BASTION

CERTIFICATE OF INCORPORATION

Corporation · Holding Company · Commonwealth of Redmont

The parties to this Certificate of Incorporation are Bastion, the Corporation formed hereby, and its shareholders of record from time to time, each bound by the terms set out below.

Article 1 — Registered Name

The registered name of this Corporation is **Bastion** (also referred to as the "Corporation" or "Bastion").

Article 2 — In-Game Company

The name of the in-game company registered in the business plugin is **Bastion**.

Article 3 — Incorporator

This Corporation is incorporated by **unalign**, a natural person of lawful capacity.

Article 4 — Nature of Business

The Corporation is organized to act as a holding company that forms, owns, and manages subsidiaries, and to engage in any lawful act or activity for which a Corporation may be organized under the laws of Redmont.

Article 5 — Share Structure

The Corporation shall have two (2) classes of shares: **Class A Shares** and **Class B Shares**, with the authorized capital and rights set out below.

Attribute	Class A Shares	Class B Shares
Authorized shares	10,000	10,000
Par value	$1.00 per share	$1.00 per share
Voting rights	One (1) vote per share; carries 100% of total voting power	None
Dividends & distributions	50% of all dividends and distributions, as a class	50% of all dividends and distributions, as a class

1. **Voting.** Each Class A Share carries one (1) vote on all matters submitted to a vote of shareholders, and the Class A Shares as a class carry the entire voting power of the Corporation — satisfying the requirement of Part IV, Section 4(1) of the Legal Entity Act that the outstanding shares, single or combined, have full voting power. Class B Shares carry no voting rights, except for the class vote on adverse amendments preserved in Article 15. "Total voting power," wherever used in this Certificate, means the aggregate votes of the outstanding Class A Shares.
2. **Dividends and distributions.** Whenever the Board declares a dividend or distribution, the Class A Shares as a class receive fifty percent (50%) and the Class B Shares as a class receive fifty percent (50%), each distributed pro rata within the class. Because the classes have an equal number of authorized shares, equal issuance yields an identical dividend per share; the fifty/fifty split is fixed at the class level.
3. **Other rights.** Except for voting, the Class A Shares and the Class B Shares rank equally (*pari passu*) in all respects, including par value and rights on liquidation under Article 18. There shall be no fractional shares.
4. **Initial issuance.** The initial and sole shareholder is **unalign**, holding one hundred percent (100%) of both classes — ten thousand (10,000) Class A Shares and ten thousand (10,000) Class B Shares. The Class B Shares allow the Corporation to raise outside capital without diluting the voting control carried by the Class A Shares.

Article 6 — Management

Bastion shall be governed by a Board of Directors. The first director is **unalign**, who shall serve as Chairperson with full authority over the management and affairs of the Corporation, subject to this Certificate and the Legal Entity Act.

Directors shall be elected and removed by resolution of the shareholders, requiring the affirmative vote of shareholders holding a majority of the total voting power, in accordance with Part IV, Section 7(2) of the Legal Entity Act. A director so elected serves until a successor is elected, or until that director's earlier removal, resignation, or death. A vacancy on the Board, however arising, may be filled either by resolution of the shareholders or, between shareholder votes, by the remaining directors then in office; a director so appointed serves until the next shareholder vote on Board composition.

Executive officers shall be appointed by the Board and include at minimum a Chief Executive Officer (CEO); the first Chief Executive Officer shall be **unalign**. Additional roles such as a Chief Financial Officer or Chief Operating Officer may be established at the Board's discretion. Officers act under the supervision of the Board.

On any vote of shareholders, there shall be a quorum of at least fifty percent (50%) of the total voting power, where explicit, affirmative abstentions count towards the quorum. Resolutions must

be open for vote for at least forty-eight (48) hours.

Article 7 — Board Action and Written Consent

1. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, which may act either at a duly held meeting or by written consent without a meeting.
2. A quorum of the Board shall be a majority of the directors then in office; where the Corporation has a sole director, that director alone constitutes the Board and a quorum thereof. Action at a meeting is taken by the affirmative vote of a majority of the directors present where a quorum is present.
3. Any action required or permitted to be taken by the Board may be taken without a meeting if a written consent setting forth the action is signed by the number of directors sufficient to authorize that action at a meeting, and such written consent shall have the same force and effect as a vote at a duly held meeting. Each written consent shall be filed in the Company Docket.
4. The Board shall give shareholders notice of material actions by filing in the Company Docket and, where applicable, in the company Discord.

Article 8 — Shareholders

1. Shareholders, in that capacity, take no part in the day-to-day management of the Corporation's business and affairs, which is vested in the Board under Article 6.
2. The role of shareholders is to: (a) elect and remove directors under Article 6; (b) approve amendments to this Certificate and other matters reserved to shareholders under Article 15 or the Legal Entity Act, including mergers, consolidations, and dissolution; (c) receive information regarding the Corporation's business and financial condition as is reasonable under Part III, Section 7 of the Legal Entity Act; and (d) receive dividends and distributions declared by the Board, and a share of assets on dissolution, according to the economic rights set out in Article 5.
3. Acts, omissions, decisions, and resolutions of shareholders acting in that capacity are attributable exclusively to the Corporation and not, individually or collectively, to any shareholder, in accordance with Part III, Section 11(5) of the Legal Entity Act.

Article 9 — Capital Contributions

The initial capital contribution of the founding shareholder shall be **$20,000** (DemocracyCraft dollars), recorded on the books of the Corporation as contributed capital. No minimum initial capital contribution is required. Additional capital may be contributed, or raised through the issuance of shares, as needed to fund the operations of the Corporation and its subsidiaries.

Where additional shares are issued, the Board may authorize the issuance of either class, provided that: (a) shares are issued at or above fair market value; (b) all issuances are disclosed to shareholders by filing in the Company Docket; (c) any issuance resulting in more than ten percent (10%) dilution of voting power receives the shareholder approval required by Article 15; and (d) any issuance that would change the authorized number or par value of a class, or adversely alter the rights of a class, is approved by that class voting as a class under Article 15.

Article 10 — Financing

In addition to raising capital through the issuance of shares under Article 9, the Board may authorize the Corporation, or any subsidiary acting through its own governing body, to raise capital through debt financing, including loans, lines of credit, bonds, notes, or other debt instruments, whether secured or unsecured.

1. Every financing agreement entered into on behalf of the Corporation shall be authorized by the Board and filed in the Company Docket before funds are drawn.
2. Any financing that would grant a security interest over substantially all of the Corporation's assets, or that this Certificate or the Legal Entity Act otherwise reserves to shareholders, additionally requires the shareholder approval set out in Article 15.
3. The Board may delegate authority to negotiate and execute financing agreements within Board-approved limits to an officer, who remains subject to the Board's supervision under Article 6.

Article 11 — Profit and Loss Distribution

All profits and losses shall be allocated to shareholders according to the economic rights of their share class set out in Article 5 — fifty percent (50%) to the Class A Shares as a class and fifty percent (50%) to the Class B Shares as a class, pro rata within each class. Distributions shall be declared by the Board at such times and amounts as it determines. As a matter of current policy, profits shall be reinvested until the Board determines otherwise. No distribution shall be made that would render the Corporation unable to pay its debts as they become due in the ordinary course of business.

Article 12 — Transfer of Shares; Shareholder Exit

1. **Right of first refusal.** A shareholder proposing to transfer shares must first offer them to the existing shareholders on the same terms, with not less than forty-eight (48) hours notice. If no existing shareholder exercises this right within the notice period, the transfer to the proposed third party may proceed on terms no more favorable than those offered.
2. **Tag-along right.** Where a holder or holders of a majority of the Class A Shares propose to transfer Class A Shares to a third party, each other shareholder may require the proposed

transferee to purchase, on the same terms and at the same price per share, a pro rata portion of that shareholder's shares before the transfer completes.

3. **Drag-along right.** If shareholders holding a majority of the total voting power approve, by resolution, the sale of one hundred percent (100%) of the then-outstanding shares of the Corporation to a third party (a "Drag-Along Sale"), then, upon not less than forty-eight (48) hours notice, each other shareholder shall be required to sell all of its shares to that third party as part of the Drag-Along Sale, at the same price per share within each class (allocated according to the economic rights of that class under Article 5) and on substantially the same terms and conditions as the shareholders approving the sale, and shall execute such documents and take such actions as are reasonably necessary to give effect to the Drag-Along Sale. The right of first refusal under paragraph 1 and the tag-along right under paragraph 2 do not apply to a Drag-Along Sale.

4. **Shotgun clause (buy-sell).**

   a. Any Class A shareholder (the "Offeror") may deliver written notice to another Class A shareholder, or to a Class B shareholder (in either case, the "Offeree"), stating a single price per share (the "Shotgun Price") at which the Offeror is willing either to buy all of the Offeree's shares of the relevant class, or, at the Offeree's election, to sell to the Offeree all of the Offeror's Class A Shares at the Shotgun Price. A Class B shareholder may not deliver a notice under this paragraph.

   b. Within seven (7) days of receipt of the notice, the Offeree shall elect, by written notice to the Offeror, either to (i) sell all of the Offeree's shares of the relevant class to the Offeror at the Shotgun Price, or (ii) purchase all of the Offeror's Class A Shares at the Shotgun Price. If the Offeree does not elect within that period, the Offeree is deemed to have elected to sell under (i).

   c. Closing of the purchase and sale elected, or deemed elected, under paragraph (b) shall occur within seven (7) days thereafter, against payment in full of the Shotgun Price.

   d. This paragraph does not require Board approval, and the right of first refusal under paragraph 1 and the tag-along right under paragraph 2 do not apply to a purchase and sale under this paragraph.

5. **Voluntary exit.** A shareholder wishing to exit the Corporation may do so by transferring its shares under paragraphs 1 and 2 above, to existing shareholders, the Corporation, or a third party. A shareholder may additionally request that the Corporation repurchase its shares at fair value; the Board may, but is not obliged to, approve such a repurchase, and any repurchase is subject to the solvency limit in Article 11 and to the buyback approval threshold in Article 15.

6. **Fair value.** Where any provision of this Certificate requires a price for shares and the parties do not agree one, the price shall be the fair market value — the highest price, in money or money's worth, that would be agreed in an open and unrestricted market between informed, willing parties at arm's length and under no compulsion to act.

7. **Filing.** All transfers must be recorded in the share register and filed in the Company Docket — stating the share class, amount, transferor, and transferee — before taking effect.

Article 13 — Liability

The debts, obligations, and liabilities of Bastion shall be solely those of the Corporation. No shareholder, director, officer, employee, or other agent shall be personally obligated for any such debt, obligation, or liability solely by reason of being such a shareholder, director, officer, employee, or agent.

Article 14 — Share Register

The Corporation shall maintain a share register in its Incorporated Entity Summary recording all shares by class, amount, and holder. The register carries a rebuttable presumption of actual share ownership. All transfers of registered shares, and the creation or destruction of any share certificate, shall be filed in the Company Docket without undue delay.

Article 15 — Amendments

Amendments to this Certificate shall require the affirmative vote of shareholders holding at least fifty percent (50%) of the total voting power. The following shall require at least seventy-five percent (75%) of the total voting power: dissolution or winding up; any merger or consolidation; any issuance resulting in more than ten percent (10%) dilution; any buyback affecting more than ten percent (10%) of outstanding shares; and any financing agreement granting a security interest over substantially all of the Corporation's assets, as referenced in Article 10. In addition, and notwithstanding that the Class B Shares are otherwise non-voting, any amendment that would change the authorized number or par value of a class, or adversely alter the powers, preferences, or rights of a class, requires the approval of a majority of that class voting as a class, in accordance with Part IV, Section 2(4) of the Legal Entity Act. Any approved amendment shall be filed in the Company Docket and becomes effective upon filing.

Article 16 — Bylaws

Bastion may adopt, amend, or repeal bylaws governing its internal affairs to the extent not inconsistent with this Certificate or the Legal Entity Act. In the event of conflict, this Certificate shall control. Bylaws may be adopted, amended, or repealed by the Board by majority vote, and any such change shall be filed in the Company Docket.

Article 17 — Existence

Bastion shall have perpetual existence unless dissolved in accordance with the Legal Entity Act.

Article 18 — Dissolution

The dissolution of Bastion shall be governed by the default provisions of the Legal Entity Act, unless otherwise determined by shareholders. It shall be initiated by the Board adopting a dissolution resolution posted in the Company Docket, approved by the requisite shareholder vote under Article 15, followed by winding up and the filing of a Certificate of Dissolution. On winding up, and after discharge of the Corporation's liabilities, the remaining assets shall be distributed according to the economic rights of the share classes set out in Article 5 — fifty percent (50%) to the Class A Shares as a class and fifty percent (50%) to the Class B Shares as a class, pro rata within each class.

Article 19 — Effective Date

This Certificate of Incorporation shall become effective upon approval by the Department of Commerce.

This document is submitted to the Department of Commerce for registration in accordance with the Legal Entity Act.