perfect as possible while understanding that we cannot predict every outcome. The BLOC recognizes the need to have a plan in case of a failure for quick recovery in the event of a Failure of our processes to root out bad actors.
- B. In the event of a failure of this process the board of directors commit to doing the following:
 - i. Immediately remove the BLOC member with a statement to the public.
 - ii. Pause Onboarding/Auditing to provide focus to the current issues
 - iii. Board will Meet (normal scheduled board meeting or a special meeting may be called) to immediately triage the situation, and retrospectively diagnose where in our process we could have prevented said failure.
 - a. BLOC will explore all relevant avenues to be able to help the investors in the event of a failure within the means of the BLOC.
- A. Board will meet with the general assembly to:
 - i. Provide root cause of the failure
 - ii. The updates to our onboarding, auditing, or membership policies
 - iii. Implement any new policies
 - iv. Receive feedback from the general assembly
 - v. A statement will be made to the public about the plan to improve and the timer on our website will be reset.
- B. Failure of the Auding process shall be defined as any malicious intent by the respective project/team to harm to investors by BLOC Project (i.e. - rug pulls.)
- C. The BLOC will develop a disaster response plan to prescribe the steps that should be taken in more detail in the event of a failure.

We the members of the BLOC hereby ratify the preceding Bylaws as of 26 November 2022.