



# AQUANA

**The Aquana Constitution**  
*Initial Draft*





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## Preamble

Water sustains life, communities, and economies.

It is a shared resource whose protection is a responsibility carried across generations.

Aquana exists to establish a permanent, community-guided capital system dedicated to the long-term resilience of global water systems.

This Constitution is founded on the belief that water must be safeguarded through transparent governance, disciplined capital stewardship, and collective participation—so that the benefits of water finance serve the many.

Through this framework, Aquana commits to:

- protect the integrity of its mission,
- steward capital for public good,
- and empower people everywhere to participate in decisions shaping water futures.

This Constitution defines the rules, boundaries, and fiduciary duties that govern the Aquana ecosystem and all who participate in it.

It stands as the enduring expression of Aquana's purpose and as the foundation upon which decentralized stewardship will grow.

## Kaitiakitanga — Stewardship and Guardianship

Aquana affirms the principle of Kaitiakitanga, a Māori concept of guardianship, care, and stewardship of the natural world.

Kaitiakitanga recognizes water not as a commodity owned by any individual, but as a living system to be protected for the benefit of all people, ecosystems, and future generations.

This Constitution is guided by that ethos.

Every holder, council member, and participating institution shares responsibility for ensuring that Aquana's capital, governance, and decisions contribute to the long-term protection and resilience of global water systems.



# Article I — Authority, Scope & Legal Standing

## Section 1 — Foundational Authority

This Constitution is the supreme governing document of the Aquana ecosystem. It defines the mission, purpose, powers, and constraints that govern all entities, actors, processes, and capital under the Aquana banner.

## Section 2 — Binding Force Over All Aquana Entities

This Constitution is legally and operationally binding upon:

1. **The Aquana Foundation**, as the custodian of mission, treasury oversight, and governance execution;
2. **The Aquana Holding Company (AG or equivalent legal vehicle)**, as the legal and operational custodian of treasury assets and executor of investment decisions made under constitutional authority;
3. **Kaitiaki Systems (or successor operational entities)**, engaged through service agreements to develop, operate, and maintain the Aquana ecosystem;
4. **The Aquana DAO**, including token holders, representatives, delegates, elected councils, committees, or working groups;
5. **Any successor organizations, councils, sub-DAOs, stewards, or contracted agents empowered by or acting within the Aquana ecosystem.**

No person, organization, council, committee, or DAO-approved decision is exempt from this Constitution.

## Section 3 — Hierarchy of Authority

In the event of conflict between governing instruments, this hierarchy applies:

1. **The Aquana Constitution**
2. The Aquana Foundation Charter and Governance Bylaws
3. Treasury and Investment Mandates
4. Operational Policies and Committee Rulebooks
5. DAO Decisions and On-Chain Proposals
6. Advisory Guidance or Working Group Policies



No decision, proposal, execution, operational act, or governance mechanism may contradict or override the Constitution.

#### **Section 4 — Supremacy Over Token Governance**

Governance authority granted through token ownership, delegation, or DAO participation is subject to constitutional constraints.

Token holders, delegates, and the DAO:

- may shape strategy,
- may direct investment priorities,
- may approve or reject proposals, but cannot authorize or compel actions that violate constitutionally defined mandates, risk limits, legal obligations, or mission safeguards.

On-chain voting mechanisms derive their force from this Constitution, not the reverse.

#### **Section 5 — Continuity Through Decentralization**

This Constitution remains binding through all phases of Aquana's evolution — including:

- Foundation-stewarded operations (Phase 0–1),
- Shared governance (Phase 2),
- DAO-led governance (Phase 3),
- Full decentralization (Phase 4).

Authority does not shift from Foundation to DAO by displacement — it evolves through phase transition within the constraints of this document.

No change in governance model, token distribution, committee structure, or decision process may diminish the binding force or fiduciary intent of this Constitution unless amended through the formal amendment process outlined herein.

#### **Section 6 — Scope of Interpretation**

Where ambiguity arises, interpretation shall be governed by:

- The mission of Aquana as steward of capital in service of global water resilience;
- The principles of long-term stewardship and fiduciary duty;
- The supremacy of capital preservation and public good over short-term sentiment or private gain.

Interpretation must favor the continuity, integrity, and solvency of the Aquana treasury.



## Article II — The Aquana Capital Mandate

### Section 1 — Mandated Purpose of Capital

The Aquana Treasury exists to preserve and grow long-term economic capacity **in service of global water system resilience**.

Its purpose is the disciplined stewardship of capital, not short-term return optimization, speculative gain, or token-holder enrichment.

The treasury is mandated to:

- Maintain purchasing power over generational time horizons,
- Allocate capital toward systems critical to water access, reliability, and sustainability,
- Remain resilient across economic cycles, governance evolution, and external shocks.

### Section 2 — Separation of Institutional Functions

Aquana is founded on the principle that long-horizon stewardship cannot coexist with concentrated power.

To preserve mandate integrity, institutional continuity, and public legitimacy across capital cycles, Aquana enforces a strict separation between four distinct institutional functions:

1. **Stewardship** — the holding and protection of assets under a permanent, mandate-locked framework
2. **Governance** — the authority to interpret, enforce, and evolve rules strictly within constitutional limits
3. **Execution** — the operational implementation of strategy, systems, and capital deployment
4. **Financial Exposure** — the provision of capital seeking economic return

These functions are intentionally separated across distinct entities, instruments, and legal interfaces.

**No individual, entity, or coordinated group may simultaneously exercise more than one of these functions.**



This separation is not an efficiency choice, a transitional arrangement, or a governance preference.

It is the primary structural defense against:

- governance capture
- mandate erosion
- capital-driven politicization
- and institutional collapse.

Any structure, agreement, incentive, or practice — whether explicit or implicit — that allows stewardship, governance, execution, or financial exposure to converge into a single locus of control constitutes a constitutional violation.

Upon such convergence, Aquana shall be considered structurally compromised, regardless of financial performance, growth metrics, or external validation.

No governance process, vote, emergency action, or economic justification may override this separation.

A bounded portion of supply shall be reserved exclusively for institutional formation, operational execution, and ecosystem build-out, and may never confer governance rights, claims, or permanent entitlements.

### **Section 3 — Participation of External Capital Vehicles**

External investment vehicles, including funds, special purpose vehicles (SPVs), or other capital structures, may participate in the Aquana ecosystem provided that they operate in alignment with the Aquana Capital Mandate and applicable reporting and transparency standards.

Such vehicles may originate, finance, or acquire mission-aligned assets and may interact with Aquana infrastructure, systems, or marketplaces, including tokenization or reporting layers.

Participation in the Aquana ecosystem does not confer governance authority over Aquana's treasury, mandate, or constitutional framework, nor does financial exposure convert into stewardship or governance rights.

External capital vehicles retain independent governance and fiduciary responsibility over their own capital, while operating within the mission, eligibility rules, and structural constraints established by this Constitution.



Operational participation standards, integration procedures, and compliance mechanisms may be defined through governance frameworks and ecosystem policies consistent with this Constitution.

## Section 4 — Capital Preservation and Solvency Requirements

Aquana shall prioritize **capital preservation, liquidity sufficiency, and operational continuity** over all other objectives.

Accordingly:

1. The treasury must maintain liquidity sufficient to sustain operations, governance, and strategic flexibility throughout prolonged periods of market volatility.
2. Capital must be deployed progressively and conservatively, paced by governance maturity, risk visibility, regulatory clarity, and system resilience.
3. No decision, proposal, or governance action may impair the treasury's solvency, jeopardize its ability to meet near-term obligations, or materially constrain long-term optionality.

Liquidity floors, risk bands, and allocation ranges defined in governance frameworks and operating principles shall be interpreted as **minimum binding constraints** unless formally amended under Article VIII.

## Section 5 — Asset Eligibility and Prohibited Exposure

The treasury may be deployed only in assets and instruments consistent with this Constitution and aligned with Aquana's mission.

### Eligible Asset Classes

Aquana may hold:

1. Water-sector equities, utilities, operators, infrastructure, supply-chain participants, and enabling technologies;
2. Public debt instruments financing water infrastructure, sanitation, treatment, climate resilience, and related public-good systems, including sovereign, municipal, or supranational issuances;
3. Bitcoin or equivalent long-duration, censorship-resistant digital reserve assets;



4. Structured investment vehicles (SPVs), private credit, or direct infrastructure financing, subject to governance maturity, risk capacity, and explicit guardrails defined by Aquana's investment policies;
5. Other water-aligned or mission-compatible instruments explicitly authorized through constitutional governance mechanisms.

### **Prohibited Asset Classes and Actions**

The treasury **may not**:

1. Acquire, hold, privatize, or directly trade freshwater resources or water rights, whether physical, legal, or abstracted;
2. Engage in speculative trading, leveraged positions, derivatives, or complex exposures whose principal value depends on short-term volatility or market dislocation, except where explicitly authorized under advanced governance phases with risk controls;
3. Undertake allocations requiring legal authority over water allocation, community access, or basin-level governance decisions;
4. Use treasury capital to influence token price, sustain liquidity, or fund buybacks;
5. Distribute treasury assets to token holders, founders, or delegates, except through legally binding service or contractual compensation defined outside the treasury corpus.

Where ambiguity exists, eligibility shall be interpreted conservatively, favoring liquidity, transparency, and the preservation of mission integrity.

### **Section 6 — Governance Containment Clause**

No governance body, including:

- The Aquana DAO,
- The Foundation,
- Councils or committees,
- Delegated agents or smart contracts,

may approve, compel, or execute actions that violate this Capital Mandate.

This clause may not be overridden by token vote, committee resolution, or operational discretion.



The Capital Mandate binds all decision-making entities for the duration of Aquana's existence.

## Section 7 — Amendment Restrictions and Time Lock

This Article forms part of the immutable core of the Constitution and may only be amended through the following process:

- 1. Proposal Stage:** Public proposal submitted to the governance forum outlining the scope and justification for amendment;
- 2. Cooling Period:** A mandatory review and consultation period of **not less than 12 months**, beginning from proposal publication;
- 3. Dual Approval:** Ratification requires approval from both
  - a. the Aquana DAO under supermajority and participation thresholds, and
  - b. the Foundation or designated Steward Council;
- 4. Implementation Delay:** Upon ratification, changes become effective only after an additional time delay of **6–12 months**, unless overridden by external legal necessity;
- 5. No Retroactivity:** Amendments apply prospectively and shall not retroactively validate previously prohibited actions.

This structure is intentional.

Amendments to the Capital Mandate must be **rare, slow, and consensus-driven**, protecting the treasury from ideological swings, market sentiment, or governance capture.



## Article III — Treasury Management Rules

### Section 1 — Treasury Stewardship and Fiduciary Duty

All treasury assets shall be managed with the highest standards of fiduciary responsibility, aligning capital deployment with:

1. Long-term financial resilience,
2. Mission continuity,
3. Protection of water systems and access,
4. Transparency and public accountability.

Treasury managers, committees, delegates, and executors owe a **duty of care** to Aquana's mission—not to token holders personally, market sentiment, or short-term financial interests.

### Section 2 — Liquidity, Reserves, and Operational Continuity

The treasury must maintain sufficient liquidity to ensure continuous operation through market downturns, governance transitions, and macroeconomic shocks.

At all times:

1. Capital shall be allocated such that **no less than 12 months** of projected operational expenses remain in liquid instruments;
2. The preferred target is **18–24 months equivalent liquidity**, scaling with treasury size and program commitments;
3. Operating expenses, governance funding, advisory compensation, and community participation incentives must be funded from designated liquidity sleeves, **not from proportional or opportunistic asset liquidation.**

No governance decision may temporarily or permanently compromise operational solvency.



### Section 3 — Reserve Asset Rules and Exposure Bands

The treasury shall maintain prudent allocation ranges across reserve and growth assets in accordance with Aquana’s phased development.

In early stages (Phase 0–2), the treasury shall:

1. Maintain Bitcoin or equivalent long-duration reserves within a constitutionally defined **band of minimum and maximum exposure**, with initial parameters referenced to governance policy and adjusted only through formal amendment;
2. Favor regulated, transparent, and liquid public market instruments over complex or illiquid structures;
3. Expand into private or long-duration assets progressively, subject to:
  - governance maturity,
  - risk tolerance,
  - legal clarity,
  - and demonstrated operational capacity.

The treasury may not implement allocation extremes—such as liquidation into a single asset class or speculative concentration—without explicit constitutional or amendment authority.

### Section 4 — Prohibited Uses of Treasury Assets

Treasury assets may **not** be used for:

1. Token price support, market-making, liquidity bootstrapping, or mechanisms intended to manipulate perceived value of AQA;
2. Direct distribution to token holders, founders, delegates, or advisors except through **clearly established compensation frameworks**, service agreements, or operational payments funded from approved budgets;
3. Buybacks of AQA or indirect purchasing arrangements designed to influence token price;
4. Activities intended primarily to increase speculative returns or short-term yield at the expense of solvency, risk controls, or mission alignment.



Treasury capital exists to build durable water-finance capacity—not to reward speculation or short-term market participants.

## Section 5 — Governance Budgeting and Spending Authority

All spending of treasury assets—whether operational, governance, contracting, or investment—must follow:

1. Phase-appropriate decision rules defined in the governance framework,
2. Constitutionally binding mandates,
3. Formal approval from designated governance bodies or the DAO where applicable.

The treasury may **not** make discretionary expenditures outside approved budget processes.

Emergency expenditures must invoke predefined emergency procedures and are subject to post-event review.

## Section 6 — Transparency, Reporting, and Public Accountability

The treasury operates with full transparency to token holders, partners, and the public.

Accordingly:

1. **Quarterly public reporting** is mandatory, including:
  - portfolio composition,
  - liquidity status,
  - treasury flows,
  - spending and commitments,
  - deviation from target bands.
2. **Annual external audits** shall be conducted by independent third parties, with results made public.
3. Material treasury decisions, reallocations, and breaches of thresholds must be publicly disclosed within a reasonable period.
4. All reporting, audit results, and governance records shall be permanently archived and accessible to the Aquana community.



Opacity, selective disclosure, and non-public decision processes are prohibited unless legally required (e.g., NDAs for SPV negotiation).

## Section 7 — Enforcement and Violations

Any governance action, proposal, or execution that violates this Article is:

- automatically void,
- unenforceable,
- and must be reversed or remediated at the earliest opportunity.

Participants knowingly engaged in actions violating this Article may be:

- removed from governance roles,
- suspended from delegation,
- or referred to applicable legal bodies if malfeasance is evident.

## Section 8 — Relationship to Lower-Level Policies

Treasury Operating Principles, Investment Policies, and Portfolio Mandates form procedural elaborations of this Article.

Where conflict arises:

- **This Article prevails,**
- secondary documents must be revised accordingly.



## Article IV — Governance Powers and Limitations

### Section 1 — Shared Governance Model

Aquana is governed through a progressively decentralizing framework in which authority is shared among:

- The Aquara Foundation,
- The Aquana DAO (token holders, delegates, councils),
- Designated committees and operational executors.

Governance power expands over time but remains bounded by the Constitution, the Capital Mandate (Article II), and Treasury Rules (Article III).

No governance entity holds unchecked authority.

### Section 2 — Powers of the Aquana DAO

From its inception, the DAO holds meaningful but bounded authority designed to guide strategy without compromising solvency or operational integrity.

The DAO may:

1. **Vote on strategic direction** of the treasury and ecosystem;
2. **Elect or dismiss councils, committees, or delegated representatives**, subject to defined eligibility requirements;
3. **Determine proposal priorities** and signal community direction on investment focus areas;
4. **Approve or reject long-term frameworks**, including risk parameters, allocation menus, governance policies, and impact charters;
5. **Shape asset inclusion**, through positive selection mechanisms within approved universes;
6. **Ban specific sectors, instruments, regions, or corporate actors**, subject to constitutional constraints (e.g., utility requirements, reserve rules);
7. **Participate in constitutional amendment processes**, subject to Article VIII;



8. **Request audits, reports, or disclosures** within practical and legal limits;
9. **Approve budgets or funding envelopes** designated for governance, operations, or ecosystem programs, within phase-appropriate scope.

The DAO's role is directional, structural, and values-defining.

### Section 3 — Authorities Reserved from the DAO

In order to protect mission integrity, fiduciary duty, and financial resilience, the DAO may **not**, except where explicitly authorized under future phases:

1. **Directly allocate treasury capital during Phases 0–2**, including:
  - selecting individual investment instruments,
  - executing transactions,
  - authorizing tactical asset movement;
2. **Authorize expenditures or treasury flows** without:
  - appropriate committee review,
  - procedural validation,
  - and Foundation or governance body execution authority;
3. **Override or suspend**:
  - capital preservation rules,
  - liquidity floors,
  - exposure bands, or
  - risk constraints established under Articles II and III;
4. **Compel actions that violate legal, regulatory, fiduciary, or operational obligations**, including actions requiring licenses, due diligence, confidentiality, or regulated procedures;
5. **Compel individuals, committees, or service providers to execute actions beyond scope or in violation of contractual/legal obligations**;
6. **Distribute treasury assets** to token holders, except through authorized compensation structures;



7. **Act in ways that materially risk solvency, violate fiduciary duty, or compromise water-system mission alignment;**
8. **Modify constitutional mandates** without completing the full amendment process outlined in Article VIII.

DAO authority expands with maturity but remains permanently bounded by capital, legal, and ethical guardrails.

## **Section 4 — Powers Reserved to the Foundation and Stewards (Phase 0–2)**

Until governance capacity is sufficient for safe decentralization, certain decisions remain the responsibility of Aquana’s legally accountable stewards.

The Foundation, through designated committees, retains authority to:

1. Execute treasury allocations within mandate;
2. Approve operational expenditures and service contracts;
3. Manage legal, regulatory, and compliance obligations;
4. Execute emergency controls to preserve solvency, security, or operational continuity;
5. Enforce constitutional compliance across committees, councils, and DAO proposals.

These powers narrow and transition toward the DAO over time but shall never be fully eliminated where legal authority is required by jurisdiction or fiduciary obligation.

## **Section 5 — Delegation**

The DAO and Foundation may delegate authority only where:

1. Scope is clearly defined,
2. Execution responsibility is assigned,
3. Accountability and reporting obligations exist,
4. Delegation does not circumvent constitutional constraints,
5. Delegated bodies cannot themselves subdelegate without explicit authorization.



Delegation does not absolve decision-makers of responsibility or duty of care.

## Section 6 — Execution Separation

Governance shall remain separate from execution:

- **The DAO governs** (direction and collective decision-making).
- **Committees advise and validate** risk, compliance, and structure.
- **Operators execute** decisions within mandate.

This separation is required to:

- prevent governance capture,
- ensure regulatory compatibility,
- maintain operational professionalism,
- and preserve mission continuity.

## Section 7 — Constitutional Supremacy

Where conflict arises between:

- DAO vote,
- committee decision,
- Foundation directive,
- governance proposal,
- or operational plan,

**this Constitution prevails.**

Governance actions lacking constitutional validity are void.

## Section 8 — Enforcement

If any entity attempts to exceed governance authority:

- execution shall halt,



- constitutional authority shall be restored,
- appropriate remediation shall be initiated.

Participants acting knowingly outside their authority may be removed from roles, lose voting privileges, or—where applicable—face legal recourse.

## Section 9 — Non-Delegable and Permanent Restrictions

Notwithstanding phase progression or governance maturity, the following powers shall remain permanently outside the authority of the DAO, token holders, delegates, or councils:

The DAO may **never**:

1. Directly take custody or operational control of treasury assets, wallets, or signing keys;
2. Remove or suspend fiduciary or legal oversight roles required under applicable law;
3. Compel dissolution of the Foundation or Holding entities except through constitutional triggers;
4. Use treasury assets to support AQA token price, liquidity, or market perception;
5. Distribute treasury assets to token holders, founders, or delegates except via approved compensation frameworks;
6. Reduce capital preservation requirements, liquidity floors, or core risk parameters below constitutional minimums;
7. Authorize leverage, borrowing, or debt instruments without explicit constitutional mandate;
8. Bypass legal compliance, risk review, contractual obligations, or regulatory requirements;
9. Assume unilateral authority over investment sourcing, diligence, execution, or real-world operational control;
10. Convert mission-aligned water finance into extractive or exclusive water-access control.

These restrictions apply:

- Regardless of DAO vote outcome,



- Regardless of token concentration or turnout,
- And regardless of phase or decentralization milestone.

No amendment, upgrade, or governance action may override these prohibitions except through the full constitutional amendment process described in Article VIII.

## Section 10 — Constitutional vs. Governance Domains

This Constitution distinguishes between:

- (a) **Constitutional Domains**, which define Aquana’s mission, capital mandate, structural separation of powers, fiduciary duties, and permanent prohibitions; and
- (b) **Governance Domains**, which govern strategy, execution parameters, procedures, and policy within constitutional bounds.

Constitutional Domains are not subject to routine governance, popular vote, or discretionary modification.

Constitutional Domains may be amended only through the explicit constitutional amendment procedures defined herein and never through ordinary governance processes.

Governance Domains may evolve over time, provided that no change violates, circumvents, or conflicts with this Constitution.



## Article V — Phased Decentralization Framework

### Section 1 — Purpose of Phased Decentralization

Aquana is designed to transition from foundation-led governance to community-led governance through structured, deliberate phases.

Decentralization is not an event, but a progressive transfer of authority aligned with:

- treasury maturity,
- governance capacity,
- operational readiness,
- legal and fiduciary constraints.

This phased model ensures Aquana gains resilience, capability, and legitimacy before expanding the scope of community authority.

### Section 2 — Phase 0: Formation and Anchoring

**Status:** Pre-DAO, pre-distribution, early treasury establishment

**Authority:** The Aquara Foundation and designated governance bodies

During this phase:

1. The Foundation retains complete authority over treasury custody and deployment;
2. DAO structures, committees, tooling, and governance processes are developed but not activated;
3. Token issuance is controlled and distribution is limited;
4. Operating principles, risk parameters, and legal architecture are established.

No DAO authority exists in this phase.

### Section 3 — Phase 1: Bounded Participation and Advisory Governance



**Status:** DAO activated with limited authority

**Authority:** Shared, Foundation-led with bounded DAO input

During this phase:

1. DAO voting begins on **non-binding or advisory matters** and bounded strategic inputs;
2. DAO may elect councils with restricted scope;
3. The Foundation retains full execution authority over treasury deployment and operations;
4. Treasury growth remains prioritized, and governance experimentation proceeds within controlled parameters.

DAO influence exists, but without custody or tactical execution authority.

## Section 4 — Phase 2: Delegated Authority and Directional Control

**Status:** DAO gains decision-making influence within constitutional limits

**Authority:** Shared, DAO directional; Foundation fiduciary

During this phase:

1. DAO decisions may become **binding** on select strategic areas such as:
  - asset allocation menus,
  - sector priorities,
  - incubator or impact funding envelopes;
2. DAO-selected councils and committees increasingly validate proposals and provide oversight;
3. Execution of treasury allocations remains with Foundation or appointed fiduciary bodies;
4. Treasury diversification increases, including private-market or SPV exposure;
5. DAO power **expands**, but remains bounded by:
  - Capital Mandate (Article II),
  - Treasury Rules (Article III),
  - Irrevocable powers (Article IV Section 9).



DAO authority grows, but never extends to unrestricted treasury custody or execution.

## Section 5 — Phase 3: Mature DAO Leadership

**Status:** DAO assumes broad strategic governance

**Authority:** DAO-led direction; Foundation retains critical safeguards

During this phase:

1. DAO governance becomes the primary decision-making mechanism for:
  - long-term strategy,
  - allocation priorities,
  - impact frameworks,
  - governance evolution;
2. Treasury execution may migrate to increasingly automated or delegated mechanisms;
3. The Foundation and fiduciary bodies retain:
  - constitutional veto over violations,
  - legal custody responsibilities where required,
  - risk and compliance enforcement authority;
4. Token-holder governance reaches peak influence **within constitutional constraints**.

DAO leadership becomes the default — but not absolute.

## Section 6 — Phase 4: Full Decentralization Within Constraints

**Status:** DAO governance widely controls ecosystem development

**Authority:** DAO-led, Constitution-restricted

During this phase:

1. DAO may govern all strategic and systemic decisions, subject to constitutional guardrails;



2. Governance processes may be executed primarily through on-chain mechanisms and formalized councils;
3. The Foundation continues to exist as a legal fiduciary firewall and compliance interface;
4. Critical non-delegable powers, including treasury custody, solvency protection, and legal execution requirements, remain reserved (Article IV, Section 9).

Decentralization becomes durable and resilient — not absolute.

## Section 7 — Phase Transitions

Movement between phases requires:

1. Demonstrated governance performance and risk capacity,
2. Sufficient treasury scale and liquidity runway,
3. Operational readiness and committee function,
4. Token-holder participation thresholds,
5. Ratification by the DAO under supermajority or participation metrics, and
6. Approval or concurrence by the Foundation or Steward Council.

Phase transitions may **not** be accelerated by token vote alone and may **never** eliminate fiduciary requirements embedded in this Constitution.

## Section 8 — Permanence of Fiduciary Firewall

At no stage of decentralization does fiduciary accountability, legal compliance, solvency protection, or constitutional supremacy transfer fully to token holders.

The Foundation — or a legally recognized successor entity — retains:

- legal accountability,
- treasury custodianship,
- compliance obligations,
- veto over unconstitutional actions,

regardless of DAO maturity.



## Section 9 — No Phase May Override Mandates

No phase, vote, proposal, council decision, or decentralization milestone may:

- suspend capital-preservation obligations,
- reduce risk protections,
- dissolve legal responsibilities,
- or grant powers disallowed under this Constitution.

Decentralization evolves *inside* constraints — not around them.

## Section 10 — Transitional Steward Participation (Exhaustive)

During Aquana's early institutional phase, participants in financial exposure vehicles may, subject to explicit governance approval, separately opt into a provisional stewardship role.

Such participation:

- is voluntary, non-transferable, and revocable
- does not arise from financial exposure
- does not convert financial capital into governance rights
- and exists solely to support institutional formation

Provisional stewardship participation is temporary by design.

Upon the earlier of:

- full DAO maturity as defined in this Constitution, or
- the sunset or termination of financial exposure vehicles,

all participants must retain either financial exposure or stewardship participation.

No individual, entity, or coordinated group may retain both roles beyond the transitional period.

This Article shall expire automatically upon satisfaction of the above conditions and shall not be construed as precedent for future exceptions.



## Article VI — Institutional Oversight Bodies

### Section 1 — Purpose of Institutional Bodies

To uphold the Constitution, implement governance decisions responsibly, and safeguard the treasury and mission, Aquana shall maintain institutional bodies with defined authority, responsibility, and accountability.

These bodies operate as the **execution, validation, and fiduciary layers** beneath governance while remaining **accountable to constitutional limits** and **transparent to the DAO**.

### Section 2 — The Investment Committee (IC)

#### Mandate

The Investment Committee is responsible for:

1. Constructing and maintaining portfolio allocations within constitutional and policy limits;
2. Selecting eligible assets, instruments, and opportunities consistent with approved menus and risk profiles;
3. Executing treasury activity through authorized custodians or mechanisms;
4. Providing diligence, review, and documentation for major capital moves.

#### Authority

The IC:

- Executes strategy set by the Constitution and governance,
- Cannot violate risk bands, liquidity floors, or prohibited asset rules,
- Carries delegated authority to act **within mandate**, without requiring case-by-case DAO approval.

#### Composition & Eligibility

- Minimum 3 members, majority financially literate professionals;



- At least one independent member preferred;
- DAO delegates may serve only if seated through governance-approved selection processes.

## **Term & Rotation**

- Standard term: 12–24 months;
- Staggered rotation to preserve continuity;
- Reappointment permitted upon review.

## **Removal**

Members may be removed for:

- breach of duty,
- conflict of interest,
- neglect of responsibilities,
- or DAO ratification + Foundation concurrence.

## **Reporting**

The IC must publish:

- Quarterly portfolio reports,
- Annual stewardship summaries,
- Disclosures of major changes or deviations.

## **Section 3 — The Risk & Compliance Committee (RCC)**

### **Mandate**

The RCC ensures Aquana adheres to:

1. Constitutional capital constraints,
2. Liquidity and solvency requirements,
3. Market, custodian, regulatory, and operational risks.



## Authority

The RCC:

- Possesses “stop authority” if actions breach Articles II or III,
- Reviews allocations before execution,
- Can block — but not compel — capital actions.

## Composition

- 3+ members, with demonstrated risk or compliance credentials;
- May include independent advisors.

## Term & Removal

Same model as IC — with heightened disclosure for conflicts.

## Reporting

- Flags risks to the DAO and Foundation,
- Notifies community of violations or governance failures.

## Section 4 — The Advisory Council

### Mandate

The Advisory Council provides:

- strategic insight,
- technical guidance,
- policy recommendations,
- and perspective on water governance, DAO development, and ecosystem integration.

### Authority

Advisory Council:

- Advises, does not execute;



- Cannot compel action;
- May issue recommendations to governance bodies and the DAO.

## Composition

- Flexible membership,
- Appointed through Foundation or DAO processes depending on phase.

## Reporting

- Public meeting summaries if applicable,
- Annual advisory statement.

## Section 5 — Stewardship & Ethics Council

### Mandate

- Upholds ethos (e.g., Kaitiakitanga),
- Reviews alignment of investment with mission impact,
- Acts as a values-based “second lens” beside financial governance.

### Authority

- Advisory veto only in the narrow domain of values misalignment;
- Cannot block treasury execution for financial reasons alone.

### Composition

- Preferably global, multidisciplinary, including community voices.

## Section 6 — Eligibility and Conflicts of Interest

All members of institutional bodies must:

- Disclose conflicts of interest,
- Act in good faith,
- Uphold fiduciary duty to the mission, not token holders personally.



No member may:

- Personally benefit from allocations they approve,
- Directly participate in decisions where they hold material interest.

Violations trigger removal and may trigger legal referral.

## Section 7 — Transparency and Accountability

All bodies shall:

- Publish workflows, mandates, and responsibilities,
- Report publicly on cadence defined by policy,
- Provide digestible summaries for the DAO and token holders,
- Archive decisions, minutes, or rationales where feasible.

Opaque execution is incompatible with Aquana governance.

## Section 8 — Delegated Authority and Limits

Institutional bodies:

- Hold **execution authority**, not sovereignty;
- Cannot override Article II or III;
- Cannot assume new powers without constitutional amendment or formal delegation under Article VIII;
- Remain accountable to the Foundation (Phase 0–2) and Constitution + DAO (Phase 2–4).

## Section 9 — Continuity Across Phases

Institutional bodies:

- exist from Phase 0 through full decentralization,
- evolve in selection and accountability,
- but **are never fully dissolved by DAO vote** without constitutional process.



At maturity:

- DAO elects or ratifies some roles,
- Foundation continues fiduciary oversight,
- Committees remain structural stability anchors.



## Article VII — Duty of Care & Conflicts of Interest

### Section 1 — Fiduciary Duty to Mission

All persons exercising authority within the Aquana ecosystem — including:

- Foundation officers,
- Institutional committees,
- DAO delegates,
- Council members,
- Contributors or contracted agents —

owe a **primary fiduciary duty** to Aquana's mission and constitutional purpose.

This duty is owed to:

1. The long-term resilience of global water systems;
2. The preservation and responsible management of treasury capital;
3. The integrity of decentralized governance;
4. Future beneficiaries and the public interest Aquana serves.

This duty is **not** owed to:

- token price,
- short-term personal or community gain,
- factions, coalitions, or interest blocs within the DAO.

### Section 2 — Standards of Conduct

Individuals acting within governance or execution roles must:

1. Act honestly, independently, and in good faith;
2. Exercise sound judgment and reasonable care;



3. Uphold constitutional limits regardless of personal preference;
4. Disclose relevant information required for informed decision-making;
5. Avoid private gain derived from public office.

No governance participant may use their position to secure remuneration, influence, or benefit that contravenes these principles.

### **Section 3 — Conflict-of-Interest Disclosure**

All members of:

- the Investment Committee,
- Risk Committee,
- Advisory or Stewardship Councils,
- delegated governance roles,
- or operational contracting relationships

must:

1. Disclose all material conflicts of interest upon appointment;
2. Update disclosures immediately if circumstances change;
3. Recuse themselves from deliberation or voting where they may benefit personally or materially.

Conflicts shall be recorded publicly insofar as legally permissible.

### **Section 4 — Treasury Restrictions and Related-Party Transactions**

Treasury capital shall not flow, directly or indirectly, to:

- seated governance participants,
- their immediate family members,
- entities they materially own or control,

**except** under:

1. Transparent disclosure of relationship or interest,



2. Formal review by an oversight committee (IC or RCC),
3. Public documentation of rationale,
4. Approval by a constitutionally designated governance body,
5. When applicable, a supermajority DAO ratification threshold.

Payments for legitimate services — development, advisory, auditing, legal, or operational — must be contracted through clear, arm’s-length agreements with fair economic terms.

## Section 5 — Improper Influence and Abuse of Authority

Participants in governance must not:

1. Use privileged information for personal gain;
2. Collude to shape decisions for private benefit;
3. Pressure operators or committees to violate mandate or risk rules;
4. Coordinate in secret to influence votes against constitutional interest.

Such conduct constitutes a breach of duty and may trigger removal and legal escalation.

## Section 6 — Non-Exculpation

Token ownership, participation in voting, or role in governance **does not** protect any individual from:

- fiduciary accountability,
- civil liability for malfeasance,
- or responsibility for decisions taken in bad faith.

Governance is a public trust — not a shield.

## Section 7 — Enforcement and Removal

Any person found in breach of:

- fiduciary duty,
- conflict rules,



- reporting requirements,
- or constitutional obligations

may be:

1. Suspended or removed from governance roles,
2. Barred from future participation,
3. Stripped of delegated authority or voting rights,
4. Referred for legal action where warranted.

The Foundation or an oversight body may enforce removal subject to governance review.

## Section 8 — Duty to the Future

All governance actors shall:

- Recognize their actions set precedent,
- Prioritize generational outcomes over immediate pressures,
- And steward capital as if entrusted to future communities not yet represented.

This is consistent with the principle that Aquana exists not solely for current token holders, but for **future beneficiaries and the ecosystems it supports**.



## Article VIII — Mission Lock & Dissolution Provisions

### Section 1 — Permanent Mission Lock

Aquana exists to steward capital in service of global water resilience and public benefit. This mission is **permanent and irrevocable**, and no governance body — including the DAO — may:

- redefine Aquana into a private investment vehicle,
- pursue extractive or profit-maximizing change of purpose,
- convert treasury resources for private gain.

Any attempt to alter or redefine Aquana’s core mission is **automatically void**.

### Section 2 — Prohibition on Liquidation for Private Benefit

Under no circumstance may:

- the Aquana treasury,
- its portfolio assets,
- or any capital held under the Aquana mandate

be distributed to token holders, delegates, founders, contributors, or any private party, **including in the event of collapse, dissolution, or sunset**.

Aquana is not a profit-sharing vehicle and shall never become one.

### Section 3 — Continuity in the Event of Governance Failure

If governance mechanisms — including DAO voting, councils, or operational bodies — cease to function due to:

- system failure,
- governance capture,
- inactivity,



- technical breakdown,
- legal mandate,
- or other disruption,

then:

1. **The Aquara Foundation temporarily assumes full custodial and fiduciary authority;**
2. Treasury assets shall be preserved in conservative, liquid allocations to maintain solvency and mission buffer;
3. No discretionary long-term capital deployment may occur except to protect the treasury or maintain minimum operations.

This continuity provision remains in effect until governance is restored.

## Section 4 — Restoration of Governance

Upon governance system failure, the Foundation shall:

1. Initiate a public recovery process;
2. Reconstitute governance bodies (committees, councils, delegates);
3. Re-enable token participation mechanisms and voting;
4. Revert authority to the DAO when safe, conditioned on:
  - participation thresholds,
  - risk controls,
  - demonstrated governance capacity.

This restoration shall occur **within constitutional guardrails** and **may not bypass fiduciary obligations**.

## Section 5 — Dissolution Triggers

Aquana may only dissolve upon:

1. Constitutional amendment satisfying Article X (or equivalent), **and**
2. Legal compliance requirements per Foundation jurisdiction,



3. Determination that continuation of the mission is impossible or no longer feasible.

DAO vote alone is **not sufficient** to dissolve Aquana.

## Section 6 — Application of Assets Upon Dissolution

If dissolution is triggered:

1. All treasury assets shall be allocated exclusively to:
  - successor entities with aligned mission and fiduciary duties, or
  - public-benefit organizations working to expand water access, resilience, and sustainable management,
  - at the discretion of fiduciary bodies consistent with Aquana's mission;
2. Liquidation proceeds may **not** revert to token holders or insiders;
3. Distribution preference shall favor:
  - neutral global institutions,
  - established water nonprofits,
  - public water infrastructure funds,
  - stewardship trusts or indigenous-led water protection organizations.

Token holders are **contributors**, not claimants.

## Section 7 — Successor Entities

Aquana's mission may survive institutional transition through:

- a legally recognized successor foundation,
- a regulated public-benefit trust,
- a new governance wrapper approved through constitutional process.

Successor entities inherit:

- the Capital Mandate,
- fiduciary obligations,



- and mission priority.

They **may not** inherit private-benefit rights.

## **Section 8 — Mission Supremacy**

This Article supersedes all procedural rules, phase transitions, governance votes, or operational powers.

In case of conflict:  
Mission Lock prevails.

The mission may evolve — but never reverse.



## Article X — Ratification, Adoption, and Entry Into Force

### Section 1 — Constitutional Amendment (Exceptional)

This Constitution may be amended only through an explicit constitutional amendment process. Such amendments are exceptional in nature and shall be pursued solely to preserve the continuity, integrity, or survival of Aquana as an institution.

Constitutional amendments may not be proposed, enacted, or ratified through ordinary governance processes, policy updates, or delegated authority.

Any amendment procedure must satisfy the heightened thresholds, delays, and safeguards defined herein and shall be interpreted restrictively.

### Section 2 — Adoption and Legal Effect

This Constitution is hereby adopted and enters into full force and effect upon ratification by the Aquara Foundation, acting as the legally recognized steward of the Aquana ecosystem.

From the moment of adoption, this Constitution shall be binding on:

- The Aquara Foundation and its successors,
- The Aquana Holding AG or equivalent treasury custodian,
- All governance bodies established herein,
- The Aquana DAO and all token holders,
- Delegates, committees, councils, contractors, and contributors exercising authority under this governance system.

No individual or entity participating in Aquana governance or execution is exempt from this Constitution.

### Section 3 — Authority Prior to Decentralization

This Constitution governs Aquana **immediately**, including during Phase 0 and prior to full decentralization.

Until governance powers are progressively delegated, responsibility to uphold,



implement, and interpret this Constitution rests with the Aquara Foundation and designated bodies established under Article VI.

All early operations, token issuance, treasury formation, and institutional development shall be conducted explicitly within the limits and protections provided herein.

## Section 4 — Authority During and After Decentralization

This Constitution remains the supreme governing framework throughout all governance phases, including after activation of the Aquana DAO.

Phase transitions:

- modify **who exercises authority**,
- do not modify **the constraints on authority**.

The Constitution:

- binds the DAO when voting,
- binds committees when executing,
- binds the Foundation when acting as custodian,
- and supersedes all governance instruments, policies, and proposals that conflict with it.

Decentralization increases agency, **not latitude to violate mandate or mission**.

## Section 5 — Supremacy Across Organizational Evolution

This Constitution shall:

- remain in force regardless of changes in team composition,
- survive transitions from Foundation-led to DAO-led governance,
- remain binding through upgrades to legal structures, token systems, or technical infrastructure,
- and apply to any successor organization implementing the Aquana mission.

In the event that legal entities expand, evolve, merge, relocate jurisdiction, or are replaced through succession mechanisms, this Constitution continues to define mission,



treasury constraints, and governance authority—unless modified through the amendment process defined in Article IX.

## **Section 6 — Official Records**

A version-controlled, canonical copy of this Constitution shall be publicly accessible, maintained by:

- the Aquara Foundation in early phases, and
- a DAO-designated governance registry at later phases.

Only duly executed amendments pursuant to Article IX shall modify the canonical text.

Any conflicting or derivative document that has not undergone valid constitutional amendment is null and void.

## **Section 7 — Binding Intent**

Ratification of this Constitution is a declaration that Aquana is:

- a mission-driven public asset steward,
- not a private speculative enterprise,
- and governed by rules designed to protect the treasury, mission, and future beneficiaries.

All participants agree to uphold and respect this foundational covenant as a condition of engagement.



## Appendix A — Definitions & Glossary

This appendix provides precise definitions for key terms used within the Aquana Constitution.

Where ambiguity exists, these definitions shall prevail.

### **Aquana Treasury**

The pool of assets held by the Aquana Holding AG (or any successor legal entity) governed under this Constitution and allocated for the sole purpose of advancing Aquana's mission.

### **DAO (Decentralized Autonomous Organization)**

The collective body of token holders, delegates, and governance participants empowered to make directional decisions within the authority granted by this Constitution.

### **Treasury Capital vs. Operational Capital**

*Treasury Capital* refers to long-term assets held for mission-aligned investment.

*Operational Capital* refers to budgeted expenditure supporting Aquana's operations, governance, and development functions.

### **Liquidity Floor**

The minimum quantity of liquid assets that must be maintained to sustain multi-year operational continuity and treasury resilience, as defined in Article III.

### **Reserve Asset**

An asset held primarily for long-term purchasing power preservation and stability (including, but not limited to, Bitcoin), subject to exposure guidelines defined within the Constitution.

### **Water Systems / Water Economy**

The network of infrastructure, utilities, technologies, services, and institutional mechanisms enabling the delivery, treatment, governance, or sustainable use of water resources.

For clarity, this term does **not** include direct ownership or control of water itself.

### **Investment Committee (IC)**

A governance body responsible for constructing and executing treasury allocations within the constraints established by this Constitution and associated policies.

### **Risk & Compliance Committee (RCC)**

A governance body empowered to review treasury decisions and block actions that breach capital mandates, liquidity requirements, or risk parameters.

**Mission Lock**

The irrevocable principle that ensures treasury capital is preserved and used exclusively for public-benefit purposes relating to water resilience, and shall never be distributed for private gain.

**Governance Phases (0–4)**

The progressive maturity stages through which Aquana’s governance transitions from fully foundation-led to DAO-led within constitutional constraints, as defined in Article V.

Additional terms may be introduced in future governance documents and referenced herein.



## Appendix B — Constitutional Authority Hierarchy

This appendix clarifies the precedence of Aquana’s governing instruments and establishes interpretive priority where conflicts arise.

### 1. **The Aquana Constitution**

Supreme governing document binding on all participants, and superseding all other instruments.

### 2. **Capital Mandate & Treasury Rules**

Non-negotiable constraints governing capital preservation, liquidity, and investment eligibility, enforceable across all phases.

### 3. **Foundation Charter & Bylaws**

Legal documents outlining fiduciary duties, governance accountability, and formally recognized authorities.

### 4. **Governance Policies & Frameworks**

Includes Treasury Operating Principles, Portfolio Principles, Investment & SPV Policies, and other procedural documents that implement constitutional mandates.

### 5. **DAO Decisions & On-Chain Proposals**

Community-driven decisions within constitutional and policy constraints.

### 6. **Operational Manuals & Working Group Policies**

Internal reference materials guiding execution and process management; these are dynamic and may evolve without constitutional amendment.

### Clarification Clauses

- DAO authority derives from the Constitution and may not supersede it.
- Committees and delegated bodies may not exceed powers granted by higher instruments.
- Where ambiguity arises, **the higher authority prevails.**



## Appendix C — Permanent Prohibitions and No-Go Powers

This appendix codifies activities that are permanently prohibited, regardless of governance phase, vote outcome, or control structure.

### The DAO may never:

- Distribute treasury assets to token holders or members;
- Manipulate token price, execute buybacks, or subsidize market liquidity;
- Take direct custody of treasury wallets, private keys, or custodial authority;
- Vote away liquidity floors or solvency protections;
- Override capital-preservation mandates or risk constraints;
- Liquidate all holdings into a single asset class;
- Force SPV or private asset execution without due diligence;
- Employ leverage, derivatives, or borrowing except through constitutional amendment;
- Remove or bypass fiduciary oversight or legal obligations;
- Dissolve Aquana or liquidate treasury assets without constitutional triggers and dual approval.

### The Foundation may never:

- Deploy treasury capital outside the eligibility universe defined by this Constitution;
- Reduce transparency or reporting requirements below Article III minimums;
- Assert ownership of treasury assets beyond fiduciary stewardship;
- Convert treasury capital to private control.

### Committees may never:

- Operate outside constitutional or delegated mandate;



- Ignore or override risk triggers, vetoes, or compliance criteria;
- Engage in or approve related-party enrichment without disclosure and supermajority authorization.

These prohibitions form Aquana's **constitutional safeguard layer**, ensuring that:

- speculation cannot corrupt mission,
- governance capture cannot drain capital,
- no majority vote can rewrite foundational values,
- and the system protects itself from its own participants.



## Appendix D — Governance Phases & Transition Reference

This appendix summarizes governance evolution as articulated in Article V.

Phase	Primary Authority	DAO Vote Power	Treasury Custody	Key Bodies Active
<b>0 — Formation</b>	Foundation	None	Foundation	IC + RCC (appointed)
<b>1 — Bounded Governance</b>	Foundation-led	Advisory + limited binding	Foundation	IC + RCC + elected councils
<b>2 — Shared Control</b>	Shared	Binding on defined domains	Foundation executes	IC executes, RCC veto, DAO direction
<b>3 — DAO-Led</b>	DAO-led within constraints	Broad strategic authority	Foundation fiduciary firewall	All bodies active, DAO selects roles
<b>4 — Mature Decentralization</b>	DAO-led (bounded)	Maximum authority within Constitution	Foundation retains legal custody	Full ecosystem participation

### Guiding Conditions for Phase Progression

Advancement between phases requires collective confidence in:

- treasury scale and liquidity resilience;
- committee readiness and demonstrated function;
- sustained DAO participation and governance reliability;
- regulatory, audit, and compliance integrity;
- concurrence or approval of both DAO and Foundation.

Phase acceleration through token vote alone is prohibited.



*To explore source materials and deeper context, see the Reference List at the end of the full Aquana Whitepaper.*

