

RCHAIN COOPERATIVE

RESOLUTIONS BY THE BOARD OF DIRECTORS AT A DULY CALLED MEETING

The undersigned, being all of the members of the Board of Directors of RChain Cooperative, (the “**Board**”), a Washington cooperative (the “**Coop**”), pursuant to RCW 23.86, hereby approve and adopt the following resolutions at a duly called regular meeting (the “**Resolutions**”) held telephonically on February 5th, 2019:

*Present: Ian Bloom, Barry Cynamon, Kevin Goldstein, Evan Jensen,
Lucius Gregory Meredith, Mark Pui, Steve Ross-Talbot, Kenny Rowe*

Absent: Vlad Zamfir

Others Present: Chris Boscolo, Lilia Rusu

Meeting called to order at 12:04 PST.

Development Update

Chris Boscolo described the programming work that the development team did in Poland, with one team focused on wallets and another focused on cost accounting. Additional work was done on the testing environment, and Chris emphasized the value of continuous integration.

Steve Ross-Talbot asked about timing. Chris said he was uncomfortable estimating a delivery date, because some important unknowns remain outstanding, but pressed for a response his estimate for delivery was not before July. Barry Cynamon followed up to ask about reporting to the community, specifically with respect to velocity. Chris said that he would have better data in two sprints, and it would be reasonable to provide more reporting. He noted that there are still stability issues, including shutting down node testing due to a bug introduced one week prior. Barry pressed for more sharing, and Chris suggested waiting at least one more sprint and then making data available.

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Evan Jensen asked if the dev team has what it needs to get to Mercury and what could be done to help. Chris mentioned that some important decisions around validator incentives were unresolved.

Greg Meredith said he wanted to make some counterpoints and propose a plan. He said if we deploy the team appropriately, with the right motivation, we could have all the features delivered by the end of February. He said we could get a 12x speed boost on development from utilizing White Block more effectively. He said he thinks we can get to a main net launch by March 31st.

Barry Cynamon said that incentives work, but they can backfire. He said that he likes incentivizing the dev team and likes moving faster, but is cautious about the interaction between the two. Greg Meredith responded that the dev team is overly cautious and very concerned about the correctness of their code. The incentive plan is necessary in his view to overcome excessive caution. He cited that there are no cowboys on the team, that he needs a way to hold their feet to the fire, and that there comes a time when you need to ship code.

Barry Cynamon asked about bugs in the code and risk of undermining the correct by construction brand. Greg Meredith responded that the aim is machine managed proofs of the correctness of the code, but that is a five-year project, not a one-year project. Correct By Construction on user-defined contracts doesn't come until Venus.

Chris Boscolo reacted to the plan, saying there is no way on earth that people will be trading REV instead of RHOC on March 31st. He said there is no way to build a plan around that. We don't have a running test net today. Chris said that there is no way to get to that milestone. Greg Meredith said wallets should take no longer than a single sprint, and the remaining cost accounting features should take no more than a single sprint. He said if we go out to July, we're done. Greg said if that's the estimate that everyone wants to get behind, then he recommends that we liquidate the Coop now.

Ian Bloom voiced support for an incentive plan.

Kevin Goldstein said his experience tells him to trust the lead technologist, so he would like to hear Greg's proposal.

Steve Ross-Talbot pointed out that the two people on the call who have the knowledge of what it would take to get to main net disagree on July vs March. Kevin Goldstein suggested that we move on from this topic and GM produces a proposal for the consideration of the Board. GM says he will have something out by tomorrow.

Chris Boscolo left the meeting at 12:52 pm

Minutes from January Meetings

Barry Cynamon made a motion to approve the minutes from the two board meetings in January. Kenny Rowe seconded the motion. Greg Meredith, Kenny Rowe, Steve Ross-Talbot, Ian Bloom, Kevin Goldstein, Barry Cynamon, Mark Pui, and Evan Jensen voted in favor. The motion passed by unanimous vote.

Business Development and Fundraising Updates

Greg Meredith explained that [*potential licensor of codec*] had been moving slowly toward a visit to the Immersion Lab in Seattle. The company has other priorities related to product launches.

Greg Meredith described efforts to raise money for the project from a group of investors based in Luxembourg. He also described one other set of potential investors. Kevin Goldstein mentioned that he had participated in a call with Greg and the contact from Luxembourg and expressed reluctance to agree to compensating a fundraising agent independent of performance. Greg said he had been in contact with a number of funds when he was in Singapore and said he would be following up with them. He also mentioned Cumberland Mining as a potential strategic investor.

Greg Meredith asked if there are any ideas on the Board related to fundraising. Barry Cynamon mentioned the assets in the Reflective Venture Partners Fund I. GM suggested we shift the discussion to Reflective Ventures.

Reflective Ventures

Greg Meredith provided an overview of the options he saw with respect to the Cooperative's dispute with Reflective Venture Partners. A variety of options were discussed with

emphasis on pursuing an amicable parting of ways and recognition that a legal approach might be necessary to adjudicate the dispute.

Financial Update

Kenny Rowe launched into a financial report update. He walked through the balance sheet and provided a range of options and recommendations for cutting costs to expand the runway of the Coop. The discussion covered cuts to the budget, a payment plan with the IRS, the sale of the house, and the considerations around filing for bankruptcy. Kenny suggested voting on the plan he recommended. Greg Meredith said that no vote was necessary; he would take action to reduce the monthly burn rate by 20%.

Response to the WA Department of Financial Institutions

Greg Meredith asked about the board's views on how best to complete a response to a long outstanding subpoena from the Washington State Department of Financial Institutions. He asked why the board delayed the response and requested an extension. Kevin Goldstein cited concerns from Barry Cynamon and Mark Pui in suggesting that we need another week to review the letter. Barry pointed out that the first priority is submitting an accurate response. Mark echoed that sentiment. Greg said he is 100% in favor of stating plainly what the truth is. Greg suggested that we impose a deadline on ourselves of Thursday so that he and the Martin Davis associate handling the response have time to finalize the letter. Barry pointed out that the attorney Kenny Rowe had retained at Sadis & Goldberg was available to review the draft should we choose to avail ourselves of that option. The directors agree that Sadis would review the DFI letter with specific attention to the section that Mark and Barry were concerned about.

Kenny Rowe's Resignation

Kevin Goldstein asked about ramifications of Kenny Rowe's resignation as a board member and Chief Operating Officer of the Coop. Greg Meredith said he would consider leaving the position open to contribute to a reduction in payroll. Kevin asked if the management can keep the ship running without somebody in the position.

Pithia

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Barry Cynamon asked for an update on Pithia. Greg Meredith said there is an update and described his discussions with Pithia principals in pursuit of a negotiated resolution.

Greg Meredith thanked everyone for their service to the RChain Cooperative.

FINALLY RESOLVED, that any or all actions heretofore taken by any director of the Company with respect to any matter referred to or contemplated by the foregoing resolutions be, and hereby is, ratified and confirmed as the act and deed of the Company.

Meeting adjourned at 14:25 PST on February 5th, 2019

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THEREFORE, the undersigned directors hereby approve these resolutions as of the date set forth below.

DIRECTORS:

Lucius Gregory Meredith
Director

Date: _____

Vlad Zamfir
Director

Date: _____

Ian Bloom
Director

Date: _____

Kenny Rowe
Director

Date: _____

Evan Jensen
Director

Date: _____

Barry Cynamon
Director

Date: _____

Kevin Goldstein
Director

Date: _____

Mark Pui
Director

Date: _____

Steve Ross-Talbot
Director

Date: _____