

**SOVRIN FOUNDATION**  
**AMENDED AND RESTATED BYLAWS**

**ARTICLE I. NAME OF CORPORATION**

The name of the corporation is Sovrin Foundation (“Corporation”).

**ARTICLE II. CORPORATE PURPOSE**

The general and specific purposes of the Corporation are set forth in the Articles of Incorporation.

**ARTICLE III. MEMBERSHIP**

The Corporation shall have no members for purposes of the Utah Revised Nonprofit Corporation Act.

The term “members” may be used in these Bylaws and in other corporate documents to refer to donors, technology contributors, ledger stewards, members of Corporation committees or work groups, and other participants in the Sovrin community whose roles may be further defined in the Bylaws, agreements, or other governing documents.

**ARTICLE IV. BOARD OF TRUSTEES**

**Section 1. General Powers**

For purposes of the Utah Revised Nonprofit Corporation Act, the use of the term "Trustee" is intended to include all the powers and responsibilities of a director under the statute.

The affairs of the Corporation shall be managed by its Board of Trustees. The Board of Trustees shall have control of and be responsible for the management of the affairs and property of the Corporation.

**Section 2. Number, Election, Tenure and Nominations**

(a) Number. The number of Trustees shall be fixed from time to time by the Trustees but shall consist of no less than three (3) nor more than twenty-one (21) persons. The Chairs of TGB Council and I4A Council shall be ex-officio members with all the rights of other board members.

(b) Election. The initial Board of Trustees is established by the Articles of Incorporation (the “Initial Trustees”). Trustees up for election shall be elected at the annual meeting upon the affirmative vote of a majority of Trustees present, provided that a quorum exists as provided in Section 7 of this Article IV. The members of the Board of Trustees shall, upon election, immediately commence to perform their duties and shall continue in office until their successors shall be duly elected and qualified.

(c) Tenure. The Initial Trustees shall serve for a term of 18 months. Thereafter, newly elected members of the Board of Trustees who have not served before shall serve initial one-year terms. At the conclusion of a Trustee’s initial term, the Trustee is eligible to be considered for re-election to a term of one to three years, staggered in order to ensure future orderly transition on the Board. Nominees recommended by the nominating committee may volunteer for the newly staggered terms for the first election. If the staggered terms are not evenly distributed, then the Executive Committee will assign Trustees to terms to make them evenly staggered. Newly added members of the Board of Trustees shall serve until the next regularly scheduled election unless the resulting term would be less than six months in which case they would serve until the second regularly scheduled election and then if eligible for an additional term, that term will be set by the Executive Committee to correspond to the already staggered terms of the Board of Trustees as to ensure an even amount of staggered terms going forward.

(d) Nominations. Prior to the completion of the initial Trustees term and annually thereafter, the Board shall select a nominations committee to present a list to the Board of Trustees containing names of eligible nominees as Trustees for the ensuing year. Said list shall contain the names of at least one eligible nominee to each vacancy. In case the Board of Trustees fails, for any reason, to elect such a committee within the time specified, then it shall be the duty of the Chair to appoint such a committee. Nominations made by the committee for the Trustees must be delivered to the Secretary at least thirty (30) days before the completion of the initial Trustees term and annually thereafter. The Secretary shall attach a list of nominees to the notification of the March meeting of the Board of Trustees annually.

### **Section 3. Regular and Annual Meetings**

An annual meeting of the Board of Trustees shall be held at a time and day in the month of March of each calendar year and at a location designated by the Board. The Board of Trustees may provide by resolution the time and place, for the holding of regular meetings of the Board. Notice of the annual meeting, and notice of the first regular meeting under a Board resolution,

shall be sent in writing or electronically to all members of the Board of Trustees no fewer than ten (10) days prior to the meeting date, subject to waiver of notice as provided in the Utah Revised Nonprofit Corporation Act.

#### **Section 4. Special Meetings**

Special meetings of the Board of Trustees may be called by or at the request of the Chairperson or any two members of the Board of Trustees. The person or persons authorized to call special meetings of the Board of Trustees may fix any location as the place for holding any special meeting of the Board called by them but must give the other Trustees notice at least two (2) days in advance of the meeting by telephone, electronically, or in writing, subject to waiver of notice as provided in the Utah Revised Nonprofit Corporation Act. The meeting notice need not specify the purpose of the meeting.

#### **Section 5. Participation in Meetings**

Any Trustee may participate in an annual, regular, or special meeting of the Board of Trustees, or conduct such a meeting, through the use of any means of communication by which all participating Trustees may hear each other during the meeting or, in the case of hearing-impaired persons, read the other Trustees' remarks during the meeting. Trustees participating by such means shall be counted as "present" for quorum purposes and may participate in discussion and voting.

#### **Section 6. Action without Meeting**

Any action required or permitted to be taken at a meeting of the Board of Trustees may be taken without a meeting, provided there is written notice (which may be electronic) to all Trustees at least two (2) days in advance and no Trustee objects within the notice period to the action being taken without a meeting. The proposed action is approved only if it receives the requisite number of affirmative votes in writing (which may be electronic) under the applicable quorum and voting requirements herein.

#### **Section 7. Quorum**

The presence of a simple majority of current members of the Board of Trustees shall be necessary at any meeting to constitute a quorum to transact business, but a lesser number shall have power to adjourn to a specified later date without notice. The act of a majority of the members of the Board of Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, unless the act of a greater number is required by law or by these Bylaws.

### **Section 8. Forfeiture**

Any member of the Board of Trustees who fails to attend three Board meetings in three consecutive calendar months shall automatically forfeit his or her seat on the Board, unless a majority of the other Trustees vote to retain the Trustee in question. The Secretary shall notify the Trustee in writing that his or her seat has been declared vacant, and the Board of Trustees may immediately proceed to fill the vacancy.

### **Section 9. Vacancies**

Whenever any vacancy occurs in the Board of Trustees it shall be filled without undue delay by a majority vote of the remaining members of the Board of Trustees. Vacancies may be created and filled according to specific methods approved by the Board of Trustees.

### **Section 10. Compensation**

Members of the Board of Trustees shall not receive any compensation for their services as Trustees, but they may be reimbursed for expenses incurred on behalf of the Corporation, subject to approval by the Board.

### **Section 11. Confidentiality**

Trustees shall use discretion and good judgment in discussing the affairs of the Corporation with third parties. Trustees shall not disclose to third parties any trade secrets, confidential commercial information, personally identifiable information, or other nonpublic information that has been acquired by the Corporation or shared with the Corporation under conditions of confidentiality, except as required by law. Trustees may be required to execute a confidentiality agreement as a condition of appointment to the Board of Trustees.

### **Section 12. Advisory Councils**

The Board of Trustees may create Advisory Councils (such as a Trust Framework Committee and a Technical Governance Committee) whose members shall be elected by the Board of Trustees annually but who shall have no duties, voting privileges, nor obligations for attendance at regular meetings of the Board. Advisory Council members may attend Board meetings at the invitation of a Trustee. Otherwise, members of Advisory Councils shall function according to a charter approved by the Trustees, with the purpose of supporting the Sovrin community and the work of the Corporation. Members of Advisory Councils may be required to sign confidentiality and intellectual property agreements and to comply with committee procedures approved by the Board.

### **Section 13. Parliamentary Procedure**

Any question concerning parliamentary procedure at meetings shall be determined by the Chairperson by reference to Robert's Rules of Order Newly Revised.

### **Section 14. Removal.**

Any member of the Board of Trustees or members of the Advisory Council may be removed with or without cause, at any time, by the vote of three-quarters (3/4) of the members of the Board of Trustees if in their judgment the best interest of the Corporation would be served thereby. Each member of the Board of Trustees must receive written (including electronic) notice of the proposed removal at least ten (10) days in advance of the proposed action. An officer who has been removed as a member of the Board of Trustees shall automatically be removed from office.

## **ARTICLE V. OFFICERS**

The officers of this corporation shall be the Chairperson, Vice-Chair, Secretary and Treasurer. A single Trustee may serve as both Secretary and Treasurer. All officers must be current Trustees.

### **Section 1. Chairperson**

The Chairperson shall preside at meetings of the Board of Trustees and the Executive Committee.

The Chairperson shall have general oversight of all Corporation planning, activities, finances, staff, contractors, and records.

The Chairperson shall have the authority to execute agreements on behalf of the Corporation.

The Chairperson shall be ultimately responsible for relations between the Corporation, stewards, technology developers, users, donors, and other members of the Sovrin community.

### **Section 2. Vice-Chair**

The Vice-Chair shall be vested with all the powers and shall perform all the duties of the Chairperson during the absence of the latter. The Vice-Chair shall discharge such other tasks as may be delegated to him or her by the Board of Trustees.

### **Section 3. Secretary**

The Secretary shall provide notices and make records of all meetings of the Board of Trustees and the Executive Committee and ensure that Corporation documents are made available to Trustees and other relevant persons.

The Secretary shall advise the Chairperson on parliamentary rules of procedure as required.

The Secretary shall record attendance and voting at meetings and in Board actions without meeting.

The Secretary shall assist the Chairperson and supervise Corporation staff in communicating with the Sovrin community and third parties.

The Secretary shall ensure that required federal and state reports are submitted in a timely manner to maintain the Corporation's tax-exempt status.

#### **Section 4. Treasurer**

The Treasurer shall maintain books of account and bank records for the Corporation and oversee the Corporation's fundraising activities.

The Treasurer shall retain and supervise an independent accountant and ensure that required financial and tax reports are prepared and submitted.

#### **Section 5. Election of Officers**

The Board of Trustees shall elect officers at its annual meeting or at a regular or special meeting of the Board. Officers shall serve for a term of one (1) year, although the Board may extend the term to end at the next annual meeting. An individual may be reelected for no more than three successive terms.

#### **Section 6. Removal of Officer**

An officer may be removed from office, while continuing to serve on the Board of Trustees, if at least two thirds (2/3) of the other Trustees vote to remove the Trustee from office. The Board may then elect a successor for the remainder of the officer's term. A vote to remove an officer may only be taken after giving the officer an opportunity to be heard following at least ten (10) days' written (including electronic) notice of intent to move for the officer's removal at a regular or special meeting of the Board of Trustees, with a summary of the reasons for such a motion.

#### **Section 7. Vacancies**

The Board of Trustees may also appoint successors to fill vacancies that otherwise occur in offices, such persons serving for the unexpired term of the office.

## **ARTICLE VI. COMMITTEES**

### **Section 1. Committee Formation**

The Board of Trustees may create Advisory Councils and other committees as needed. The Board approves committee charters and appoints all committee chairs and budgets.

### **Section 2. Executive Committee**

The Officers automatically constitute the Executive Committee of the Board. The Board of Trustees may elect additional Trustees to serve on the Executive Committee. The Executive Committee is responsible for the day-to-day management of the Corporation within the policy guidelines established by the Board of Trustees, which may also assign specific tasks to the Executive Committee by Board resolution. Except for the power to amend the Articles of Incorporation and Bylaws, the Executive Committee shall have all the powers and authority of the Board of Trustees in the intervals between meetings of the Board of Trustees, and is subject to the direction and control of the full Board.

### **Section 3. Finance Committee**

The treasurer is the chair of the Finance Committee, which shall include two other Trustees appointed by the Board. The Finance Committee is responsible for developing and reviewing fiscal procedures, fundraising plans, and the annual budget with staff and other Trustees. The budget must be approved by the Board, and all expenditures must be within budget. Any material change in the budget must be approved by the Executive Committee or the full Board. The fiscal year shall be the calendar year. Annual reports are required to be submitted to the Board showing income, expenditures, and pending income. The financial records of the Corporation, as a tax-exempt nonprofit, are expected to be made available to the Sovrin community and to the public.

## **ARTICLE VII. CORPORATE STAFF**

It is anticipated that the Corporation will have professional staff, either as direct employees or through a management firm.

### **Section 1. Executive Director**

The Board of Trustees may hire or contract for an Executive Director who shall serve at the will of the Board. The Executive Director shall have immediate and overall supervision of the operations of the Corporation, and shall direct the day-to-day business of the Corporation, maintain the properties of the Corporation, hire, discharge, and determine the salaries and

other compensation of all staff members under the Executive Director’s supervision, and perform such additional duties as may be directed by the Executive Committee or the Board of Trustees. No officer, Executive Committee member or member of the Board of Trustees may individually instruct the Executive Director or any other employee without the consent of the Executive Committee or the Board of Trustees. The Executive Director shall make such reports at the Board and Executive Committee meetings as shall be required by the Chairperson or the Board. The Executive Director shall be an ad-hoc member of all committees.

The Executive Director may not be related by blood or marriage/domestic partnership within the second degree of consanguinity or affinity to any member of the Board of Trustees or Advisory Council. The Executive Director may be hired at any meeting of the Board of Trustees by a majority vote and shall serve until removed by the Board of Trustees by majority vote of a quorum present at any meeting of the Board Trustees. Such removal may be with or without cause. Nothing herein shall confer any compensation or other rights on any Executive Director, who shall remain an employee terminable at will, as provided in this Section.

**Section 2. Other Staff**

The Executive Director may make recommendations to the Board for the hiring or contracting of other staff members.

**ARTICLE VIII. CONFLICT OF INTEREST AND COMPENSATION**

The Trustees shall be subject to a Conflict of Interest Policy adopted by the Board of Trustees and which shall be attested to annually by each Trustee.

**ARTICLE IX. LIABILITY AND INDEMNIFICATION**

**Section 1. Nonliability of Trustees and Officers**

To the extent permissible under Utah and federal law, trustees and officers shall not be held personally liable for the debts, liabilities, or other obligations of the Corporation.

**Section 2. Indemnification**

To the full extent permitted under the laws of the State of Utah, the Corporation shall indemnify any current or former trustee, officer, employee, or agent of the Corporation (each referred to in this Article as an “indemnitee”) against expenses actually and necessarily incurred by such indemnitee in defending against any action, suit, or proceeding in which that indemnitee is made a party by reason of being or having been a trustee, officer, employee, or agent of the Corporation, except to the extent that the indemnitee is adjudged liable for



negligence or misconduct in the performance of a duty for the Corporation. The foregoing indemnification shall not be deemed exclusive of any other rights to which an indemnitee may be entitled under any By-Law, agreement, resolution of the Board of Trustees, or otherwise.

### **Section 3. Expenses**

Expenses (including reasonable attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit, or proceeding, if authorized by the Board of Trustees, upon receipt of an undertaking by or on behalf of the indemnitee to repay such amount if it shall ultimately be determined that such indemnitee is not entitled to be indemnified hereunder.

### **Section 4. Insurance**

The Corporation may purchase and maintain insurance on behalf of any person who is or was a trustee, officer, employee, or agent against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the corporation would have the power or obligation to indemnify such person against such liability under this Article.

## **ARTICLE X. BOOKS AND RECORDS**

The Corporation shall keep complete books and records of account and minutes of the proceedings of the Board of Trustees. These may be kept in electronic form.

## **ARTICLE XI. AMENDMENTS**

### **Section 1. Articles of Incorporation**

The Articles of Incorporation may be amended at any regular or special meeting of the Board of Trustees, or by action of the Board of Trustees without meeting, by the affirmative vote of a majority of all Trustees, provided that the text of the proposed amendment is furnished to each Trustee at least five (5) days in advance of such a meeting.

### **Section 2. Bylaws**

The Board of Trustees may amend these Bylaws by majority vote of a quorum present at any regular or special meeting of the Board, or by action of the Board of Trustees without meeting, provided that the text of the proposed amendment or a summary of the proposed changes is furnished at least five (5) days in advance. The text may be modified in the course of the debate at the meeting and adopted by a majority vote without requiring notice of a further meeting.

## **ADOPTION OF AMENDED AND RESTATED BYLAWS**

These Amended and Restated Bylaws were ADOPTED AND APPROVED unanimously by the Board of Trustees on this 31<sup>st</sup> day of January, 2018.

*Phil Windley*

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Phillip J. Windley, Chairperson

*Drummond Reed*

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Drummond Reed, Secretary