

Key Objectives & Changes

Integration of NAUTOR Token (NAU) as Ecosystem Utility Token

- *NAU is now formally defined as the DAO's utility token for consumptive use (payments for yacht charters/bookings, training, events, incentives, ecosystem access).*
- *Explicitly classified as a digital consumer asset under §102(e) of the DAO Act – used/bought primarily for consumptive/personal/household purposes.*
- *No membership, governance voting rights, equity, profit rights, or claims on assets/revenues (Sections 1 & 5.7). - NAU is 100% utility-focused, not an investment vehicle.*

Clear Distinction Between Utility Token & Governance Membership

- *NAU provides no DAO membership or voting power.*
- *Only Governance NFTs represent membership, governance rights, and eligibility for ecosystem incentives (Section 5.7). Eliminates confusion and reinforces legal separation.*

Migration from Binance Smart Chain to Ethereum Mainnet

- *Governance infrastructure, membership NFTs, and related smart contracts migrate to Ethereum for better long-term DeFi compatibility, liquidity, and ecosystem integration.*
- *Procedures include snapshot recognition, claim-based migration, burn-and-mint, wallet/KYC verification, and staged transition (Sections 6.8 & 8.6).*
- *Full continuity: Replacement Governance NFTs preserve all original membership rights, voting power, and attributes for Eligible Legacy Holders (Section 8.6).*
- *Legacy BSC contracts remain visible for historical transparency (Sections 6.8, 10.1, 10.3, 6.2 updated). Migration is a technical upgrade - OSEAN DAO LLC remains the same legal entity (Section 14.13).*

Treasury & Token Infrastructure

- *Treasury can receive, hold, and utilize NAU and other digital assets for maritime acquisitions, operations, investments, incentives, and liquidity (Section 10.4).*
- *Post-migration, all new Treasury transactions recorded on Ethereum mainnet (Sections 10.1 & 10.3 updated). Treasury supports for-profit operations (yacht charters, revenue generation).*

Ecosystem Incentives & Member Rewards – For-Profit Alignment

- *Incentives are discretionary, approved by governance, and can reward active participation (voting, service usage, engagement).*
- *May include NAU/other asset distributions, discounts, rewards, event access (Section 11.9).*
- *Old non-profit tone removed: No longer says “allocations for accounting only” or “no financial returns/dividends.”*
- *New language: Incentives may reflect ecosystem performance, ecosystem activity metrics, or generated value (if governance approves), but remain discretionary – no automatic, fixed, or guaranteed rights.*
- *Explicit For-Profit Context added: “The DAO is organized as a for-profit... may make discretionary distributions... subject to RMI tax obligations. Resolves contradiction with Article XI (proportional distributions allowed via governance) and matches real yachting/RWA revenue model.*

Compliance & KYC

- *KYC Registry Contract authorized to verify eligibility and support beneficial ownership reporting (≥25% holders) under Part 3 (Beneficial Ownership Information) of the Decentralized Autonomous Organization Regulations 2024, particularly Regulation 5. (Section 9.7).*

- *Non-compliance may restrict minting, transfers, or voting. → Ensures ongoing RMI regulatory compliance (annual BOIR, renewal).*

Strong Regulatory & Securities Protections

- *This section incorporates critical updates based on specific factual information provided by U.S. legal counsel. These contributions included factual regulatory details previously unknown to the drafting attorney, which were essential for refining the DAO's legal architecture to meet international standards.*
- *Cites DAO Act §102(e) (digital consumer asset) and §103(2)(d) (governance tokens with no economic rights = not securities).*
- *Multiple disclaimers: no securities offering, no investment contract, no expectation of profits from others' efforts.*
- *No promotion as investment; participation is for ecosystem/governance/utility only (Sections 14.8–14.9). Maximizes RMI protection and mitigates external (U.S. Howey Test) risk.*
- *Additionally, acknowledging the DAO's operational nexus in Cyprus, the framework includes a preliminary recognition of the EU Markets in Crypto-Assets Regulation (MiCA), with detailed compliance protocols to be addressed in future advisory phases.*

Administrative & Continuity

- *Schedule A allows administrative updates of Ethereum addresses post-deployment.*
- *Certificate of Formation amended if required (§106(2)).*
- *DAO remains the same legal entity – migration is technical only (Section 14.13).*

Non-Profit vs. For-Profit Shift – Summary

- *Original incentives language had non-profit phrasing (“not dividends/profit shares”, “allocations for accounting only”, “no guaranteed financial returns”).*
- *This created tension with Article XI (proportional distributions allowed) and the DAO's for-profit status (yacht revenue → treasury → potential value sharing).*
- *Amendment No. 1 removes non-profit tone and adds explicit for-profit context in Section 11.9:*
- *Allows discretionary distributions/incentives tied to performance/revenue (if governance approves)*
- *Keeps everything discretionary (no automatic rights)*
- *Acknowledges RMI tax rules - Now fully consistent with for-profit DAO LLC model under RMI law.*

Drafted by Attorney Nikola S. Petrovic

Fee: \$400

Signature:  _____

Nikola S. Petrovic, Attorney at Law

AMENDMENT NO. 1

TO THE OPERATING AGREEMENT OF OSEAN DAO LLC (NAUTOR Utility Token Integration, Ecosystem Framework, Governance NFT Structure, Infrastructure Migration, Ethereum Governance Transition, NFT Migration, and KYC Registry Integration)

This Amendment No. 1 (the "Amendment") to the Operating Agreement of OSEAN DAO LLC (the "DAO" or the "Company"), dated May 14, 2024 (the "Operating Agreement"), is adopted pursuant to Article XII (Amendment) of the Operating Agreement and the Decentralized Autonomous Organization Act 2022 (as amended) of the Republic of the Marshall Islands.

This Amendment shall become effective upon approval by the Members through the Governance Smart Contract in accordance with the governance procedures described in Article VI of the Operating Agreement.

WHEREAS, the DAO currently operates through a wholly-owned subsidiary, DAO Osean Yachts Limited, incorporated in Cyprus, for the purpose of vessel ownership and charter operations;

WHEREAS, the NAUTOR Token (NAU) smart contract has been deployed with contract ownership renounced, and the DAO retains only a management and operational role with respect to the token contract;

WHEREAS, the DAO seeks to migrate its governance infrastructure from Binance Smart Chain to Ethereum mainnet as a technical upgrade while preserving the continuity of its legal existence and membership rights;

This Amendment is adopted to:

- formally integrate NAUTOR Token (NAU) as the ecosystem utility token of the DAO;
- clarify the distinction between utility tokens and DAO governance membership;
- establish the operational structure of the OSEAN ecosystem;
- authorize migration of DAO governance infrastructure from Binance Smart Chain to Ethereum mainnet;
- authorize the deployment of new governance, membership NFT, token, and compliance smart contracts;
- authorize the migration of existing DAO Membership NFTs;
- authorize implementation of a KYC Registry Contract;
- formalize treasury recognition of NAU and other digital assets; and
- preserve continuity of DAO membership and governance rights following migration.

Except as expressly amended herein, the Operating Agreement remains in full force and effect.

SECTION 1 - Amendment to Article I - Additional Defined Terms

The following definitions are added or amended in Article I:

“NAUTOR Token” or “NAU” means the blockchain-based utility token (deployed on Ethereum mainnet [insert final address in Schedule A]) used exclusively within the OSEAN ecosystem for consumptive purposes including payments, bookings, incentives, ecosystem participation, and integration with DAO-supported applications. Ownership or holding of NAU does not confer DAO membership, governance rights, equity participation, profit rights, or any claim on DAO assets or revenues. NAU qualifies as a digital consumer asset under §102(e) of the DAO Act.

“Legacy Governance Smart Contract” means the governance smart contract on Binance Smart Chain at address 0x3EF7039Afb194e1fAC63c5eB10FCded1Cd44A96c.

“New Governance Smart Contract” means the governance smart contract deployed on Ethereum mainnet replacing the Legacy Governance Smart Contract.

“Legacy Membership NFT Smart Contract” means the membership NFT smart contract on Binance Smart Chain at address 0xcb054F55C2C91865843200908240F5932af29f3b.

“New Membership NFT Smart Contract” means the governance NFT smart contract deployed on Ethereum mainnet representing DAO membership.

“Renounced Token Contract” means the NAUTOR Token smart contract deployed on Ethereum mainnet for which contract ownership has been permanently renounced, such that no party holds administrative, upgrade, or ownership privileges over the contract. The DAO’s relationship to the Renounced Token Contract is limited to operational management functions (including receiving transaction tax revenue into the Treasury) and does not constitute ownership or control of the underlying smart contract code or protocol.

“Replacement Governance NFT” means a Governance NFT issued by the New Membership NFT Smart Contract representing the full and uninterrupted continuation of all DAO membership rights, governance entitlements, voting power, and other attributes originally associated with the corresponding Legacy Membership NFT held by an Eligible Legacy Holder as of the applicable snapshot date, subject only to technical adjustments necessary for compatibility with the Ethereum blockchain.

“KYC Registry Contract” means the smart contract used by the DAO to verify wallet-level eligibility and compliance status for DAO membership.

“Migration” means the technical and governance transition of DAO infrastructure from Binance Smart Chain to Ethereum mainnet.

“Eligible Legacy Holder” means a holder of a Membership NFT recognized prior to the DAO migration snapshot date.

“Existing Subsidiary” means DAO Osean Yachts Limited, a company incorporated in Cyprus, which is wholly owned by the DAO and engaged in vessel ownership, charter operations, and related maritime activities.

SECTION 2 - Amendment to Article IV - DAO Purpose (Your original text remains unchanged)

SECTION 3 - Amendment to Article V - Distinction Between Utility Token and Membership
(Your original Section 5.7 remains unchanged - it is clear and protective.)

SECTION 4 - Amendment to Article VI - Governance Infrastructure Migration

Section 6.2 Public Transparency (amended)

As a decentralized autonomous organization limited liability DAO operating upon the Ethereum mainnet, all of the DAO's financial holdings and governance activity is viewable by the public at large.

SECTION 5 - Amendment to Article VIII - Membership NFT Migration (Your original Section 8.6 remains unchanged.)

SECTION 6 - Amendment to Article IX - Membership Integrity and Compliance (The original Section 9.7 is amended to include explicit compliance tie-in)

Section 9.7 - KYC Registry and Compliance Controls

The DAO may implement a KYC Registry Contract to verify eligibility to hold Governance NFTs and to facilitate compliance with beneficial ownership reporting obligations under Part 3 (Beneficial Ownership Information) of the Decentralized Autonomous Organization Regulations 2024, including Regulation 5 and Schedule 2.

The KYC registry may be used to:

- verify membership eligibility
- enforce transfer restrictions
- maintain membership integrity
- comply with applicable regulations (including beneficial member identification for holders meeting the 25% threshold).

Failure to complete required compliance procedures may result in restrictions on minting, transfer, or governance participation.

SECTION 7 - Amendment to Article X - Treasury and Token Infrastructure (Your original Section 10.4 remains unchanged, but add the following new subsection for clarity after migration:)

Section 10.1 Smart Contract Transactions (amended)

All transactions involving the DAO's Smart Contracts, including the Governance Smart Contract and Membership NFT Contract, shall be verified and recorded on the Ethereum mainnet following the completion of the Migration authorized under Section 6.8 and Article XVII.

Legacy transactions executed prior to Migration remain verified and recorded on Binance Smart Chain for historical reference and transparency.

Section 10.3 Treasury (amended)

The DAO shall maintain a publicly viewable Treasury where all deposits, withdrawals, holdings, and other types of transactions involving the DAO's Digital Assets will be recorded on the Ethereum mainnet, with legacy records preserved on Binance Smart Chain.

Section 10.5 - Relationship to NAUTOR Token Contract

The DAO's interest in the NAUTOR Token (NAU) arises from its operational management role, including the receipt of transaction tax revenue into the DAO Treasury, and not from ownership or administrative control of the underlying smart contract. The NAUTOR Token smart contract constitutes a Renounced Token Contract (as defined in Section 1). The autonomous and decentralized nature of the Renounced Token Contract is acknowledged and shall be preserved. Nothing in this Agreement shall be interpreted as the DAO exercising ownership, upgrade authority, or unilateral control over the NAUTOR Token protocol.

SECTION 8 - Amendment to Article XI - Ecosystem Incentives and Member Rewards

The following is added as Section 11.9 - Member Incentives and Ecosystem Rewards (fully revised):

Section 11.9 - Member Incentives and Ecosystem Rewards

The DAO may, from time to time and at its sole discretion, approve ecosystem incentives, participation rewards, or discretionary distributions to Members through governance proposals adopted pursuant to Article VI.

Such incentives are intended to encourage active participation, contribution, usage, and growth within the OSEAN ecosystem and may include, but are not limited to:

- Distributions of NAUTOR Tokens (NAU) from the DAO Treasury
- Distributions of other digital assets held by the DAO Treasury
- Ecosystem service discounts or reduced fees
- Participation rewards related to DAO activities, governance engagement, service usage, or ecosystem milestones
- Access to exclusive community programs, maritime events, experiences, or ecosystem services

Any incentives, rewards, or distributions approved by the DAO are entirely discretionary, may vary in amount, frequency, form, eligibility criteria, or conditions, and may be modified, suspended, discontinued, or revoked at any time by subsequent governance vote without creating any vested rights or legitimate expectations.

Nature of Ecosystem Incentives - Incentives are granted solely at the DAO's discretion to reward ecosystem participation, contribution, or usage (such as governance voting, service bookings, community engagement, or other active involvement).

Such incentives:

- do not constitute fixed dividends or guaranteed periodic payments
- do not arise automatically or solely from passive ownership of NAUTOR Tokens (NAU) or Governance NFTs

- may reflect ecosystem performance, ecosystem activity and engagement metrics, or operational milestones achieved by the DAO, but only to the extent and in the manner approved by governance,
- do not create any enforceable right to receive financial returns, profit distributions, or economic benefits

Ownership of a Governance NFT primarily enables DAO membership, governance voting rights, and eligibility to participate in ecosystem activities and incentives. It does not guarantee, represent, or entitle the holder to any specific profits, financial returns, or distributions from the activities of the DAO.

Any economic benefits received by Members are discretionary, incidental to active participation in the DAO ecosystem, and not guaranteed. No Member should rely on the expectation of profits or value appreciation derived solely from the efforts of the DAO, its Managing Members, or contributors.

For-Profit Context - The DAO is organized as a for-profit decentralized autonomous organization under the laws of the Republic of the Marshall Islands. As such, the DAO may, through approved governance mechanisms, make discretionary distributions or provide economic incentives that reflect generated value or ecosystem performance, subject always to applicable RMI tax obligations and compliance requirements. Nothing in this Section creates automatic or contractual economic entitlements for Members.

SECTION 9 - Amendment to Article XIV - Regulatory and Continuity Clarifications (Your original Sections 14.4–14.7 remain strong; add the following new subsections for extra protection:)

Section 14.8 - Digital Asset Classification

NAUTOR Token (NAU) and Governance NFTs qualify as digital consumer assets under §102(e) of the Decentralized Autonomous Organization Act, being used or acquired primarily for consumptive, personal, or household purposes within the OSEAN ecosystem. Pursuant to §103(2)(d) of the DAO Act, Governance NFTs confer no economic rights and are not deemed securities under the Securities and Investment Act.

Section 14.9 - No Securities Offering

Neither NAUTOR Token (NAU), Governance NFTs, nor any other digital asset associated with the DAO is offered, sold, or transferred as a security, investment contract, or financial instrument under the laws of the Republic of the Marshall Islands or any other jurisdiction. Participation is undertaken solely for ecosystem participation, governance, and consumptive utility. No person should acquire or hold these assets with any expectation of profits derived from the entrepreneurial or managerial efforts of others, as established in *SEC v. W.J. Howey Co.*, 328 U.S. 293 (1946).

Section 14.10 - EU Regulatory Context (MiCA)

The DAO acknowledges the regulatory framework established by Regulation (EU) 2023/1114 (Markets in Crypto-Assets Regulation – “MiCA”) within the European Union. Given the incorporation of the Existing Subsidiary in Cyprus, the NAUTOR Token (NAU) is intended to function primarily as a utility token under MiCA, designed solely to enable access to and interaction with specific functionalities,

goods, and services within the OSEAN ecosystem (including yacht charters, bookings, training, events, and incentives). The NAUTOR Token is not intended to represent equity, ownership rights, profit participation, or any entitlement to dividends, revenue, or similar financial returns from the DAO, its Members, or any affiliated entity. It does not qualify as an asset-referenced token (ART), e-money token (EMT), financial instrument under MiFID II, or any other regulated crypto-asset requiring authorization under MiCA or other EU financial services legislation. The DAO does not actively target, offer, market, or provide services to residents of the European Union. Any secondary trading or availability of NAU on third-party platforms occurs independently and outside the DAO's control or endorsement.

Nothing in this Agreement shall be interpreted as a representation or warranty regarding the regulatory treatment of the NAUTOR Token or Governance NFTs under MiCA or any other law. The regulatory treatment of digital assets may evolve, and the DAO reserves the right to adapt its structure, operations, and token functionality as reasonably necessary to address applicable regulatory requirements.

The DAO and its Members acknowledge that any obligations that may arise under MiCA or other applicable laws will be assessed and addressed through appropriate legal and regulatory consultation as the DAO's activities within or relating to the European Union develop.

Section 14.11 - Beneficial Ownership and Compliance Obligations

The DAO shall comply with beneficial ownership reporting requirements under Part 3 (Beneficial Ownership Information) of the Decentralized Autonomous Organization Regulations 2024, including Regulation 5 and Schedule 2. Beneficial members (any natural person who directly or indirectly holds 25% or more of membership interests, voting rights, or control) must be reported in the Beneficial Owner Information Report (BOIR) upon registration and annually thereafter. The KYC Registry Contract (authorized under Section 9.7) may be utilized to facilitate identification and verification of beneficial members in accordance with these requirements.

Section 14.12 - Dispute Resolution

Any dispute, controversy, or claim arising out of or relating to this Agreement, the Operating Agreement, or any breach thereof, which cannot be resolved through good-faith negotiation within thirty (30) days, shall be submitted to binding arbitration administered under the UNCITRAL Arbitration Rules in effect at the time of filing. The arbitration shall be seated in a neutral jurisdiction mutually agreed upon by the parties, or absent agreement, in Singapore. The language of the arbitration shall be English. The decision of the arbitrator(s) shall be final and binding and may be enforced in any court of competent jurisdiction. This Section does not preclude Members from seeking interim or emergency relief from a court of competent jurisdiction where necessary to preserve rights or prevent irreparable harm.

SECTION 12 - Amendment to Section 17.2 - Post-Migration Interpretation

Following the completion of the Migration, all references to "Binance Smart Chain" in the Operating Agreement and this Amendment shall be read and interpreted as references to "Ethereum mainnet," unless the context expressly requires reference to the Binance Smart Chain for purposes of historical transparency, legacy contract identification, or preservation of pre-Migration records. This interpretive

provision applies to, without limitation, the definitions of "Governance Smart Contract," "Membership NFT Smart Contract," "Wallet," "Treasury," and all references to blockchain verification, transaction recording, and gas fees throughout the Operating Agreement.

Adopted on [date] pursuant to on-chain proposal [ID].

Schedule A - Updated Contract Address Registry

Addresses may be updated administratively by the Managing Members or Authorized Person within ninety (90) days of the effective date of this Amendment for purposes of initial deployment and activation. After such period, any update to the addresses listed in this Schedule A shall require approval through the governance procedures described in Article VI. All address updates shall be published to the DAO community with a minimum seven (7) day notice period before taking effect.