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ARTICLES OF ASSOCIATION

Preamble

Waves Association aims to support the development of the Waves protocol and Waves blockchain (Waves) and to make it available to the general public as an open source software as well as to promote the ecosystem existing around Waves.

§ 1 Name, Seat, Fiscal Year

- (1) The name of the Association is "Waves Association".
- (2) It shall be entered in the German register of associations (Vereinsregister). Following its registration, the suffix "e.V." (registered association) will be added to its name.
- (3) The seat of the Association is in Frankfurt am Main, Germany.

§ 2 Purpose

- (1) The Association exclusively and directly serves public-benefit purposes as defined in the chapter on "tax-privileged purposes" of the German fiscal code (Abgabenordnung; "AO").
- (2) The Association's purposes are
 - a) the advancement of science and research, especially in the field of information technologies;
 - b) the advancement of adult education and vocational training especially in the field of digitization and application of modern software;



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in particular it aims at advancing the non-commercial development of the Waves protocol and Waves blockchain as well as other applications in the areas of blockchain and distributed ledger technologies.

(3) The purpose as laid down in the Articles of Association is achieved, in particular, by

- a) providing the Waves Protocol, Waves Node, Waves Explorer and other Waves software as open source software and making it accessible to the public for use, i.a., on the Waves Association's websites, with the aim of promoting the development of applications (dApps) on the Waves platform by third-party developers;
- b) establishing and operating communication forums for mutual assistance and, hence, for the development and advancement of programming skills;
- c) placing research orders, especially by setting up a Waves Grant program and granting Waves Labs grants;
- d) awarding prizes and scholarships that promote or contribute to the further development of the Waves protocol and Waves blockchain;
- e) making the Waves protocol and its potential applications known in society;
- f) supporting the development of blockchain solutions and decentralized payment systems based on the Waves protocol;
- g) supporting and moderating the <https://wavesassociation.org/> website and other websites dedicated to Waves protocol and Waves blockchain;
- h) organizing and running events, conferences, hackathons and other conventions of users and interested people for exchanges of information, representation of interests, consultation and training.

(4) Pursuant to Section 58 No. 1 AO, the Association may additionally procure funds for the achievement of the tax-privileged purposes described in para. 2 above by another legal



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entity. This may be achieved in particular by acquisition, collection, and coordination of donations and other funds as well as by transfer of funds to domestic or foreign legal entities that use these funds for achieving the tax-privileged purposes set out in para. 2 above. The procurement of funds for a corporation subject to unlimited tax liability is conditional upon that corporation itself having tax-privileged status.

(5) The Association is acting altruistically; it does not primarily pursue its own economic purposes.

(6) The Association's funds may be used for the purposes set out in the Articles of Association only. In their capacity as members, the members shall not receive any payments from the funds of the Association.

(7) The Association may not provide a benefit for any person by means of expenditure unrelated to the purpose of the Association or disproportionately high remuneration.

(8) To the extent that the Association does not perform its functions itself, it may employ aides as defined in Section 57 (1) sentence 2 AO.

§ 3 Beginning of the Membership

(1) Natural persons and legal entities who actively participate in the Association's work, especially by contributing to the organization of conventions of the Association or events of the Association, may become full members of the Association.

(2) Natural persons and legal entities who promote the Association's objectives can become associate members.

(3) The general meeting can appoint any natural person or legal entity that has rendered outstanding services to the Association as honorary members.



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(4) Admission to the Association shall have to be applied for to the board in text form (Section 126b of the German Civil Code (Bürgerliches Gesetzbuch; "BGB")). The board shall decide on the application for admission based on the recommendation of the Membership Committee.

(5) A renewed application for admission may not be submitted earlier than after expiry of three years after a rejection decision.

(6) The membership is not transferable and not inheritable. The exercise of membership rights cannot be passed on to another person.

§ 4 Rights and obligations of members

(1) Members have the right to exercise their rights of participation in the Association in accordance with these Articles of Association. Full members and honorary members each have one vote in ballots and elections, and also have the right to submit petitions at the general meeting. A transfer of the right to vote and submit petitions is not permissible. Associate members have neither the right to vote nor the right to submit petitions in the general meeting.

(2) Members can participate in the events of the Association. Further details may be regulated by the board in a subsidiary regulation.

(3) Full members of the Association are encouraged to actively participate in the work of the Association and to contribute to the organization of conventions or events of the Association.

(4) Members pledge to support the objectives and interests of the Association. In doing so, the resolutions and directives of the Association's bodies must be observed.

(5) If members of the Association are obliged to compensate another person for damages pursuant to para. 5, sentence 1, which they have caused in the performance of the tasks



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assigned to them under the Association's Articles of Association, they may demand that the Association release them from the obligation. Sentence 1 does not apply if the members of the Association have caused the damage intentionally or due to gross negligence.

§ 5 End of the Membership

(1) Membership ends upon a member's death, in case of a legal entity upon its termination. Membership also ends upon resignation, regular termination, expulsion and insolvency.

(2) Resignation shall be given by a declaration in text form (Section 126b BGB) to the board. It shall be subject to a three-month notice period effective from the end of the fiscal year.

(3) The board may terminate membership by regular termination subject to a three-month notice period effective from the end of the fiscal year even without important reason if the member no longer fulfills the requirements of his/her respective membership according to para. 1 or para. 2.

(4) An immediate expulsion of a member of the Association shall be permitted for good cause only. Good causes are, in particular,

- a) any behavior causing damage to the Association or its objectives;
- b) any behavior causing damage to other members of the Association;
- c) any gross breach of the member's obligations.

(5) The board shall decide on the expulsion by resolution. Prior to passing said resolution, the member concerned shall be given the opportunity to address the board and express - in text form (Section 126b BGB) - his/her views on the reasons for the expulsion provided in text form (Section 126b BGB) within a set time-limit of two weeks. The resolution on the



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expulsion shall be substantiated and notified to the member concerned in text form (Section 126b BGB).

(6) Readmission of a member previously excluded from the Association by final resolution shall be admissible by mutatis mutandis application of the foregoing provisions.

(7) In the event that a member fails to pay the membership fees when due, his/her membership rights shall be suspended until payment of the outstanding membership fee.

§ 6 Annual Fee

(1) Annual fees are levied on the members.

(2) The amount and due date of the fees shall be determined by the board based on the recommendation of the Membership Committee. The fees may vary for natural persons, legal entities, full members and associate members.

(3) Honorary members who are not full members do not need to pay any fees.

§ 7 Bodies

(1) The Association's bodies are:

- Executive Board - (§ 8)
- Managing Board - (§ 9)
- Working Groups - (§ 10)
- Advisory Board – (§11)
- General Meeting - (§ 12)



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- Managing Director - (§ 13)

(2) If members of a body work for the Association gratuitously, they are only liable to the Association for any damage they cause in the performance of their duties in the event of intent or gross negligence. Sentence 1 also applies to the liability towards the members of the Association. In the event of a dispute as to whether a member of a body or a special representative has caused damage intentionally or through gross negligence, the Association or the member of the Association shall bear the burden of proof.

(3) If members of a body are obliged to compensate another person for damages which they have caused in the performance of their duties, they may demand that the Association release them from the obligation. Sentence 1 does not apply if the damage was caused intentionally or due to gross negligence.

§ 8 Executive Board

(1) The heads of the working groups (§ 10) and the managing board (§ 9) form together the executive board of the Association. Insofar as the Articles of Association refer to the "board", this is always understood to mean the executive board as defined in § 8.

(2) The provisions in § 9 apply for the election and term of office of the managing board and the provisions in § 10 apply for the election and term of office of heads of the Working Groups. The board may include up to 13 members.

(3) The Executive Board is responsible for all matters of the Association assigned to it by these Articles of Association. Its tasks include the following, in particular,

- to prepare the general meeting and set the agenda,
- to approve the Working Groups and their tasks, size and members,
- to draw up the activity report.



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(4) The board shall pass resolutions at board meetings convened by the president of the board by notice in text form (Sec. 126b BGB) specifying the provisional agenda no less than two weeks in advance.

(5) The board shall have a quorum if no less than five members of the board including its president are present. The president of the board shall chair the meetings of the board.

(6) The board shall pass resolutions by a simple majority of votes. In case of a parity of votes, the vote of the chairman of the meeting shall be decisive.

(7) The president may provide that members of the board may cast their votes in electronic form, even without participating in the board meeting. The president may provide for the meeting to be conducted in whole or in part in electronic form. The procedure for electronic voting and the conduct of the electronic board meeting can be regulated in detail by the board in the rules of procedure for electronic board-meetings.

(8) Resolutions of the board shall be documented in written minutes and signed by the president of the board.

(9) The members of the board work in an honorary capacity. They shall be entitled to reimbursement of the expenses that are actually incurred by them in working for the Association as defined in Section 670 BGB and substantiated in the individual case.

(10) The details may be set out in the board's own rules of procedure adopted by the board.

§ 9 Managing Board

(1) The managing board of the Association as defined in Sec. 26 BGB (German Civil Code) can consists of up to five members, including the president and the vice-president.

(2) The Managing Board



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- represents the Association in and out of court; it has the status of a legal representative,
- manages the business of the Association,
- to decide on the admission of members,
- to determine the membership fees,
- manages the assets and funds of the Association,
- to draw up the annual accounts,
- to entrust the auditor with the audit of the annual accounts,
- and is responsible for all matters of the Association, unless expressly assigned to another body of the Association by these Articles of Association.

(3) The members of the managing board are each individually entitled to represent the Association in and out of court. If a declaration of intent is to be made to an association, it is sufficient to make it to a member of the board.

(4) The president and vice-president are exempted from the restrictions of Sec. 181 BGB (German Civil Code).

(5) The managing board is elected by the general meeting. Re-election is possible. The term of office is five years. During the term of office, a managing board can only be removed by the general meeting for good cause; a good cause is, in particular, gross breach of duty or inability to manage the business properly. The managing board remains in office - except in the case of removal - until a successor has been effectively elected. If a member retires before the end of his or her term of office, the managing board shall elect a substitute member for the remaining term of office of the retired member.

(6) In the event of insolvency or over-indebtedness, the managing board must file for insolvency proceedings to be opened. If the filing of the request is delayed, the members



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of the board who are at fault are liable to the creditors for the resulting damage; they are jointly and severally liable.

§ 10 Working Groups

(1) Working groups can be formed by resolution of the general meeting with the approval of the board.

(2) The general meeting decides on the size of the working group and elects its members. The size and composition of the working group must be approved by the board.

(3) Any member of the Association can become a member of a working group.

(4) The Association currently has the following working groups:

- Membership
- Events
- Research and Development
- Products and Applications
- Funding & Grants
- Public and Media Relations
- Regulatory

(5) The members of a working group shall elect the head of the working group from among their number. The term of office of the head of working group is one year. Re-election is possible. If a member retires before the end of his or her term of office, the head of the working group elects a substitute member for the remainder of the term of



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office of the retired member. The managing board has the power of veto in the election of the head of the working group.

(6) The working groups shall prepare the matters and questions relating to their areas of competence. The head of the working group submits the matters prepared by its working group for approval by the board. The board shall determine the financial budgets of the working groups.

(7) The provisions governing the adoption of resolutions by the board shall apply mutatis mutandis to the adoption of resolutions by the working groups.

(8) Details of the activities and internal organization of the individual working groups are governed by the respective working group rules, which the working groups issue themselves after approval by the board.

(9) Subject to the approval of the board, working groups may be dissolved by resolution of the general meeting. The relevant head of the working group must be heard by the board before approval is granted.

§ 11 Advisory Board

(1) The Association may establish an advisory board by resolution of the general meeting.

(2) The members of the advisory board shall be appointed and removed by the board upon a proposal from the full members. Only sustaining members of the Association can be appointed to the advisory board. The advisory board must consist of an odd number of members.

(3) The provisions for the adoption of resolutions in board meetings shall apply accordingly for the adoption of resolutions in the advisory board.

(4) The advisory board



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- advises and supports the board
- makes suggestions for the further development and improvement of the Waves protocol.

(5) The details shall be set out in the advisory board's rules of procedure that are adopted by the advisory board and must be approved by the executive board.

§ 12 General Meeting

(1) The business of the Association, to the extent that it is not carried out by the board or another body of the Association, is regulated by resolutions passed in a general meeting.

(2) The duties of the general meeting are the following:

- to elect and remove the managing board
- to pass resolutions on the establishment, size and dissolution of working groups
- to grant discharge to the board
- to pass resolutions on amendments to the Articles of Association
- to pass a resolution on the dissolution of the Association.

(3) The president of the board must convene the general meeting at least once every year.

(4) The members shall be invited by notice in text form (Sec. 126b BGB) specifying the provisional agenda no less than four weeks in advance. In order for resolutions of the general meeting to be valid, it is necessary that the subject matter has been specified in the invitation.



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(5) In addition, the board may call for extraordinary general meetings at any time. It shall be obliged to do so if 20% of the voting members so demand in writing stating the purpose and the reasons or if required in the Association's best interests. If the request of the members is not complied with, the Local Court may authorize the members who made the request to call a general meeting; it may issue instructions on who shall chair the general meeting. The competent court is the local court which keeps the register of associations for the district in which the Association has its seat. Reference must be made to the authorization when calling the general meeting.

(6) The general meeting shall have a quorum regardless of the number of members present.

(7) The meeting shall be chaired by the president of the board. The keeper of the minutes shall be appointed by the chairman of the meeting.

(8) The general meeting shall adopt its resolutions by a simple majority of votes cast unless a different majority is required under these Articles of Association or by law. Every full member and every member of honor shall have one vote in the general meeting. Sustaining members are not entitled to vote. A member is not entitled to vote if the resolution concerns the execution of a legal transaction with him or the initiation or settlement of a legal dispute between him and the Association.

(9) Amendments to these Articles of Association or the dissolution of the Association shall require a majority of three quarters at the general meeting and the approval of three quarters of the full members. To change the purpose of the Association, the agreement of all members is required; the agreement of members who are not in attendance must be given in writing. The general meeting may authorize the board by resolution to adopt amendments to the Articles of Association as required by the register of associations in the context of the procedure for the registration of the Articles of Association or amendments to the Articles of Association.



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(10) The general meeting shall take decision and votes by open vote. At the request of a voting member, the general meeting may decide that the election/voting shall be by secret ballot.

(11) The president may provide that the members may cast their votes in electronic form, even without participating in the general meeting. The president may provide for the general meeting to be conducted in whole or in part in electronic form. The procedure for electronic voting and the conduct of the electronic general meeting can be regulated in detail by the board in the rules of procedure for electronic general meetings.

(12) The resolutions passed by the general meeting shall be recorded in written minutes and signed by the chairman of the meeting and the keeper of the minutes.

(13) The details may be provided in the rules of procedure governing meetings to be issued by the board.

§ 13 Managing Director

(1) The managing board is entitled to appoint a managing director to manage the Association's office and all operations of the current administration. The details shall be determined by the managing board in the managing director's employment agreement.

(2) In case of doubt, the power of representation of the managing director shall extend to all legal transactions which are usually associated with the scope of business assigned to him.

(3) He/she shall be a special representative of the Association as defined in Section 30 BGB.

(4) He/she shall be subject to the instructions given by the managing board.



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(5) For his/her services, the managing director shall receive appropriate compensation, the amount of which shall be determined by the managing board.

§ 14 Annual Accounts and Audit

(1) For each fiscal year, the board shall prepare the annual accounts and an activity report by not later than the end of the first three months of the following fiscal year.

(2) The board may engage an auditor to audit the annual accounts.

(3) The auditor shall record the result of the audit in writing and present it at the next general meeting.

§ 15 The Association's liability for its bodies

The Association is responsible for any damage caused to a third party by the managing board, a member of the managing board or any other representative appointed in accordance with the Articles of Association which was caused in the performance of the tasks assigned to him/her and which gives rise to the right to damages.

§ 16 Dissolution

(1) If the Association is dissolved or if tax-privileged purposes no longer apply the Association's assets will be transferred to another tax-privileged legal entity which shall use it for the advancement of science and research and adult education and vocational training. The assets may not be transferred to the beneficiaries before one year after the announcement of the dissolution of the Association.



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(2) In the event of dissolution, liquidation must be carried out, unless insolvency proceedings have been initiated against the assets of the Association. The Association shall be deemed to continue to exist until the end of the liquidation if the purpose of the liquidation requires it. The liquidator must publicly announce the dissolution of the Association. In the announcement the creditors shall be requested to file their claims. The announcement shall be published in the electronic Federal Gazette. The announcement shall be deemed to have become effective at the end of the second day following the date of the entry or of the first entry. Known creditors shall be invited to file their claims by special notice. If a known creditor does not respond, the amount owed shall be deposited on behalf of the creditor, if the right to deposit exists. If the rectification of a liability cannot be carried out at that time or if a liability is in dispute, the assets may only be transferred to the beneficiaries if the creditor has been provided with securities.

(3) Unless otherwise decided by the general meeting, in case of a dissolution resolution, the president of the board shall act as a liquidator having the power to represent the Association alone. The same shall apply, mutatis mutandis, if the Association is dissolved or loses its legal capacity for any other reason. The liquidator shall have the legal status of a board, unless the purpose of the liquidation indicates otherwise. The liquidator shall terminate the current business, collect outstanding receivables, convert the remaining assets into liquid funds, satisfy the creditors and transfer the balance to the beneficiaries. The liquidator may also enter into new transactions in order to terminate pending transactions. The collection of the receivables and the conversion of the remaining assets into liquid funds may be waived, unless these measures are necessary to satisfy the creditors or to distribute the balance among the beneficiaries.

(4) Liquidators who violate the obligations incumbent upon them or who, before satisfying the creditors, transfer assets to the beneficiaries shall, if they are at fault, be liable to the creditors for the resulting damage; they shall be jointly and severally liable.



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(5) The Association shall be dissolved upon the opening of insolvency proceedings or upon the resolution becoming effective by which the opening of insolvency proceedings was rejected due

to lack of assets. If the proceedings are discontinued at the request of the debtor or are terminated after the confirmation of an insolvency plan which provides for the continuation of the Association, the general meeting may resolve to continue the Association. A continuation of the Association as an unincorporated association in the event of the opening of insolvency proceedings may be determined by the Articles of Association; in this case, a resolution can also be made to continue the Association as an incorporated association subject to the conditions of sentence 2.

§ 17 Internal Provisions

The Managing Board shall have the right to define other binding internal rules in the Association's rules of procedure (Vereinsordnung) or other sets of rules.

§ 18 Entry into Force

The Articles of Association in their present form have been adopted by the Association's General Meeting and shall enter into force upon registration with the register of associations.