

# Lokens Association's Articles

## 1. Name and domicile

An association as defined by Art. 60 ff. ZGB has been established under the name "Lokens". Its registered office is in Basel. The association shall be independent in terms of politics and religion.

## 2. Objective and purpose

The association's purpose is to foster resilient and sustainable economic networks within close-knit communities, online or offline, through the use of electronic local cryptographic tokens with the following characteristics:

1. tokens may be created by any participant, for any purpose, in any amount;
2. the value of tokens is derived from the trust of participants that the token creators will fulfill all promises associated with their tokens in the future;
3. the ability of participants to exchange tokens with others is conditional on having established a good reputation over repeated transactions.

The association does not pursue any commercial purposes and is not for profit. Its governing bodies perform their function on a voluntary basis.

## 3. Activities

The activities of the association include but are not limited to:

- a) Organization of events to bring together developers and researchers to develop the necessary technologies;
- b) Financial hosting of new projects experimenting with the associated technologies;
- c) Funding of researchers and developers through grants;
- d) Outreach to potential users, developers, and researchers;
- e) Showcase of members' products and services.

## 4. Resources

The association shall draw on the following resources to pursue its purpose:

- Membership contributions
- Income from organizing events
- Subsidies

- Income from service agreements
- Donations and grants of any kind

The membership contributions shall be determined once a year by the general meeting. Active members shall pay higher contributions than inactive members. Honorary members and acting board members shall be exempt from contribution payments.

The financial year is consistent with the calendar year.

## **5. Membership**

Members shall consist of natural persons and legal entities who support the association's purpose.

Active members with voting rights shall consist of natural persons who use the association's services, tools, and facilities.

Passive members with voting rights may consist of natural persons or legal entities who support the association in nonmaterial and financial ways.

Upon proposal of the board of directors, individuals who have rendered outstanding services to the association may be awarded honorary membership by the general meeting.

Applications for joining shall be addressed to the board of directors which shall decide upon acceptance or non-acceptance.

## **6. Membership expiry**

Membership shall expire:

- Upon resignation, exclusion or death in the case of natural persons.
- Upon resignation, exclusion or dissolution in the case of legal entities.

## **7. Membership resignation and exclusion**

Resignation from the association is possible anytime. A resignation letter shall be sent to the board of director. The full membership contribution shall be payable even if the last year is incomplete.

The board of directors is responsible for taking the decision regarding the exclusion of members; the respective member may address an appeal against the decision in the general meeting.

Where members fail to pay their membership contribution despite receiving reminders, the board of director may automatically exclude them. An exclusion following a failure to pay the membership contribution may not be appealed in the general meeting.

## **8. Association's governing bodies**

The governing bodies of the association shall consist of:

- a) The general meeting
- b) The board of directors

## **9. General meeting**

The general meeting is the association's supreme governing body. Ordinary general meetings shall take place every year between January 1st and February 28th.

Members shall be invited to the meeting 30 days in advance in conjunction with a written list of agenda items. Invitations may be sent out by email.

Submission to the general meeting shall be sent in writing, or by email, to the board of directors 14 days in advance of the general meeting date.

The board of directors, or one-fifth of the members, may request the convocation of an extraordinary general meeting at any time if they state the purpose of the meeting. The meeting shall take place no later than 4 weeks after the receipt of the request.

The general meeting has the following non-withdrawable responsibilities and powers:

- a) Approval of the minutes of the last general meeting
- b) Approval of the annual report of the board of directors
- c) Approval of the annual accounts
- d) Discharge of the board of directors
- e) Election of the chairperson and the remaining board of directors
- f) Determination of the membership contributions
- g) Approval of the annual budget
- h) Resolution on programme of activities
- i) Resolution on submissions by the board and members
- j) Amendments of the articles of association
- k) Decision on exclusion of members
- l) Resolution on dissolution of the association and appropriation of the liquidation proceeds.

All duly convened general meetings shall have a quorum irrespective of the number

of members present.

Except if otherwise mentioned, the members shall pass resolutions with an absolute majority of the valid votes cast. Abstentions and invalid votes shall not count. In the case of tied votes, the chairperson shall cast the deciding vote.

Amendments of the articles of the association shall require the approval of a two-thirds majority of the valid votes cast.

A record shall be prepared of the resolutions that have been passed.

## **10. Board of directors**

The board of directors consists of a minimum of 2 members. Their term in office shall amount to 1 year. Re-elections are possible.

The board of directors shall manage the association's current affairs and represent the association externally.

It shall pass the regulations.

It may establish working groups (specialized groups).

It may employ or engage individuals to achieve the association's objectives in return for appropriate compensation.

The board of directors has all the powers that are not entrusted to another body by or pursuant to these articles of association.

The following positions are represented on the board:

- a) Chairperson
- b) Finances
- c) Secretary

The board of directors shall constitute itself, with the exception of the chairperson who is elected in the general meeting. The board of directors distributes responsibilities among the board members itself.

The board of directors shall convene as often as the association's affairs require. All members may request a convocation of a meeting, stating the grounds for this request.

If none of the members requests an oral discussion, resolutions may be passed in writing (including email).

The members of the board of directors shall principally perform their duties on a voluntary basis. They are entitled to the reimbursement of their actual expenses.

## **11. Authorized signatories**

The association shall be bound by the collective signatures of the chairperson and a further board member.

## **12. Liability**

The association's assets shall be solely liable for the association's debts. Personal liability of the members is excluded.

## **13. Dissolution of the association**

The dissolution of the association may be decided by resolution of an ordinary or extraordinary general meeting. Dissolution requires a voting majority of two-thirds of the majority of valid votes cast and three-quarters of the members present.

If less than three-quarters of all members are present at the meeting, a second meeting shall be convened within a period of one month. At this meeting, the association may be dissolved by a majority of valid votes cast even if less than three-quarters of the members are present.

Upon dissolution of the association, the association's assets shall be transferred to a tax-exempt organization that pursues the same or a similar purpose. Distribution of the assets among the members is excluded.

## **14. Automatic revision of articles**

To simplify decisions and management of the association in its first phase, the following usual bodies and roles are omitted:

- a) Auditors

Upon reaching 20 active members in any given year, the present articles shall be discussed in the next ordinary general meeting. The members may then adopt amendments introducing the roles that were omitted.

## **15. References**

The Lokens Association's articles were heavily inspired by the English model provided by the VitamineB Association:

- Model Articles of Association: [https://www.vitaminb-e.ch/uploads/media/default/1186/Model\\_Articles\\_of\\_Association2019.pdf](https://www.vitaminb-e.ch/uploads/media/default/1186/Model_Articles_of_Association2019.pdf)
- VitamineB Association Website: <https://www.vitamineb.ch/>

## **16. Entry into force**

These articles of association were adopted at the foundation meeting on December 8th, 2023 and entered into force on the same date.

Date, place: Basel, December 8th, 2023

Chairman: Erick Lavoie

Keeper of the minutes: Jannick Heisch