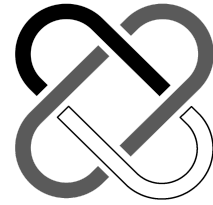


Interchain Foundation, Baarermattstr. 6, 6340 Baar, CH



Interchain Foundation

Baar, July 1, 2022

Dear Core Teams,

We started this year with big ambitions: We began work on a new funding process, with the goal of helping core contributors increase their participation and expand the Cosmos ecosystem to keep up with the aggressive growth of the overall crypto industry.

Since then, the market conditions have changed significantly, and our plans must adjust accordingly. These adjustments are necessary to ensure that the Interchain Foundation (ICF) can continue funding core work in the Cosmos ecosystem for many years to come.

With this in mind, we've made the difficult decision to reassess the focus and prioritization of the work being funded across all core teams, effective immediately. We are:

1. restricting funding to work conducted by currently hired personnel, and
2. limiting funding to essential projects/work streams.

Hence, for Q3 2022 (starting on 1 July 2022) and until further notice, no proposal will be accepted by ICF that requires the hiring of new staff or that includes staff hired after receipt of this notice. We kindly ask you to update your Q3 Proposal and reduce the Quarterly Budget accordingly, taking into consideration the two additional restrictions above.

We know that this will likely result in a hiring freeze for the core teams and that teams will need to pause current hiring plans and close any open positions. We know that this is unpleasant and inconvenient news: Please believe us when we say that this decision was not taken lightly. However, we believe it is the best option given current market conditions, and it is one of many budget adjustments we will be making to keep us on a sustainable path.

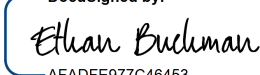
The Foundation Council is also working on a proposal to transition to ATOM-denominated bonuses to replace the current structure of fiat-denominated ATOM bonuses. The goal of this

new structure is to improve incentive alignment and simplify accounting, while preserving ATOM liquidity.

Many vibrant projects—including the Cosmos Hub—were built and launched in bear markets, and even in this downturn, we'll continue to pull together. The current market conditions force us to reassess the focus and prioritization of work happening in the ecosystem, but this is also an opportunity for us all to put more wood behind fewer arrows. The ICF is also beginning the process of examining and refocusing its own internal structure and funding priorities, with the goal of being able to serve the Cosmos community for many years to come.

Thank you to all of you for your hard work.

Interchain Foundation Council

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Ethan Buchman
President

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Brian Crain
Vice President

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Fernando Pedone
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