

Hello to the Secret family,

I'm writing in order to provide an update regarding the ongoing operations of Secret Foundation and its past actions. This update was prepared yesterday and has just completed legal review. I let SCRT Labs know the Foundation statement was under review this afternoon and I was looking forward to making this disclosure to the broader community. This was not acknowledged, and they have posted their own update in the intervening hours.

First, some facts and history: In 2020, I left Enigma and founded Secret Foundation. The organization has been structured as a US C-Corp since its inception. In the interest of transparency, Secret Foundation has regularly released a series of Transparency Reports. These reports include a review of our activities, mission as an organization, our priorities, and certain data disclosures. For privacy reasons, these reports have never included token compensation for any employee. Certain reports include salaries in aggregate for full time employees as well as aggregated contractor payments.

As Founder / CEO, I received no salary in 2020 from the Foundation. I did, however, begin vesting tokens from June 1, 2020 when the Foundation was established. Like all other foundation employees, these tokens were subject to cliff and quarterly vesting. I began earning a salary in 2021, and by December 2021, I had vested a portion of my tokens.

Around this time, I located an opportunity for an OTC sale of SCRT tokens. Instead of paying out my vested tokens in December 2021, I converted my vested portion of tokens to USD at the OTC price and Secret Foundation distributed these funds as a dividend. The amount of tokens vested was 375,000 SCRT. The amount of the dividend distribution was \$2.625M, which is the OTC price of \$7 multiplied by the tokens vested. This information is verifiable in our 2021 tax filings, which have been previously reviewed by Labs, and I have previously disclosed this information to them.

I believe the Foundation has always acted, and will always act, in accordance with its stated mission: to grow the global adoption of open-source privacy technologies and to help support and sustain the Secret ecosystem. That said, the time has come for change. I have communicated privately and publicly on multiple occasions about my desire to be a part of that change, which could include restructuring the Foundation entity, more closely supporting Secret Agency, establishing a global board, or other next steps. We firmly support this path and wish to work in close coordination with other network actors.

I explicitly acknowledge that for the Foundation (or any similar or related entity) to succeed and be trusted going forward, there must be standards set concerning reporting, compensation, transparency, and adjusting other aspects of the Foundation's operation. It is my primary focus at this time. I hope we can come together as a community and continue that work with an understanding that it is a universally shared mission.

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