

I saw there was some discussion around the formation of a board for SNF, so I wanted to clarify how the entity was initially set up, how the conditions for the supervisory board were written, and where we are in the process.

First, SNF is a Cayman entity with one nominee director who operates under the instructions of a board of supervisors. Currently there is only one supervisor from Labs as a temporary measure while we complete the transition.

As soon as the legal/accounting process is complete, the full board of three supervisors will be appointed by Labs. Initially, Labs will occupy one seat and appoint two other seats from outside. We have already been tapping some prominent industry figures for the two outside board seats. In the future, when the ecosystem grows larger, there's a provision for expanding the board to five seats.

After the initial period of two years and on an ongoing basis, the two outside seats will be voted on by the community ("Community Board Members"), while Labs will continue to appoint the third seat.

Supervisors will normally hold the seat for 3 years. Guy felt this structure would ensure a smooth transition into a foundation that serves the community effectively over time.

After the initial period of two years, the community of SCRT token holders will have the right to elect and/or remove the Community board members. To elect a new Community board members in a vacant seat the community can vote through a simple majority. Community Board Members may be removed by a Special Resolution (supermajority vote defined as 67%) of the token holders, but otherwise serve until their resignation, death, or expiration of their term.

As for timing, we anticipate that the SFI taxes will be finalized within the next three months, and the formation of the supervisory team will take place following that. I will commit to the end of June for the full board kickoff, barring any unforeseen snags.