

LIMITED LIABILITY COMPANY AGREEMENT
(ALGORITHMICALLY MANAGED)

OPERATING AGREEMENT OF IDLE DAO LLC

This Operating Agreement (**“the Agreement”**) of Idle DAO LLC, a non-profit limited liability company (the **“Company”**) incorporated as per the laws of the Republic of the Marshall Islands pursuant to the Limited Liability Company Act of 1996 of the Republic of the Marshall Islands (as amended from time to time, the **“Act”**) and the Marshall Islands Non-Profit Entities (Amendment) Act of 2021 (as amended from time to time the **“Non-Profit Act”**), by and among the Company and the persons executing this Agreement (individually **“Member”** and collectively **“Members”**), causing the filing of the certificate of formation of the Company (the **“Certificate of Formation”**), with the Republic of the Marshall Islands Registrar of Corporations effective as of [●] (the **“Effective Date”**).

NOW, THEREFORE, for and in consideration of mutual covenants contained and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

ORGANIZATION

I.1 Organization. The Members, by execution of this Agreement, hereby agree to organize the Company as a Marshall Islands non-profit limited liability company pursuant to the provisions of the Act, Non-Profit Act and upon the terms and conditions set forth in this Agreement.

I.2 Registered Office; Registered Agent. The registered office of the Company in the Marshall Islands shall be the initial registered office designated in the Certificate of Formation or such other office (which need not be a place of business of the Company) as the Members may designate from time to time in the manner provided by law. The registered agent of the Company in the Marshall Islands shall be the initial registered agent designated in the Certificate of Formation or such other person as the Members may designate from time to time in the manner provided by law.

I.3 Principal Office. The Principal Office of the Company shall be at the principal office designated in the Certificate of Formation or at such other location as the Members may designate from time to time, which need not be in the Marshall Islands.

I.4 Term. The Company commenced on the Effective Date and shall continue in existence until dissolved pursuant to this Agreement.

ARTICLE II

PURPOSES AND POWERS

II.1 Nonprofit Character. The Company shall be a non-profit entity within the meaning of the Non-Profit Act.

II.2.1 Purposes of the Company. The Company is organized exclusively for charitable and educational purposes and not for profit. Specifically, the Company shall organize the activity of the community surrounding the smart contract technology and the other connected technology known as Idle protocol (the “**Idle protocol**”). Moreover, it shall disburse grants and payments to contributors for the fulfillment of tasks for the development of the Idle protocol and the growth of the community. The tasks will include but will not be limited to education, design, software development and partnerships.

II.2.2 Authority of the Company. The Company shall have and exercise all of the powers conferred by law on nonprofit entities.

II.3 No Private Inurement. No part of its assets, income or earnings shall inure to the benefit of, or be distributable to, any Member, officer, employee or any private individual, except that reasonable compensation may be paid for services rendered to or for the Company effecting one or more of its objects and purposes or for reimbursement of expenses incurred on behalf of the Company. No Member, officer or employee of the Company, or any private individual, shall be entitled to share in the distribution of any of the Company's assets on the dissolution of the Company.

II.4 Limitation of Company Activities. No part of the activities of the Company shall include (i) carrying on propaganda, (ii) attempting in any manner to influence legislation, except that Members of the Company and personnel of the Company may testify or make other appropriate communications where formally requested to do so by a legislative body or a committee or a member thereof in matters concerning legislation relating to the public purposes of the Company or public appropriations to programs and activities of the Company, or (iii) participating or intervening in (including the publication or distribution of statements), or contributing to, any political campaign on behalf of any candidate for public office.

The Company shall never be operated for the primary purpose of carrying on a trade or business for profit.

ARTICLE III

MEMBERS

III.1 Member Eligibility. All Members shall at all times own their Membership Interests in their own right. Membership shall be limited to those individuals or entities that are holders of the IDLE ERC-20 Tokens (the “**Tokens**”) located in the Smart Contract on the Ethereum blockchain at address 0x875773784Af8135eA0ef43b5a374AaD105c5D39e. Each Token represents one Membership Interest. “**Smart Contract**” means an automated transaction which is comprised of code, script or programming language that executes the terms of an agreement and which may include taking custody of and transferring an asset, administering membership interest votes with respect to a decentralized autonomous organization or issuing executable instructions for these actions, based on the occurrence or nonoccurrence of specified conditions. The Company is an algorithmically managed decentralized autonomous organization.

III.2 Initial Members. The names and addresses or Distributed Ledger identifiers of the Initial Members are the holders of the Tokens as of the Effective Date.

III.3 Classes of Membership. The Company shall have one class of Members, with all Members having voting rights equal to their Membership Interests (i.e. the number of Tokens they hold) on all matters requiring a vote.

ARTICLE IV

RIGHTS AND DUTIES OF MEMBERS

IV.1 Management Rights. All Members who have not Dissociated (as defined in Article VIII) shall be entitled to vote on any matter submitted to a vote of the Members at a meeting, via writing, or via smart contract, in accordance with the rules set forth in Articles IV.2.-IV.4.

IV.2 Majority. Except as otherwise provided in this Agreement, any difference concerning the ordinary course of the business shall be decided via a vote of the Members and shall require approval or consent of a majority of at least 50% + 1 casted vote, whereby a minimum quorum of 1% of the maximum achievable votes is required to submit a valid proposal (threshold proposal) and a minimum quorum of 4% participation of the maximum achievable votes is required to make it a valid decision by the Members (quorum proposal). The vote of the Members shall only be made accordingly to the procedure described in “Exhibit B”.

IV.3 Vote Procedure. Exhibit B contains and describes the “Idle DAO Governance Framework”. The rules and procedures contained in Exhibit B are the only voting procedures concerning the Company. The voting procedure contained in Exhibit B can be changed only in accordance with the established rules contained in Exhibit B itself.

IV.4 GitHub copy of Exhibit B. The first version of Exhibit B is attached to this Agreement (“Exhibit B Original”), which will be changed according to any subsequent amendment. At the date of the creation of this Company, an exact copy of Exhibit B is also contained in GitHub at the following URL <<https://github.com/Idle-Labs/idle-docs/tree/prod/governance/idle-dao/governance-process#readme>> (“Exhibit B GitHub Copy”). Changes to Exhibit B will be made in the GitHub copy and will be reported in Exhibit B Original only every five changes of the document version in Exhibit B GitHub Copy. In case of a discrepancy between Exhibit B Original and Exhibit B GitHub Copy, the version contained in GitHub shall prevail. However, if the GitHub copy version of Exhibit B will not be, for whatever reason, anymore available, the version of Exhibit B contained in Exhibit B Original will be considered the only valid version of Exhibit B. Any other copy of Exhibit B elsewhere available, which is different from Exhibit B Original or Exhibit B GitHub Copy will not have any effect with reference to this Agreement. In this Agreement, the term “Exhibit B” will refer to the most recent version of “Exhibit B”, and as referred to the most recent version available in Exhibit B Original or in Exhibit B GitHub Copy.

IV.5 Liability of Members. Subject to subsection (3) of this Article, no Member shall be liable as such for the liabilities of the Company. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under the Agreement or the Act shall not be grounds for imposing personal liability on the Members for liabilities of the Company.

IV.3 Miscellaneous Obligations. It shall be the duty of each Member to act at all times consistently and in compliance with all and each of the provisions of this Agreement and with all policies, rules and decisions of the Company adopted in accordance with any of the provisions of this Agreement.

ARTICLE V

ALGORITHMIC MANAGEMENT

V.1 Management. The ordinary and usual decisions concerning business affairs of the Company shall be made by the Members, with proposals submitted to and votes counted by the Smart Contract “Governor Bravo” located

on the Ethereum blockchain at address 0x3D5Fc645320be0A085A32885F078F7121e5E5375.

V.2 Authority of Members to Bind Company. Only Members of the Company authorized by the Members shall have the authority to bind the Company. Such representative power will be granted to a maximum of three Members for a duration that shall not exceed 6 months.

ARTICLE VI

ACCOUNTING AND RECORDS

The Members shall maintain the following records at the Principal Office or in the smart contracts referenced in this Agreement:

VI.1 A current list of name and last known address of each Member, or (ii) Distributed Ledger identifier of each Member, former Member and other holders of a Membership Interest;

VI.2 A copy of the Certificate of Formation and all amendments thereto, together with executed copies of any powers of attorney pursuant to which the Certificate of Formation has been executed;

VI.3 A copy of this Agreement including all amendments thereto;

VI.4 Any accounting records and financial statements of the Company;

VI.5 Minutes of all meetings, or records of all actions taken without a meeting by, the Members.

ARTICLE VII

CONTRIBUTIONS AND CAPITAL ACCOUNTS

VII.1 Initial Contributions. On or before the date of filing of the Certificate of Formation with the registrar of corporations, each Initial Member has made a sufficient Capital Contribution in cash to the Company for the Company to begin its operations. No interest shall accrue on any Capital Contribution and no Member shall have the right to withdraw or be repaid any Capital Contribution except as provided in the Agreement. A list of some such Contributions is set forth as “**Exhibit A**”.

ARTICLE VIII

DISSOCIATION OF A MEMBER

A Member shall cease to be a Member upon the happening of any of the following events:

VIII.1 The retirement or withdrawal of a Member;

VIII.2 The Member ceasing to hold a tokenized Membership Interest as described in Article III;

VIII.3 Removal of the Member by a vote of the Members as described in Article IV;

ARTICLE IX

ADMISSION OF ADDITIONAL MEMBERS

Membership Interests and determine the Capital Contributions of any new Members to which new Membership Interests are issued. Any new Members may join by acquiring tokenized Membership Interests as described in Article III.

ARTICLE X

DISSOLUTION

The Company shall be dissolved and its affairs wound up in accordance with Part V of the Non-Profit Entities Act, 2020.

ARTICLE XI

AMENDMENT

XI.1 Amendment or Modification. The Agreement may be amended or modified from time to time exclusively via a written instrument adopted by the Members and executed by the majority of Membership Interests.

ARTICLE XII

MISCELLANEOUS PROVISIONS

XII.1 Entire Agreement. This Agreement represents the entire agreement among all the Members and between the Members and the Company.

XII.2 Governing Law. This Agreement is governed by and shall be construed in accordance with the laws of the Republic of the Marshall Islands without regard to the conflicts of law principles thereof.

XII.3 Separability of Provisions. Each provision of this Agreement shall be considered separable, and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement that are valid, enforceable and legal.

XII.4 Indemnification. Subject to such standards and restrictions, if any, as are set forth in this company agreement, a company shall have the power to, indemnify and hold harmless any Member or Managing Member or other person from and against any and all claims and demands whatsoever.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as effective of the date set forth above.

EXHIBIT A

INITIAL CONTRIBUTIONS

On Ethereum blockchain

- 0xb0aa1f98523ec15932dd5faac5d86e57115571c7
- 0x107a369bc066c77ff061c7d2420618a6ce31b925
- 0x69a62c24f16d4914a48919613e8ee330641bcb94
- 0xBecC659Bfc6EDcA552fa1A67451cC6b38a0108E4
- 0xFb3bD022D5DAcF95eE28a6B07825D4Ff9C5b3814
- 0x1d60E17723f8Ca1F76F09126242AcD37a278b514

On Polygon blockchain

- 0x1d60E17723f8Ca1F76F09126242AcD37a278b514
- 0x61A944Ca131Ab78B23c8449e0A2eF935981D5c

EXHIBIT B

GOVERNANCE FRAMEWORK

Idle-Labs / idle-docs Public

Notifications

Fork

Star

<> Code

Issues

Pull requests

Actions

Projects

Security

Insights

prod

idle-docs / governance / idle-dao / governance-process /

Go to file

blatffff and gitbook-bot GITBOOK-241: Spelling

3cac2a8 on Feb 20 History

README.md

GITBOOK-241: Spelling

3 months ago

README.md

description

Governance > Idle DAO > Governance process

Governance process

{% hint style="info" %} Any address with at least 130,000 IDLE (1% of the total supply) delegated to is able to propose IIPs (on-chain proposals), which are executable code. The Timelock contract would then modify system parameters, logic, and contracts in a 'time-delayed, opt-out' upgrade pattern (as described in the [On-Chain Proposal section](#)). {% endhint %}

Any proposal, idea, or initiative for the Idle protocol coming from a community member or Leagues' contributor follows a governance process composed of several steps:

1. Idea Discussion

Community members can propose early-stage ideas in the [Ideas](#) and [Improvements](#) category to receive initial feedback. If community members have an already structured proposal, they can leverage the [Formal Proposals](#) category.

DAO contributors can use the templates available in the Governance Forum.

Timeline: 2+ days of discussion

Website: [Idle Governance Forum](#)

idle

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all categories Categories Latest Top

Category Topics Latest

Start Here

NR

ID 231 Channel DVTs as a new field

README.md

all categories + Categories Latest Top

Category	Topics	Latest
Start Here Welcome to Idle DAO governance forum! ■ Guides ■ TS Updates	38	[IP-27] Clearpool PYTs as a new yield source for BY - Folkväng ■ IPX 23h
Proposals The Proposals category includes all kinds of proposals – from ideas to IIPs – for improving Idle Protocol, DAO, or Ecosystem. ■ Ideas & Improvements ■ IPX ■ TS Formal Proposals	174	Governance Mining #2 - July/August 2022 DAO Rewards ■ Protocol & DAO 4d
Governance The Governance category includes governance frameworks and improvements, community and development grants, and all Leagues' reports or elections/applications. ■ Grants & Bounties ■ Leagues ■ Protocol & DAO ■ Gauges	88	Governance Mining #4 - September/October 2022 DAO Rewards ■ Protocol & DAO 6 5d Clearpool PYTs as a new yield source for BY - Folkväng ■ Formal Proposals 6 5d
Uncategorized Topics that don't need a category, or don't fit into any other existing category.	7	Link ETH address to forum handle for Karma reputation ■ Governance 7 5d

2. Temperature Check

After a successful idea discussion, community members can create the associated Snapshot poll (off-chain action) to measure the sentiment of the community about the potential change.

For the time being, contributors need to open 2 polls: one for \$IDLE votes and one for stkIDLE ones.

Users need to hold at least 100 \$IDLE to open a Snapshot poll.

Timeline: 3+ days of voting

Website: [Snapshot page](#) for \$IDLE holders and [Snapshot page](#) for stkIDLE holders

tot. IDLE stakes/tot. stk(IDLE minted)/tot. stkIDLE voting in the pool% of each option

(% hint styles="warning") In 2021, Idle DAO [approved](#) a voting process update affecting stkIDLE holders only:

