DIGITAL ASSETS FOUNDATION

INTERNATIONAL NON-GOVERNMENTAL ORGANIZATION · WYOMING

DAF SEAL STANDARD

for Digital (Token-Based) Private Investment Clubs

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Preamble

The Digital Assets Foundation is an international non-governmental organization (INGO) registered under Wyoming law. As a trusted independent standard-setting and self-regulatory organization in the global digital assets industry, we develop clear, innovative frameworks to guide governments, corporations, and stakeholders. Our mission is to foster a secure, transparent digital economy while empowering and protecting investors and consumers worldwide.

Private investment clubs whose membership is recorded with digital tokens can give people a simple, low-cost way to invest together. They also carry risks: loss of member control, hidden costs and conflicts, weak custody of assets, and tokens being treated as tradable investments. DAF issues this Standard to protect investors, to promote transparency, and to set a common benchmark for fair, member-run digital private investment clubs.

This Standard is voluntary. Clubs that choose to adopt it and meet all of its requirements may apply for, and earn, the DAF Seal. Adopting the Standard does not replace any obligation under national law.

IMPORTANT NOTICE

DAF is an international non-governmental organization (INGO) and independent standard-setting and self-regulatory organization. It is not a government regulator or authority. The DAF Seal is not a licence, authorisation or approval under any law, not an endorsement or recommendation of any investment, and not a guarantee of performance, safety or return. Applicable national law always prevails.

1. Purpose

1.1 This Standard sets minimum requirements for private investment clubs whose membership or interests are recorded with Tokens on a Blockchain.

1.2 Its purpose is investor protection and transparency: members should know who runs the club, what they own, what it costs, how decisions are made and what risks they take.

1.3 It follows the model of a member-run investment club: members decide together, two elected volunteer officers (Secretary and Treasurer) run the administration, nobody is paid to run the club, and every member is treated fairly.

1.4 The Standard applies equally to every applicant. It is neutral as to country, technology provider and legal form.

2. Definitions

"Applicable Law" means all laws and regulations that apply to the Club, its officers, its members or its assets in any country concerned.

"Blockchain Technology" (also "Blockchain") means a distributed or decentralised digital ledger (DLT) that records transactions or entries in a cryptographically secured, tamper-evident and time-stamped way, whether public or private, permissionless or permissioned, including private blockchains operated by a single entity or a closed group of validators, provided the ledger meets the requirements of this Standard (integrity, availability, auditability, and the ability to export and migrate records).

"Club" means a company, partnership, association, club, project or other arrangement, of any legal form permitted under Applicable Law, that pools money or assets of its members for joint investment and records membership or interests with Tokens.

"Member" means a person admitted to a Club.

"Officer" means the Secretary or the Treasurer elected under R7.

"Seal" means the DAF Seal granted under this Standard.

"Token" means a digital unit recorded on a Blockchain that represents a Member's membership interest or share in a Club's assets and related rights, as defined in the Club's constitution; a Token is not a means of payment, has no value independent of the Club interest it represents, and is subject to transfer restrictions under this Standard.

3. Who Can Apply

3.1 Any Club may apply through its Officers, whatever its legal form – including a company, a simple partnership or an unincorporated association – as long as that form is permitted under Applicable Law. Limited liability is not required, except as set out in R17. Where the legal form cannot hold assets itself, the Club's assets must be held for the Club in a segregated account or wallet (for example in the name of the Officers jointly, or of a custodian, as trustees or nominees for the Club), clearly separate from any personal assets.

3.2 The applicant must commit in writing to meet this Standard at all times while it holds the Seal and to cooperate with DAF reviews.

4. Seal Requirements

A Club must meet every requirement below.

R1 Lawfulness. The Club complies with all Applicable Law in every country where it is formed, operated or has members. Applicable Law always prevails. Where it is stricter than this Standard, the stricter rule applies. Nothing in this Standard permits anything that Applicable Law prohibits.

R2 Member limit. The Club has no more than 50 members, to keep it transparent and allow real communication among members. Applicable Law may require fewer.

R3 Private only. Membership is by invitation only. There is no public offering, advertising or general solicitation. Investment information is shared only with members and invited applicants.

R4 Identity verification. Every member is identity-verified (including sanctions and anti-money-laundering checks) by a qualified, independent provider before admission and re-checked periodically.

R5 Constitution. The Club has a clear written constitution covering purpose, investment policy, member rights and duties, officers, decision-making and voting, admission and exit, expenses, and dissolution. Every member receives it before joining.

R6 Member control – no manager. The Club is run by its members. It has no manager and appoints no internal or external investment manager, adviser or other person with discretion over investments. No person may decide investments on the members' behalf.

R7 Elected officers. The members elect two volunteer officers from among themselves. The Secretary convenes and conducts meetings, sends notices, keeps records, minutes and the member register, prepares and files the Club's tax reports and returns, and provides members with the tax information they need for their own returns. The Treasurer oversees the investments – monitoring the portfolio, keeping the investment and asset records and reporting performance to members – and keeps the accounts and bank and custody records and makes payments only as the members have resolved. The Secretary and the

Treasurer must be different persons. The members may elect a meeting leader for a single meeting if needed. The officers' roles are administrative and supervisory only: they have no investment discretion, and all investment decisions remain with the members' double-majority vote (R12).

R8 Terms and removal. Officers serve fixed terms and stand for re-election annually by online vote. Members may remove any officer at any time by double majority under R12.

R9 No remuneration. Nobody is paid by the Club for running it. No officer or member receives a salary, fee, commission, bonus or profit share from the Club, other than their share as a member on equal terms. Only documented, reasonable out-of-pocket expenses approved by the members may be reimbursed.

R10 Investment decisions by members' vote. Every decision to buy, sell or change an investment, to borrow (permitted only for Clubs meeting R17(a)), or to change the investment policy is taken by the members' vote. The Treasurer carries out only what was resolved.

R11 Online decision process. All members' decisions may be taken by secure online voting through an individual member login. (a) The Secretary publishes the proposal with the information needed to decide. (b) A discussion period of at least 3 days follows in a members' forum, where questions are answered. (c) A voting window of 7 days follows. (d) Votes cast within the window count under the double majority (R12). (e) The Secretary records the result and publishes it to all members. (f) A tamper-evident log of all votes is kept. Meetings, online or physical, are optional and may be held where the members wish or the law requires; the same majorities apply.

R12 Voting – double majority. Every members' resolution, including changes to the constitution, dissolution and removal of an officer, requires a double majority: it passes only if approved by (a) more than 50% of the members voting, on the basis of one member, one vote, and (b) members holding more than 50% of the Tokens (capital) represented in the vote. There is no quorum. A resolution is valid regardless of how many Members vote; the double majority is calculated on the votes validly cast within the voting window. Members who do not vote are not counted. A member with a personal interest in a matter does not vote on it.

R13 Changes to the constitution and rules. The Club's constitution and rules may be changed only once per calendar year. Members submit proposed changes in writing to the Secretary by 30 September. The Secretary publishes all proposals together, followed by the 3-day discussion period and the 7-day voting window under R11, and each proposal is decided by double majority under R12. Members have the special exit right in R19 after an adopted change.

R14 Records of decisions. The Secretary keeps minutes of any meetings and a record of every proposal, forum discussion, vote and result, and makes them available to all members.

R15 Annual accounts approval. No annual or physical meeting is required unless Applicable Law or the Club's legal form requires one. Each year the Treasurer publishes the annual accounts and an annual report

to members, and the members approve the accounts by online vote under R11. The members may appoint an independent examiner or, where required by the audit threshold or Applicable Law, an independent auditor.

R16 Custody and dual control. Club assets are held in the name of the Club or, where its legal form cannot hold assets, in a segregated account or wallet held for the Club by the Officers jointly or a qualified custodian as trustees or nominees, segregated from the assets of members, officers and service providers. Every payment or transfer of assets requires the approval of both the Secretary and the Treasurer (dual control); wallets use 2-of-2 multi-signature or an equivalent dual-control mechanism, with keys held by them. If either officer is absent or has a conflict of interest, the members appoint a substitute by resolution. Accounts are reconciled at least annually.

R17 Legal form and liability by risk profile. (a) A Club whose activities can create obligations beyond the members' contributions – including borrowing or loans, leverage or margin trading, short selling, derivatives with open-ended exposure, guarantees or securities given for third parties, or any other liability that could exceed the Club's assets – must use a legal form that gives all members limited liability. (b) A Club that only invests its members' contributions in assets, where the maximum loss is the value of those assets, may use any legal form permitted under Applicable Law, including a partnership. (c) A Club that later wants to take on activities under (a) must first convert to a limited-liability form, decided by members' resolution under R12.

R18 Equal treatment and no personal profit. All members are treated equally according to their interests. No member or officer may profit personally from a Club transaction, buy from or sell to the Club, or receive any benefit from a counterparty of the Club. Any conflict of interest must be declared and recorded.

R19 Fair exit. (a) Ordinary exit: a member may leave the Club by written notice given at least 90 days before the end of the calendar year. The exit takes effect on 31 December of that year, and the member is paid out at the net asset value of their interest as of 31 December, calculated under the constitution, no later than 90 days after the end of that calendar year. (b) Special exit on rule changes: a member who did not vote for a change adopted under R13 may give written notice of exit within 30 days after the result is published. The exit takes effect 90 days after the date of that notice, and the member is paid the net asset value of their interest as of the exit date within a further 90 days. (c) If a member has given notice under both (a) and (b), the earlier exit date applies. Exit terms are the same for all members.

R20 Tokens and register. Tokens only represent membership interests or shares in the Club's assets and related rights as defined in the constitution; they are not a means of payment and carry no rights or value beyond the Club interest they represent. Transfers are restricted to verified persons approved by the members, with no public trading. The Blockchain used must ensure integrity, availability and auditability of the records. The Secretary keeps an accurate register of Members and interests, which can be exported and migrated to another Blockchain or register if the technology fails.

R21 Service providers. The Club may use third-party service providers (for example custody, identity verification or technology). They may be paid at arm's length, with all fees and any relationship to members or officers disclosed to members in advance. Service providers may never take investment decisions.

R22 Reporting and accounts. The Treasurer reports to members once a year, with the annual accounts, on assets, valuations, performance, expenses and decisions. The Secretary ensures that the Club's tax filings are made on time. Annual accounts are prepared, published to members and approved under R15, and are independently audited where total assets exceed USD 1 million or Applicable Law requires.

R23 Risk warnings. Before joining, members receive a clear written risk warning, including the risk of losing all money invested, illiquidity, transfer restrictions, technology risk and legal or regulatory risk. The Club must also disclose in writing, before admission, its legal form and the resulting liability of members. The disclosure must state which category of R17 applies. Where members do not have limited liability, it must clearly warn that they may be personally liable for the Club's obligations beyond their contribution. Each member must confirm receipt and acceptance of this disclosure in writing or by login before joining.

R24 Complaints. The Club has a written complaints procedure and responds within 30 days. Members may refer unresolved complaints to DAF. This does not limit their legal rights.

R25 Dissolution. The constitution provides for orderly dissolution by double majority under R12: no new investments, realisation of assets, payment of debts, distribution to members in proportion to their interests, cancellation of Tokens, and final accounts to members.

R26 Notification. The Club informs DAF promptly of any material breach of this Standard, security incident, significant legal or regulatory action, or change of officers.

5. Seal Process

5.1 Application. The applicant submits the application form, its constitution, member information and risk documents, details of officers and service providers, the record of the members' resolution to apply, a description of the Token, the Blockchain used and the register, and a self-assessment against each requirement.

5.2 Review. DAF checks the documents against this Standard and may ask questions or request changes. DAF does not assess investment merits and does not verify compliance with Applicable Law. That remains the Club's responsibility.

5.3 Grant. If the requirements are met, DAF grants the Seal for 12 months and lists the Club on its public register.

5.4 Annual renewal. The Club submits an annual compliance statement and its latest accounts. DAF renews the Seal if the requirements continue to be met.

5.5 Use of the Seal. The Club may display the Seal only in the form DAF provides and always together with the disclaimer in Section 6. The Seal may not be used in public advertising or presented as regulatory approval or investment advice.

5.6 Suspension and withdrawal. DAF may request information, require remediation within a deadline, suspend the Seal or withdraw it if a requirement is not met, if information is false, or if the Seal is misused. Except in urgent cases, the Club is first told the reasons and given an opportunity to respond. On withdrawal the Club must stop using the Seal immediately and inform its members.

5.7 Fees. DAF may charge cost-based application and renewal fees as set out in the fee schedule published by DAF from time to time.



THE DAF SEAL

Form of the DAF Seal; certificate number and year are added on grant.

6. DAF Disclaimer

6.1 DAF is an international non-governmental organization (INGO) and independent standard-setting and self-regulatory organization. It is not a government regulator, supervisory authority or licensing body and has no public powers.

6.2 The Seal confirms only that, on the basis of the information provided, DAF found the Club to meet this Standard at the time of review. The Seal is not a licence or authorisation, not an endorsement or recommendation of any investment, and not a guarantee of performance, safety or return.

6.3 Members must make their own decisions and should obtain independent legal, tax and financial advice. Investments may lose all their value.

6.4 To the extent permitted by law, DAF is not liable for losses arising from any Club or investment, except for its own fraud or wilful misconduct.

MANDATORY DISCLAIMER TEXT FOR SEAL HOLDERS

"This club holds the DAF Seal of the Digital Assets Foundation, an international non-governmental organization (INGO) and independent standard-setting and self-regulatory organization. DAF is not a government regulator. The Seal is not a licence, an endorsement of any investment, or a guarantee. National law applies and may be stricter. You may lose all the money you invest."

7. Amendments

7.1 DAF may amend this Standard after consulting Seal holders. Amendments take effect after a transition period of at least 90 days unless an earlier change is required by law. Within 30 days after an amendment is published, any Seal holder may object to it in writing or withdraw from the Seal; a withdrawing Club stops using the Seal and informs its members.

Digitally released on 10 November 2026 by the Digital Assets Foundation.

Valid without physical signature.