

Board of Directors Meeting Minutes
RChain Cooperative
August 10th, 2017
15:00-16:00 PST, by teleconference

Board Members:

Present: Lucius Gregory Meredith, Edward Eykholt, Evan Jensen, Ian Bloom, Aleksander Bulkin

Absent: None

Quorum Present: Yes

Others Present:

Kenny Rowe

Proceedings:

Meeting called to order at 15:03 PST.

Adding Kenny to the Board of Directors

Add Kenny to the board of directors. Ian commented that he doesn't really know Kenny that well. Ed noted that adding Kenny would cause the board to have six directors, an even number. Evan replied that having an even number of directors is acceptable, and another director can be added soon. Greg pointed out there are two candidates being considered presently.

Vote tabled for a subsequent meeting at the request of Edward Eykholt and Ian Bloom. Ed and Ian remarked they would like to delay the vote until later, both to find an additional director and Ian noted he would also like to get to know Kenny better.

Balance of USD and Crypto

Ed proposed the Cooperative should set its intended cash-equivalent balances to about 50% USD, 50% crypto, perhaps evenly split between BTC and ETH. Greg noted that the current balance sheet is 33% USD and 66% crypto. Ed requested that the Coop agree upon a goal to get out of AMP tokens. Evan asked how many of the AMPs have been sold, and Greg replied about 4 million, out of 10 million. Greg and Ed agreed on the goal to sell all the AMPs but Ed requested a faster timeline.

Alex recommended setting a minimum percentage of USD and leaving open the breakdown of tokens. Ed proposed a board vote at 40% USD, 60% tokens. Alex commented that the burn rate due to payroll should inform the desired ratio of USD to crypto. Greg replied that the Coop is paying people in predominantly cryptocurrency. Ed commented that he is fine with any reasonable percentage distribution, but the board should formalize its intended distribution.

Ed proposed to vote: among currency/cash-equivalent holdings, approximately 33% should be USD, with approximately 66% in cash-equivalent crypto. Vote passes unanimously.

Compensation for Greg

Greg explained that he has received \$35k already in the period from December to present, and proposed that he be paid as the President \$40k, plus \$15k in RHOCs, for work already performed over the previous ~4 months.

Ed wanted clarification as to whether the amount was before or after taxes. Ed proposed compensation be after taxes, and specified as "The President Greg Meredith shall be paid a one-time payment, in the amount after taxes of 1) \$40k in USD equivalent (USD, BTC, ETH), and; 2) \$15k in RHOC tokens at \$0.10 per RHOC." Permanent, regular monthly compensation for the office of the President subject to further discussion, and this payment should not be construed as permanently defining the monthly compensation of the President.

Evan called vote to approve compensation of the President. Compensation for the President passes unanimously, with the modifications as discussed.

Membership Agreement

Evan proposed adoption of membership agreement. Greg spoke briefly about the intended signup procedure using the Cooperative's website.

Steve Careaga and Greg Heuss joined meeting to give an update about financials, forecasts, and private token sale. Membership Agreement tabled for later in the meeting.

Privacy Policy

Evan proposed adoption of privacy policy. Adoption of privacy policy passes unanimously.

Steve Careaga & Greg Heuss - Update on Financials and Forecast

Update on financials and forecast for future revenue given to the board. Steve and Greg discussed the forecasted revenue and costs, as well as financial needs and goals for the Cooperative.

Alex asked about where to direct people he knows who are interested in the private token sale. Steve and Greg both replied that those people should be directed to Steve and Greg.

Ed asked who will be keeping the official order book for the private token sale. Greg replied that Steve and he will be keeping the official order book.

Token Sale Terms

Evan raised the issue of the Token Sale Terms and Conditions. Ed asked about the use of the word "necessary" in Exhibit A for the description of the tokens, due to the possibility of implementing multiple staking tokens. Evan suggested the language be changed to "used" which is consistent with the existence of other staking tokens.

Ed asked to settle the exact price that RHOCs will be sold at. Evan suggested \$0.20 per RHOC, and the board agreed the price should be \$0.20. Ed also asked about the cap, that it be set at \$15 million. The board agreed that the cap should be set at \$15 million.

Vote called to approve terms of the token sale. Vote passes unanimously, with the modifications as discussed.

Membership Agreement (revisited)

Returning the the topic of the membership agreement.

Ed raised the issue of whether memberships will be available worldwide, or just in the 50 states, and suggested that memberships in the cooperative should be available generally worldwide, with exceptions for problem countries. Greg commented that we should address this some other time.

Ed commented about the use of short form "Coop" in the agreement, and whether it should be "Co-op." Evan suggested using "Cooperative." Ian asked whether a member needs to pay \$10 in the first year. Evan replied that the member's first year is covered by the member's \$20 membership fee. Ian and Evan agreed that it should be clarified. The board agreed.

Ian suggested changing the title of the document from "Coop Membership Agreement" to "RChain Cooperative Membership Agreement" and the board agreed.

Vote called to approve the general form of the membership agreement. Vote passes unanimously, with the modifications as discussed.

Meeting adjourned at 16:30 PST.

Minutes submitted by Secretary, Evan Jensen.



Evan Jensen
Secretary