
CONSTITUTION

of

XDAO Labs

an Association

Edition №1

Effective as of 18th of February, 2025

1. FORMATION

XGROUP GLOBAL PTE LTD (hereinafter “**XGROUP**”) have formed **XDAO Labs**, which hereinafter shall be referred to as the “**Association**”.

The Association is hereby constituted as a non-profit association and shall carry on its activities in accordance with the provisions of this Constitution.

2. DETAILS

The Association has the following details:

- Public DAO page:
<https://www.xdao.app/56/dao/0xf3c6c839297958bEdE5046Ef59baBcF3C989107B>
- DAO smart-contract address (BNB Chain):
0xf3c6c839297958bede5046ef59babcf3c989107b
- DAO smart contract code and security audits:
<https://bscscan.com/address/0xf3c6c839297958bede5046ef59babcf3c989107b#code>
<https://github.com/xdao-app/xdao-contracts>
<https://github.com/xdao-app/xdao-contracts/tree/master/audits>
- Mailing address: 10 Anson Road #20-05, International Plaza, Singapore (079903)
- E-mail: labs@xdao.app

3. PURPOSE

The purpose of the Association is as follows:

- development of [XDAO](#) protocol, smart-contracts, services, and community;
- popularization of Web-3, blockchain, DAO technology, and digital economy;
- establishment of the regulated sand-box ecosystem among the Members with the educational purpose to incite their use of DAO technology in meaningful activities;
- facilitate the execution of the real-world deals made by the Members.

4. NON-PROFIT NATURE

The Association may generate returns or profits, provided that they are reinvested or reallocated towards an activity that aligns with the Association’s purpose. The distribution of assets, income or profits to the Members is prohibited.

5. DEFINITIONS

- a) “**Association**” means a digital membership-based organization that operates on a public blockchain protocol (BNB Chain).
- b) “**DAO-Cell**” is a quasi-entity that exists within the XGROUP’s legal framework in relations between the Members, and in relations between the Members and third parties that have accepted Section 10 of this Constitution by the means of contractual provision.
- c) “**Member**” a person or entity that legally and knowingly possesses (or exercises control in their own interest) over the Governance Token(s) or is a member of the DAO-Cell. The rights and obligations associated with the membership do arise during the period of control over the Governance Token(s) and (or) the participation in the DAO-Cell and persist within 3 (three) years after the Disposal and (or) withdrawal from the DAO-Cell.
- The Managers are counted as Members during the period of their office.
- d) “**Disposal**” the act of abandoning the membership of the Association by the means of transferring all Governance Tokens owned by the Member to another person (or entity), or by transacting them to the following BNB Chain address: 0xf3c6c839297958bEdE5046Ef59baBcF3C989107B.
- e) “**Governance Proposal**” means a proposal initiated by one or more Members in relation to the matters of the Association like as the project’s initiation or termination; granting of funds; management of the Treasury; protocol development, etc.
- f) “**Governance Token**” is the “XDAO Labs” token with its ticker \$XL that is the native governance token of XDAO Labs with its smart-contract address on BNB Chain: 0xf3c6c839297958bEdE5046Ef59baBcF3C989107B.
- g) “**Treasury**” means the pool of assets, including tokens, designated by the DAO for the purposes stated herein and managed by the Managers subject to this Constitution.
- h) “**Underwriting third party**” means a third party that is not a Member but joins to this Constitution for the sake of dealing with the DAO-Cell via an explicit written recognition of this Constitution and an agreement to be bound by the terms of Section 10 on the same terms as if it were a Member.

6. MANAGERS

- 6.1. The Association shall be directed by the Managers (hereinafter the “**Managers**”), who govern all internal matters, make deals and acts as the legal representative of the Association in all relations with third parties.
- 6.2. The Managers has the authority to appoint assistants, secretary, hire officers and define and revoke their powers as he sees appropriate.

- 6.3. The Managers shall make their decisions unanimously.
- 6.4. The Manager can individually engage the Association in minor deals with third parties i.e. the deals are in the course of everyday business, and that do not exceed the value (or risk exposure) of 5,000 USD for a single transaction (or for a chain of interlinked transactions), and which do not involve issuance of tokens, the intellectual property management or deals with securities, given that the proper receipts and accounts are collected and stored.
- 6.5. The Managers make their decisions in the form of an on-chain vote with their wallets or by signing a resolution (or Governance proposal) in paper.
- 6.6. The Managers shall be appointed (and removed from the office) by XGROUP.
- 6.7. The initial Managers of the Association shall be:

- Name: **Vladislav Shavlidze**
Wallet address (BNB Chain):
0x3b7CB666904b47c559E64355CB4D3B3Bc9A96055
- Name: **Zurab Shavlidze**
Wallet address (BNB Chain):
0x47750125f2D13d8A70B1704F3005F5C54F259b3e

7. MEMBERS

- 7.1. Any person in possession or control of the Governance Token may participate in the governance process and other activities of the Association. For the avoidance of doubt, the Association's Token Holder is also a member of the Association.
- 7.2. The Members may engage in any lawful activity which, in their reasonable discretion, is necessary or appropriate to further the purpose of the Association that does not contradict the terms set out in this Constitution.
- 7.3. The Members can cast vote on the following matters:
- a) the project's initiation or termination;
 - b) granting of funds from for a project from the Treasury;
 - c) protocol development, the implementation and amendment of smart contracts and similar protocols.
- 7.4. The Members make their decisions by an on-chain vote with their Governance Tokens.
- 7.5. The Member can withdraw from Association via the Disposal procedure (see Section 5 "d") and (or) by withdrawal from all DAO-Cells, where he/she is a present member.

8. ASSOCIATION'S DAO

8.1. The Association has its official DAO — a blockchain entity which is used as a forum for making decisions, as a capital account of the Association, and as a treasury for crypto-assets (hereinafter the “**DAO**”), see Section 2.

8.2. The DAO has the Governance Token that determines the weight of the DAO member while making the DAO vote.

8.3. The Managers undertake the emission and initial distribution of the Governance Tokens.

9. ASSETS

9.1. The Association's assets comprise any property that, from time to time, the DAO Association may own, including cryptocurrencies and virtual assets.

9.1. The Association, derives its finances from the fees, compensations, and donations paid by XGROUP and its Members and stores them in the DAO (hereinafter the “**DAO treasury**”).

9.1. The DAO treasury shall be governed according to the smart-contract settings which set are by the Managers.

10. DAO CELLS

In order to promote its purpose, the Association establishes an experimental legal framework for its Members. All users may use technical solutions provided by XDAO Labs to establish a DAO-Cell.

10.1. **Definition:**

DAO-Cell is a quasi-entity that exists within the Association's legal framework in relations between the Members, and in relations between the Members and third parties that have accepted this section of the Constitution by the means of contractual provision (see Section 5 “h”).

10.2. **Legal capacity:**

a) DAO-Cell is not a legal entity: it does not have a legal personality outside of the Association's framework; it cannot be a universally recognized legal owner of the assets; it cannot universally engage into contracts; nor it grants its members a limited liability in relations with any third parties.

b) DAO-Cell is a quasi-entity that is recognized only by other Members and by the third parties that have explicitly recognized this section of the Constitution in writing.

c) DAO-Cell can engage into contracts within the ecosystem of XDAO Labs, i.e. it can make contracts only with:

- other Members of XDAO Labs;

- other DAO-Cells through their authorized representatives;
- third parties that have explicitly recognized this section of the Constitution in writing.

10.3. Formation:

a) Currently, the application for formation of and joining to the DAO-Cell occurs through XDAO's Telegram mini-application (hereinafter the “App”) available at https://t.me/tonxdao_bot.

Other methods may be added in the future, and they shall be treated legally equally should they contain a link to this Constitution and the user's action for its acceptance.

b) To apply for the creation of the DAO-Cell (or for the joining to an existing DAO-Cell), the user shall provide their:

- blockchain wallet (on an appropriate chain);
- Telegram ID and nickname.

The user agrees that those data will be publicly available at XDAO web-site, alongside with the Charter of the DAO-Cell.

c) The applicant for the DAO-Cell (and subsequently joining users) shall also provide their irrevocable and unreserved acceptance of:

- this Constitution and agreement to be bound by its terms;
- Charter of their DAO-Cell, which would be automatically formed upon the user's input and XDAO template.

d) Upon the completion of the DAO-Cell's registration, XDAO issues a digital certificate that contains the essential data on the DAO-Cell and verifies its formation, which is publicly available at XDAO web-site.

e) XDAO also publishes the DAO-Cell's Charter: the original one and all its versions that were signed by any present and former members of the DAO-Cell with their blockchain wallet.

10.4. Membership:

a) During the DAO-Cell's formation, the applicant signs the DAO-Cell's Charter and thus becomes its member and the Member of the Association as well.

b) The user's membership the Association lasts until they are present as a member of a DAO-Cell within the Telegram App.

If the user wishes to withdraw from the Association, he/she shall leave all DAO-Cells within the Telegram App where he/she is a present member of.

10.5. Undertakings of the Members:

All Members of the Association and DAO-Cells are hereby bound by the following undertakings:

- a) To recognize the DAO-Cell as a legal entity separated from the personality of its members.
- b) To recognize the contracts made by the authorized representative of the DAO-Cell as legally binding.
- c) To refrain from recovering DAO-Cell's debts from the personal assets of its members, except for the recovery of damages caused by the member's gross negligence, malicious intent or fraud.
- d) To recognize the procedure for formation of contracts provided by the App (via the approval of the in-app messages by other members of the DAO-Cell) and by EthSign (or any other equivalent service) via the application of the user's blockchain signature to the document as legal equivalent to handwritten signature.
- e) To recognize XDAO as the trusted source of contracts formed by the DAO-Cell members via the App, once they have reached the quorum within the App. The contracts formed can be published in the App (in private or public chats or channels) or on XDAO website.
- f) To trust the KYC check carried out by XGROUP in case of doubt associated with connection of the blockchain address and Telegram ID with a person or entity.
- g) To recognize the jurisdiction of the arbitration provided by "Pravda Arbitrage" over the disputes arising out of DAO-Cells' formation, the contracts they engaged in, and internal disputes between the DAO-Cell members under the terms of the arbitration clause provided by the DAO-Cell's relevant Charter.

10.6. DAO-Cell's operations:

- a) The DAO-Cell shall be governed under the terms of its Charter, which shall not contradict this Constitution.
- b) The DAO-Cell members make joint decisions by simple majority vote, where each member has one vote. The vote takes place in the App and once the specific message reaches the quorum it becomes a binding resolution or contract, which can be further published in a public chat or on XDAO website.
- c) The DAO-Cell can engage in contracts with other Members, with other DAO-Cells, and with third parties that have explicitly recognized this section of the Constitution in writing (see Section 5 "h").
- d) The DAO-Cell is liable to the third parties only within the assets that were transferred to its possession by its members as a capital contribution or gained as a result of its actions.
- e) The DAO-Cell makes contracts via its authorized representative, who is initially appointed by its first member, which can be subsequently replaced by simple vote. If the authorized representative leaves the ranks of the DAO-Cell, the vote for succession shall be held before engaging in any contract.
- f) The DAO-Cell is allowed to request the assistance of XROUP to carry out some deals with the third parties on its behalf.

g) The DAO-Cell member can be held personally responsible only for the contracts that he/she voted up for or actively participated in their performance. Such responsibility lasts regardless of the DAO-Cell's dissolution and the member's withdrawal. The creditors of the DAO-Cell may apply for recovery of damages from the member's personal property if the damage was caused by the member's gross negligence, malicious intent or fraud.

h) The DAO-Cell terminates itself when its last member leaves its ranks. Before the dissolution the remaining members shall cover all outstanding debts and perform all outstanding liabilities of the DAO-Cell with the remaining assets. Any distribution of the remaining assets between the members is allowed only after the fair and effective attempts to fulfill the DAO-Cell's obligations before the third parties were made.

11. WINDING UP

11.1. The Association may be wound up:

- voluntarily by XGROUP;
- the expiry of the duration provided for in this Constitution.

11.2. Where the DAO Association is to be wound up voluntarily, the Managers shall appoint one or more auditors as liquidators.

11.3. The duration of the DAO Association shall be 20 years commencing on the date of its creation.

12. AMENDMENT

12.1. The Managers may amend this Constitution from time to time. When such changes are made, the Members shall be notified of such changes by sending an email, a Telegram post or message or by posting on the XDAO web-site at www.xdao.app.

12.2. The amended terms of the Constitution shall take effect after 30 days of its publication. The continuation of the Association's membership is considered to be an acceptance of the Constitution's amendment.

12.3. If this Constitution is amended, the rights and obligations of the Members that have arisen under the Constitution prior to the date of such amendment shall not be affected unless the amendment provides otherwise.

12.4. Members shall not be bound by an amendment made to the Constitution after the date on which they became a Member, insofar as the amendment:

- creates or increases their obligations or duties to the Association; or
- amends their holding of or the rights, obligations or features of any Governance Token, unless they agree in writing, or by action either before or after the amendment is made, to be bound by the amendment.

13. NOTIFICATIONS

13.1. All important and (or) legally relevant notifications between the Managers and the Members can be communicated via by e-mail, by Telegram app, or by posting on the DAO page or XDAO web-site at www.xdao.app.

13.2. The notification is deemed to be received after 5 days when properly sent or posted.

13.3. Notices sent by the aforementioned means of electronic data exchange shall be deemed by as legally equal to documents executed in writing in hard copies. Such Notices can be used as formal evidence.

13.4. Third parties can contact the Association by sending email to the address given in Section 2.

14. GOVERNING LAW

14.1. This Constitution and all rights and obligations of the Members and Managers shall be governed and construed in accordance with the laws of Singapore.

14.2. Any dispute arising from the Association’s membership shall be resolved by the courts of Singapore in accordance with its applicable law and regulations, with the exception for the matters of the DAO-Cells, which shall be resolved under the terms of the arbitration clause given in their Charters.

IN WITNESS WHEREOF, the founders have signed this Constitution on the 18th day of February, 2025.

name: **Vladislav Shavlidze**

title: director of XGROUP GLOBAL PTE LTD

Signature:

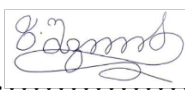

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Ethsigned by 0x3b7...055

name: **Zurab Shavlidze**

title: director of XGROUP GLOBAL PTE LTD

Signature:


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