

**Leondrino Constitution  
for the Leondrino Licensee “Leondrino Deutschland”  
for the Active Currency Management  
of Private Digital Currencies  
of Corporations and Corporate Networks**

This Leondrino Constitution for the Leondrino Licensee responsible for the target market Germany and the EU applies in addition to the existing Corporate Bylaws of Leondrino Deutschland (hereinafter Leondrino-D). According to the Leondrino Standard, this Constitution is part of the Leondrino Main Contract entered into between a corporation or a business network and the relevant Leondrino Licensee following a planning and testing phase. It becomes effective when a corporate currency transitions to the highest Leondrino Token Class A.

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## Article 1: Leondrino-D

- 1.1 Leondrino-D is established under the "legal umbrella" of Leondra GmbH. It shall perform its tasks and activities in accordance with this Leondrino Constitution.
- 1.2 A transfer of Leondrino-D into a joint venture with a strategic partner that meets the relevant regulatory requirements is possible with at least 75% of the votes of Leondra GmbH.
- 1.3 The list of Leondra GmbH's current shareholders can be viewed at the Amtsgericht Charlottenburg under the commercial registration number HRB 151056 B.

## Article 2: Objectives and Tasks of Leondrino-D

- 2.1 Leondrino-D pursues the overarching goal of the licensor Leondrino Inc. to create a system of competing digital corporate currencies as a service provider for private organizations (especially brand companies) and business networks. These private corporate currencies have the common overarching goal of strengthening the exchange of goods and services of the respective corporations or business networks. All three essential functions of money – a unit of account, stability of value, and exchange of goods and services – should be possible, whereby the concrete weighting of the three functions per currency and thus the respective concrete forms of monetary policy can vary.
- 2.2 Private corporate currencies of Leondrino-D's issuing customers are called Leondrino currencies (also referred to as Leondrino for short) if the respective associated corporation or business network enters into a contractually fixed obligation to accept its digital currency for its products and services and makes use of Leondrino-D's services in accordance with this Leondrino Constitution.
- 2.3 The fundamental tasks of Leondrino-D consist of
  - to define the currency policy together with the associated corporation or business network (customers),
  - to implement the currency policy of its customers
  - to hold and manage the agreed currency reserves of the customers,
  - to promote the smooth functioning of the payment systems based on private corporate currencies and
  - to manage the transaction data per corporate currency and per user in compliance with laws on data protection, data security, and, in particular, the informational self-determination of the individual applicable in the legal sphere of Leondrino-D and, with the consent of the respective user, to make it available to the respective corporation or business network for better individualization of product and service offerings and thus to improve the respective customer relationships.

In addition, Leondrino-D performs advisory functions for its customers and offers other services.

2.4 The private corporate currencies managed by Leondrino-D complement the fiat currency system (national currency system).

2.5 This Leondrino Constitution is a binding directive and applies in addition to the existing Corporate Bylaws of Leondrino-D. According to the Leondrino Standard, the present Leondrino Constitution becomes effective as part of the Leondrino Main Contract entered into between a corporation or a business network and the relevant Leondrino Licensee following a planning and testing phase. This is typically when a corporate currency transitions to the highest Leondrino Token Class A.

## Article 3: Collection of Statistical Data

3.1 In order to perform its tasks in terms of implementing the respective currency policy and taking into account the regulatory requirements in Germany and the EU<sub>1</sub> with the support of its customers, collects the necessary statistical data either from the responsible customers or directly from the consumers (users of such Leondrino currencies).

3.2 The tasks described in Article 3.1 are defined as far as possible in cooperation with the customers of Leondrino-D.

3.3 The management of Leondrino-D determines the group of natural and legal persons subject to reporting, the provisions on confidentiality, and the appropriate precautions for their enforcement, taking into account the data protection regulation applicable in the respective jurisdiction of the relevant Leondrino Licensee.

## Article 4: Independence

Leondrino-D may not seek or accept customer instructions when exercising the powers, tasks, and duties set out in this Leondrino Constitution, particularly when managing the currency volume. Rather, the transparent currency policy defined in each case must be implemented and monitored by using suitable IT by means of appropriate algorithms and additionally by using a Monetary Board for each Leondrino currency.

This regulation also applies to the influence of government agencies. Should government bodies expand their impact on Leondrino-D through corresponding legislation with a corresponding influence on the implementation of Leondrino-D's tasks, Leondrino-D will provide information on this publicly accessible to everyone.

## Article 5: Monetary Boards

5.1 A Monetary Board is installed as a supervisory body for each Leondrino currency to monitor compliance with the agreed monetary policy when the corporate currency transitions to the highest Leondrino Token Class A.

5.2 The relevant Monetary Board monitors compliance with the monetary policy agreed between Leondrino-D and its respective issuing corporation or business network. The relevant Monetary Board has to decide and approve adjustments to the currency policy.

5.3 The Monetary Board is composed of at least three (3) members who have the following roles and basic structure or meet the minimum requirements:

- Representative of the associated corporation/business network
- Expert in macroeconomics
- Representative of Leondrino-D

The selection of the expert in macroeconomics takes place via a tendering process carried out by Leondrino-D, with a maximum term of five (5) years set for each membership contract of the Monetary Board. Regulations regarding termination and extension are set out in the membership contract. The representatives are appointed by the respective corporation. They also decide on replacements in the event that a representative leaves. An expansion of the board is possible, provided that a balanced distribution of stakeholders and the required skills must be ensured.

In addition to the basic structure, the Monetary Board can optionally, or at the request of token holders representing at least 5% of the distributed tokens, be supplemented by the following role:

- Representative of the currency users

The selection of the representatives of the currency users follows well-respected criteria:

- Proven integrity and independence
- Long-term commitment to the values of the associated corporation/business network
- History of contribution to the initial rollout of the emerging corporate currency
- Community-driven and transparent selection process

The specifics of the selection process of the representatives of the currency users may vary across corporations, particularly between different industries.

The term per membership contract for currency users is set at two (2) years. An extension of the mandate is possible up to a maximum of six (6) years. Any currency user who has held at least 10 thousand tokens of the relevant Leondrino currency during the last 12 months may apply for the role of currency user representative.

5.4 The Monetary Board elects a chairperson, whereby representatives of the associated corporation or business network cannot be elected as such a chairperson.

- 5.5 Each member of the Monetary Board has one vote. Resolutions of the Monetary Board are passed with a majority of at least two-thirds. Voting rights are exercised in person. By way of exception to this provision, individual rules of procedure may provide for members to participate in the vote by means of a teleconference. The rules of procedure shall also provide that a member who is unable to attend meetings of the Monetary Board for an extended period of time may appoint a deputy with the appropriate qualifications.
- 5.6 The Monetary Board is quorate if at least two-thirds of its members participate in the vote. If the Monetary Board does not have a quorum, the Chairman may convene an extraordinary meeting within 24 hours at which the minimum attendance quota is not required for a quorum. If a meeting is held where the Monetary Board is only represented by three of its members, the resolutions must be passed unanimously by the three participating members of the Monetary Board.
- 5.7 Discussions at Monetary Board meetings are confidential. The Monetary Board publishes the results of its deliberations. However, it may also decide in individual cases not to publish the outcome of its deliberations.
- 5.8 The Monetary Board meets at least twice a year.
- 5.9 A single person can be a member of a maximum of 10 of these Monetary Boards at the same time.

## Article 6: Leondrino-D's Reporting Obligations

- 6.1 Leondrino-D prepares and publishes reports on the activities of the Leondrino-D for the respective associated corporation or business network and its Leondrino currency(ies) at least once a year. These reports shall be submitted to the respective Monetary Board.
- 6.2 Leondrino-D submits an annual report to the respective Monetary Boards of the individual Leondrino currencies on the activities of Leondrino-D and the monetary policy of the respective Leondrino currency in relation to the previous and current year.
- 6.3 The annual reports referred to in this article are made available electronically to interested parties free of charge. The reporting frequency can be increased for a fee upon request by the corporation, or the business network, or the Monetary Board.

## Article 7: Minimum Reserves for a Leondrino Currency

Subject to Article 2 of this Leondrino Constitution, Leondrino-D may demand the retention of minimum reserves from the associated corporation or business network in order to achieve the monetary policy objectives for the respective brand currency.

Regulations on the calculation and determination of the minimum reserve requirement are part of the contract for the provision of services for the issuance and management of a digital currency (Leondrino Main Contract), which is concluded with the associated corporation or business network and can be adjusted by the Monetary Board as required.

In the event of non-compliance with the provisions set out in the Leondrino Main Contract (both with regard to the minimum reserves to be provided and with regard to the offering of goods and services in the corresponding Leondrino currency), Leondrino-D may levy penalty interest and impose other sanctions with comparable effect on the corporation or business network in accordance with the conditions set out in the Main Agreement.

## Article 8: Leondrino-D`s Market Maker Role to Meet the Monetary Policy

- 8.1 In order to conduct its business, Leondrino-D may open accounts and accept assets, including debt register claims, as collateral.
- 8.2 In accordance with the currency policy agreed for each Leondrino currency, Leondrino-D can increase the respective token quantity and, using reserves, also act as a buyer of these tokens and reduce the token quantity again.
- 8.3 In order to achieve the objectives of Leondrino-D and to fulfill its tasks, Leondrino-D may
- become active on the financial markets by buying and selling receivables denominated in Leondrino or fiat currencies and marketable securities and cryptocurrencies as well as precious metals outright (cash or forward) or under repurchase agreements or by entering into corresponding loan transactions;
  - enter into lending transactions with credit institutions and other market participants, whereby sufficient collateral must be provided for the loans.
- 8.4 Leondrino-D establishes general principles for its own open market and credit transactions; these include the principles for the publication of the conditions under which it is prepared to conclude such transactions.
- 8.5 Leondrino-D has the right to outsource the execution of reserve management to the future independent foundation responsible for the planned bridge and reserve currency XLEO (see Article 13 of this Leondrino Constitution) and/or other qualified financial institutions.

## Article 9: Monetary Policy Instruments

The monetary policy instruments that may be applied to Leondrino currencies are set out in the Annex to the present Leondrino Constitution (Annex A - Overview of Leondrino Monetary Policy). The respective Monetary Board of a Leondrino currency may, by a two-

thirds majority of the votes cast, decide on the application of monetary policy instruments if the Board deems it necessary to achieve the respective objectives.

## Article 10: Clearing and Payment Systems

Leondrino-D can provide facilities as a service to the associated corporation or business network to ensure efficient and reliable clearing and payment systems within the ecosystem of the associated corporation or business network.

## Article 11: Listing, Delisting, and Unification and Division of Currency Areas

The present Leondrino Constitution shall only enter into force if the respective Leondrino currency is listed on at least one licensed exchange and admitted to public trading. For a listing of a Leondrino currency, it must be ensured that the exchanges selected for this purpose can also implement the instruments defined for the specific case.

Subsequent deviations from the delisting rules defined for a Leondrino currency prior to listing, which are not influenced by an external exchange, must be made unanimously.

If no exchange is willing to list a specific Leondrino currency or if this willingness is withdrawn by all exchanges previously active for the respective Leondrino currency and this situation persists for at least 18 months, a downgrade of this currency to Leondrino token class B or even C is planned. A decision on this will be made by the relevant Monetary Board with a majority of at least two-thirds.

An exchange authorized for a Leondrino currency must be in a position at all times to carry out all measures provided for the implementation of the respective monetary policy – see Annex A.

An association of currency areas requires a majority of at least two-thirds of the members of all Monetary Boards involved in the association, whereby the respective representatives of the participating companies cannot be outvoted.

A division of a currency area is only possible with a majority of at least two-thirds of the Monetary Board.

## Article 12: Failure for an Issuer of a Leondrino Currency

If the issuer (contractual partner) of a Leondrino currency fails and, in particular, if the acceptance obligation for this Leondrino currency fails temporarily or completely, the Monetary Board is entitled and obliged to arrange a replacement for the issuer (a takeover of the contract by a legal successor). The funds potentially made available to Leondrino-D by the issuer for active currency management (reserve) remain with Leondrino-D and are not available to the insolvency administrator in the event of the insolvency of the issuer.

If no legal successor is found as a new contractual partner within a one-year period and no solution is found in the context of the potential takeover of the old issuer or its estate



by a new owner, the reserve for this Leondrino currency will be dissolved and exchanged for the Leondrino currency tokens still in circulation. This will end the life cycle of this Leondrino currency. The exact schedule for this process is determined individually in each case.

## Article 13: Issuance of the Bridge and Reserve Currency – XLEO

Leondrino Deutschland (hereinafter referred to as LEONDRINO-D) is authorized to issue a bridge and reserve currency under the name XLEO at the appropriate time. The aim of this reserve currency is

- the creation of liquidity within the entire Leondrino ecosystem through exchangeability with all Leondrino currencies (at least in token class A),
- the creation of an overarching settlement unit, and
- the gradual creation of an asset-referenced reserve currency.

Responsibility for the XLEO will be managed directly by the Autonomia department of LEONDRINO-D. LEONDRINO-D is permitted to issue XLEO initially as a utility token, before it assumes its long-term role.

In the medium term, this responsibility for the XLEO will be outsourced to an independent foundation. For further information, please refer to the XLEO Whitepaper, including its amendments. The Whitepaper is publicly available at <https://xleo.Leondrino.com>.

## Annex A

# Instruments of a Leondrino Licensee to Manage the Monetary Supply of a Corporate Currency in Compliance with the Applicable Monetary Policy

**Notice:**

Annex A is not yet publicly available but will be made available in a timely manner prior to the first Initial Public Leondrino Offering (ILO).