



**BYLAWS
of
THE LEOCOIN FOUNDATION**

Effective as of 1 June 2015

ARTICLE I – ORGANIZATION

Section 1.1 – The name of the organization shall be « LeoCoin Foundation »

Section 1.2 – LeoCoin Foundation is an unincorporated foundation under civil law in the administration of SGS UG (limited liability), Aschmattstr. 8, 76532 Baden-Baden (hereinafter referred to as « Endowment bearer ») and is represented by them in legal transactions.

Section 1.3 – The Foundation has its headquarters in Baden-Baden.

ARTICLE II – PURPOSES

Section 2.1 – The following are the purposes for which this organization has been organized: the Foundation, headquartered in Baden-Baden, exclusively and directly pursues charitable ends within the meaning of the « tax-advantaged purposes » section of the German tax code. The Foundation is non-profit-making, it does not pursue its own economic aims first and foremost. The Foundation carries out its tasks itself or by an auxiliary person within the meaning of § 57 para. 1 sentence 2 AO, unless it does operate in the field of fundraising according to § 58 no. 1 AO. The Foundation can maintain special-purpose enterprises to achieve the Foundation's purpose.

The purpose of the Foundation is to promote the education of the population in the field of digital currency. The Foundation's purpose shall be achieved above all by

- a. support and training of people who are interested in the system of digital currency
- b. the granting of aids for schools and training centers that are interested in imparting knowledge about the various digital currencies.
- c. the public announcement of digital currency by holding events that shall provide information about digital currency
- d. performing scientific events and research projects
- e. the award of research assignments, scholarships, etc ...
- f. contributions to institutions that support and conduct research on digital currency
- g. the promotion of measures whose aim is to support the dissemination of knowledge about the digital currency

Section 2.2 – Foundation's funds may only be used for statutory purposes

Section 2.3 – No person shall be favoured with expenses which are foreign to the aims of the Foundation, or through inappropriately high allowances.

Section 2.4 – Upon the dissolution or the annulment of the Foundation or if tax abetting purposes cease to apply, the assets of the Foundation will have to be transferred to a legally responsible foundation.

Section 2.5 – The purpose of the Foundation is to raise funding, according to § 58 no. 1 AO, to promote (e.g. the promotion of art and culture, science and research, education, environmental, landscape and heritage protection, sports, etc.) for the fulfilment of the tax-privileged purposes of another corporation or the fulfilment of tax-privileged purposes by a public corporation.

ARTICLE III – ASSETS OF THE FOUNDATION

Section 3.1 – The Foundation possesses assets which are define in the Foundation’s business.

Section 3.2 – The restructuring of the Foundation's assets shall be permitted. For the preservation and management of the Foundation’s assets, the principles of the secure and income-generating investment apply.

Section 3.3 – The management of the Foundation’s assets shall be secure and profitable, unless it is used according to para. 4 and para. 5. Within the framework of non-profit status for tax purposes, in order to retain the value, parts of the annual income can be fund to maintain the intrinsic value and as inflationary adjustment of free reserves or to the Foundation’s assets. The same applies for the contribution of funds according to § 62 para. 4 AO.

Section 3.4 – The foundation is formed as a non-perpetual trust. The assets of the Foundation may be used, in their entirety or in part, for the fulfilment of the Foundation’s purposes within 10 years after the founding. The Foundation pursues its purpose by using the basic assets from the return of the Foundation’s assets or from other Foundation’s assets.

Section 3.5 – The Foundation’s Board may spend yearly a maximum of 1/10 of the Foundation’s assets for statutory purposes. In each case, the used assets are reduced by occurred shortfalls/impairments of the original Foundation’s assets. Not exhausted amounts may be made up the subsequent years. In principle, the full amount of donations can be spend.

Section 3.6 – The Foundation can save, in their entirety or in part, its funds, insofar as it is permitted within the framework of non-profit status for tax purposes.

Section 3.7 – Within the possibilities of tax law, the Foundation can give funds to another tax-privileged corporation or a legal person under public law for financial wealth.

Section 3.8 – The Foundation is entitled to accept donations.

Section 3.9 – Reserves may be formed insofar as the regulations of the tax law permit these for foundations pursuing tax-privileged purposes. The board of directors can supply free reserves to the Foundation’s assets.

Sections 3.10 – There is no legal entitlement to foundation payments.

ARTICLE IV – ORGANS OF THE FOUNDATION

Bodies of the Foundation are:

- a) the endowment bearer
- b) the Board of Trustees

ARTICLE V – DUTIES OF THE ENDOWMENT BEARER

Section 5.1 – The Endowment bearer has to ensure the permanent and sustainable fulfilment of the Foundation’s purpose. He leads the business of the Foundation.

Section 5.2 – The Endowment bearer has to set up a business plan at the beginning of each fiscal year.

Section 5.3 – The Endowment bearer has to prepare a financial statement for the end of each fiscal year.

ARTICLE VI – BOARD OF TRUSTEES

Section 6.1 – The Board of Trustees consists of up to 5 members. They have to be natural people and may not be, at the same time, members of the representative body of the Endowment bearer. At least one member of the Board of Trustees shall be a member of the family, at least one other shall be a lawyer or a tax consultant. Members of the Board of Trustees are appointed for lifetime. The first Board of Trustees is appointed by the founders.

Sections 6.2 – The Board of Trustees shall elect a chairman and a deputy-chairman among its members for the duration of his term of office.

Section 6.3 – Members of the Board of Trustees may be recall only for compelling reasons. The Board of Trustees decides about the recall by a majority of its members. The member concerned has no right to vote.

Section 6.4 – If a member of the Board of Trustees retires, the Board of Trustees is then complemented by election. Until the supplement, the number of members of the Board of Trustees is reduced by the number of retired people.

Section 6.5 – The members of the Board of Trustees act free of charge for the Foundation. However, their necessary expenses, which occurred through the activities for the Foundation, can be substitute.

Section 6.6 – The Board of Trustees adopts rules of procedure elected by the majority of votes of its members. They contain in particular the preparation of the meetings of the Board of Trustees. They can also regulate the representation of the Board of Trustees towards the Endowment bearer.

ARTICLE VII – DUTIES OF THE BOARD OF TRUSTEES

Section 7.1 – The Board of Trustees shall supervise the management of the Endowment bearer and in particular that he ensures the permanent and sustainable fulfilment of the Foundation’s purpose.

Section 7.2 – The Board of Trustees shall also be responsible for:

- a) the approval of the business plan
- b) the issuing of guidelines for the fulfilment of the Foundation’s purpose
- c) the control of the financial management
- d) the approval of the annual financial statements

Other rights of the Board of Trustees in accordance with the articles of incorporation shall remain unaffected.

ARTICLE VIII – CONVOCAATION, QUORUM AND DECISION OF THE BOARD OF TRUSTEES

Section 8.1 – The Board of Trustees meets yearly, convened in writing by its Chairman – or if the latter is prevented, by his deputy – providing details of the individual items on the agenda; the invitation shall be issued at least two weeks before the date of the convocation. The Board of Trustees shall be convened if two members of the Board of Trustees or the Endowment bearer request it; the request has to specify the item on the agenda.

Section 8.2 – The Board of Trustees shall have a quorum when two thirds of all boards of trustees are present.

Section 8.3 – The Board of Trustees shall act by a majority of its members present, except in the cases of § 9. The Board of Trustees may also procure the adoption of a resolution in writing if all members give their approval to this form of adopting a resolution in writing (circulation procedure).

Section 8.4 – Minutes shall be kept of the resolutions adopted during the meetings of the Board of Trustees which shall be signed by the Chairman or his deputy as well as another member of the Board of Trustees. All resolutions of the Board of Trustees shall be collect and store during the existence of the Foundation.

ARTICLE IX – AMENDMENTS, CHANGES OF PURPOSE, DISSOLUTION, TRANFER OF ASSETS

Section 9.1 – Amendments that do not affect the purpose of the Foundation shall be permitted, if thereby the sustainable fulfilment of the Foundation’s purpose is promoted according to the will and the ideas of the founder. This requires a resolution passed by a majority of 2/3 of the members of the Board of Trustees and the approval of the Endowment bearer.

Section 9.2 – Changes of the purpose, the dissolution of the Foundation or the merger of the Foundation with another foundation shall be permitted only if the fulfilment of the Foundation’s purpose has become impossible or, owing to significant changes in the circumstances, no longer makes sense. This requires the approval of all members of the Board of Trustees and of the Endowment bearer.



Section 9.3 – The Board of Trustees may unanimously decide to transfer the Foundation’s assets to another Endowment bearer for good cause. In this case, the Foundation is not dissolved. A good cause is considered in case of retirement of the Endowment bearer for health reasons.

ARTICLE X – FINANCIAL YEAR

The financial year of the foundation is the calendar year.