

**WRITTEN CONSENT IN LIEU OF A SPECIAL MEETING  
OF  
THE BOARD OF DIRECTORS  
OF RCHAIN PUBLISHING COOPERATIVE**

Pursuant to the Washington Business Corporation Act, RCW 23B.08.210, as applicable to Washington cooperative associations under Chapter [23.100](#) RCW, the undersigned, representing the board of directors (“Board”) of RChain Publishing Cooperative, a Washington limited cooperative association (the “Company”), hereby executes this unanimous consent to action in lieu of attending and voting at a special meeting of the Board and adopt the following resolution:

**I. Approval & Adoption of Revised Bylaws of March 02, 2022**

WHEREAS, the Company wishes to amend its bylaws, in anticipation of registering members, selling RPC shares, selling RPS platform tokens, and generally beginning its business activities.

NOW THEREFORE, BE IT RESOLVED that the Board hereby approves and adopts the *RChain Publishing Cooperative Bylaws* in the form attached to this resolution.

The execution of this Consent shall constitute a written waiver of any notice required by the State of Washington and this Company’s Articles of Incorporation.

***[Remainder of page left blank intentionally; Signature page to follow]***

Board Resolution – August 23,  
2022 RChain Publishing  
Cooperative

**DIRECTOR APPROVAL**

\_\_\_\_\_  
Bhamidipati  
Director

11/15/2021  
Date: \_\_\_\_\_ Rao

\_\_\_\_\_  
Hellenius  
Director

11/15/2021  
Date: \_\_\_\_\_ Theo

**Steve Henley**  
Steve Henley  
Director

11/15/2021  
Date: \_\_\_\_\_

11/15/2021



\_\_\_\_\_  
Director Date: \_\_\_\_\_ Shixi Lin



\_\_\_\_\_  
Director Date: \_\_\_\_\_ 8/25/2017 Eric Meng

Gregory Meredith  
Director

\_\_\_\_\_  
Date: \_\_\_\_\_ 8/24/2017 Lucius



Neudorf  
Director

\_\_\_\_\_  
Date: \_\_\_\_\_ 11/15/2021 Darryl



Salkov  
Director

\_\_\_\_\_  
Date: \_\_\_\_\_ 03/18/2022 Camilla



Bill Keuntje  
Director

\_\_\_\_\_  
Date: \_\_\_\_\_ 12/02/2021



Steve Ross-Talbot

\_\_\_\_\_  
Date: \_\_\_\_\_ 10/24/2019

Director

# **RChain Publishing Cooperative**

## **Bylaws**

### **ARTICLE I**

#### **Purpose and Principles**

The purposes of RChain Publishing Cooperative (“RPC”) are to operate successfully as a decentralized, public compute platform and to produce products and services to enable others to build and use applications for decentralized computation. RPC strives to fund its capital needs through new member enrollments and profits generated by sound financial management. RPC’s ability to achieve these goals is enhanced by its efforts to maintain an excellent workplace for its talented and dedicated staff, its commitment to responsible governance, corporate citizenship, and adherence to a cooperative spirit in the conduct of its business. Pursuant to Chapter 23.100 of Revised Code of Washington (“RCW”), (the “Governing Statute”), RPC accepts the benefits and will be bound by the provisions of that statute.

## **ARTICLE II**

### **Members**

#### **0. Member classes**

Membership is divided into two classes: patron and investor. Members may be either patron members, investor members, or both. Patron membership constitutes the more traditional cooperative membership role of a consumer cooperative, affording access to all cooperative services, and involvement in cooperative governance, as described below. Investor membership allows this class of members to own equity shares in the Cooperative, and certain additional rights with respect to its cooperative governance, as described below.

#### **1. Membership Applications and Fees**

##### **1.1 Patron Membership Application and Fee**

Patron membership will be open to all persons or business entities who

- make an application in the form prescribed,
- pay a membership fee in the amount prescribed by the Board of Directors (the “RPC Board”) at the time of application,
- sign a membership agreement with RPC, of a form approved by the RPC Board. Applications are subject to approval by the RPC Board.

Applications for patron membership are presumed approved by the RPC Board unless specifically disapproved in accordance with criteria to be developed by the RPC Board. No mandatory assessment or fees may be made against any member except for full payment of the prescribed membership fee, except to enforce any payments promised for services voluntarily purchased by the member.

##### **1.2 Investor Membership Application and Fee**

Investor membership will be open to all persons or business entities who

- make an application in the form prescribed,
- pay a membership fee in the amount prescribed by the Board of Directors (the “RPC Board”) at the time of application,
- sign a membership agreement with RPC, of a form approved by the RPC Board. Applications are subject to approval by the RPC Board,
- invest in the RPC by purchasing shares in the Cooperative, under the terms of a cooperative investment agreement.

Note that all investor members automatically become patron members. Applications for investor membership are presumed approved by the RPC Board unless specifically disapproved in accordance with

criteria to be developed by the RPC Board. No mandatory assessment or fees may be made against any member except for full payment of the prescribed membership fee, except to enforce any payments promised for services voluntarily purchased by the member.

## **2. Annual and Special Meetings**

A regular meeting of members will be held annually on such date and at such place and time as the RPC Board specifies, for the purpose of installing newly-elected Directors and transacting such other business as may properly come before the meeting.

An election of the Directors will only occur at the scheduled regular meeting of the members. The regular annual meeting may be held by means of electronic or remote communications to the fullest extent permitted by and subject to the requirements of RCW Secs. 23.100.0406 and 24.06.100, and any other procedural guidelines and limitations the RPC Board may adopt.

A special meeting of members may also be called in the manner authorized by the Governing Statute. Special meetings may be called by the RPC Board at other times during the year than the scheduled regular meeting, not more than once per month. Upon submission of a petition signed by 10% of the membership to call a special meeting with one or more specific matters for a member vote, the RPC Board will schedule a special meeting of the membership at a commercially reasonable future date.

## **3. Meeting Notices**

The Secretary will give notice of any membership meeting of members, either in writing or by electronic transmission, in the time period prescribed for cooperatives by the Governing Statute, to all active members as of the record date. The RPC Board may specify any record date that is not more than ninety days prior to the date of first mailing or electronic transmission of the notice of meeting. If no record date is specified by the RPC Board, the record of active members will be determined as of the thirtieth day prior to the date of first mailing or electronic transmission of the notice of meeting. Meeting notices will be accompanied by a written or electronic ballot relating to all matters to be voted on at the meeting. Any notice, information, or other materials relating to a meeting, including ballots, may be furnished in the manner authorized by RCW Secs. 23.100.0419 and 24.06.105.

## **4. Items of Business**

No item of business will be in order or may be acted upon at an annual meeting unless the RPC Board has included it on the ballot for the meeting. A member may submit an item of business for consideration or voting by the members at a meeting only if:

- (a) written notice describing the item in reasonable detail and bearing the signatures of at least

fifteen members is submitted to the RPC Board no later than two weeks prior to such annual meeting, and;

(b) at least one-third of the Directors then in office concur in writing that the proposed item of business is an appropriate matter for members to consider or act upon and should be included on the ballot that accompanies the annual meeting notice. Any member whose proposed item of business is so approved for inclusion on the annual meeting ballot may also submit a concise statement (not to exceed 250 words) in favor of the proposal. Directors may supply different text than the submitted statement in support of or against the measure.

Subject to any modifications that may be considered appropriate by a majority of the Directors who concurred in placing the proposal on the ballot, the proposal will be included in the meeting notice. The non-concurring Directors may also include any opposing or additional statement relating to the proposal that they may consider appropriate. Submission of any matter to consideration or voting by the members will not diminish or override the ultimate authority of the RPC Board to manage RPC's affairs, except to the extent otherwise required by the Governing Statute.

## **5. Voting**

Generally a member vote is passed with a simple majority of 51% of the members voting in the affirmative, but votes on certain matters may require a supermajority of two-thirds (66%) or a different higher percentage of member votes to pass. A member may cast his or her vote solely by means of written or electronic ballot. Whether or not the member is present in person at the meeting or by proxy, his or her vote will be counted only if

(a) it is submitted on the form of ballot furnished by the Secretary for use in connection with the meeting; and

(b) the executed ballot is received by the Secretary no later than whatever deadline for ballot submissions the Nominating and Governance Committee may designate for the purpose of allowing the Secretary sufficient time to count the votes cast, which deadline may not be more than seven days prior to the commencement of the meeting.

To be clear, voting by a proxy is permitted. A patron member may appoint only another patron member as a proxy; likewise, an investor member may appoint only another investor member as a proxy.

### **5.1 Bicameral Houses**

The governance of the Cooperative shall be democratic, taking input from both the patron and investor members, represented within the House of Patronage (HoP) and the House of Investment (HoI) respectively. Both houses shall elect board members, ratify items of business for inclusion on the annual general meeting (AGM) ballot, and cast votes in general and special meetings of the members. As



discussed in Article III, the board will comprise members elected by the HoP and members elected by the HoI. Each house elects their representatives, while items of business must be ratified by both houses. Likewise items considered during special meetings must be ratified by both houses.

In election of the general membership votes originating from the HoI will account for no more than 49% weighted average of total HoP and HoI votes.

## **5.2 House of Patronage**

Each active patron member will have one vote as to each patron designated RPC Board seat to be elected and on each other item of business submitted to a vote of members. The House of Patronage is constituted of all active patron members. All patron members may cast votes on any matter before the House of Patronage, including but not limited to the election of Directors, items of business at annual general meetings, duly called special meetings of members, or other matters.

## **5.3 House of Investment**

For board elections the HoI will employ cumulative voting so that each active member will have a number of votes equal to the number of shares they hold times the number of investor designated RPC Board seats to be elected; while on each other item of business submitted to a vote, investor members will have 1 vote per share they hold.

Investor members represented in the House of Investment shall abide by the Governing Statute, including but not limited to matters such as allocation of profits and losses, distributions, limitations on distributions, securities laws, and other matters. RPC's organic rules shall not be amended or resolved by the House of Investment in a manner which conflicts with the Governing Statute or other applicable laws.

## **6. Quorum; Majority Vote**

Except as otherwise required by law, (a) a quorum of 51% of the membership of either house will be required to transact business, and (b) the affirmative vote of a majority of those active members voting upon any item of business will generally be sufficient for approval. For certain types of votes, a larger percentage than a basic majority may be necessary for approval.

Voting by proxy may be used to secure a quorum. Unless a member has given a directed proxy, any proxies received by the board will vote in a manner consistent with the wishes of the board.

## **7. Conduct of Meeting**

The Chair of the RPC Board, or such other person as the RPC Board may designate, will preside as Chair of any meeting of members, with the power to specify such rules of order for conduct of the meeting as the Chair may consider appropriate.

## **8. Member Information**

The RPC Board will adopt and maintain a privacy policy, and RPC will comply with that policy as well as all applicable privacy laws, with respect to personal information of RPC's members and customers. RPC will also adopt commercially reasonable measures to prevent misuse of such information by third parties (including other members who request the right to inspect such information under the Governing Statute).

## **9. Member Contributions**

As provided in RCW Secs. 23.100.0801 through 23.100.0809, the Board may establish policies concerning member interests, member contributions, distributions, redemptions or repurchases, limitations on distributions, and other matters.

## **ARTICLE III**

### **Board of Directors**

#### **10. Duties of Directors**

The RPC Board shall have general supervision and control of RPC and shall make all policies, resolutions, rules, and regulations consistent with law, the articles of incorporation, and bylaws, for the management of RPC and the guidance of the members, officers, employees, and agents of RPC.

The RPC Board may appoint and supervise one or more managers, who shall run the day-to-day business operations of RPC, including hiring and terminating employees, overseeing certain tasks, and other activities and responsibilities as defined by the RPC Board. The RPC Board may only select members to serve as managers. The RPC Board shall set manager compensation. A manager shall be appointed for a term not to exceed one year, and may be appointed to a successive term upon a vote of the RPC Board, any number of times. The RPC Board may fire or replace any manager at any time, with or without cause.

#### **11. Board Size; Terms**

RPC's affairs will be managed by a board of not less than three nor more than nine directors (the "Directors"). The number of directors must always be odd (3, 5, 7, or 9). Some of these directors will be elected by the HoP, and some of these elected by the HoI. Suppose  $N$  is the total number of board seats, and  $N = 2xJ + K$ , then  $J+K$  is the number of seats elected by the HoP and  $N-(J+K)$  is the number of seats elected by the HoI. For example  $3 / 2 = 1$  with remainder 1; so, 2 seats are elected by the HoP and 1 seat is elected by the HoI. Likewise,  $5 / 2 = 2$  with remainder 1; so, 3 seats are elected by the HoP and 2 seats are elected by the HoI.

From the "elected Directors" a President will be chosen by the board. Except in situations where shorter terms are expressly permitted under these Bylaws, all Directors elected by the HoP will serve for terms of three years. The HoP elected Directors will be divided into three groups, each typically comprising three or four Directors (each, a "Group"). The terms of all HoP elected Directors within a particular Group will expire at the same time, and the respective terms of the three Groups will expire in three different consecutive years, with the purpose of staggering Director elections each year so approximately one third of Director seats are up for election each year. Directors elected by the HoI keep their positions until they resign, or sell enough shares to hold below the director threshold.

In the following, elected Director refers to HoP elected Director. Elected Director's term of office will continue beyond his or her stated term until his or her successor is elected, except where his or her seat has become vacant pursuant to Article III below. The President, if not an elected director, will serve on the RPC Board ex officio and will cease to be a Director immediately upon ceasing to hold the office of President. A Director designated by the RPC Board to fill the seat of an elected Director whose seat has become vacant for any reason shall have a term of office until the next election, which may result in that

Director's seat being placed in a different Group. The RPC Board shall have authority to designate the members of the three Groups of elected Directors and their respective terms, and may from time to time prescribe terms for Directors or nominees of less than three years, but not more than three years, for particular elected Directors or nominees to the extent it considers such shortened terms to be reasonably necessary to achieve or maintain the required balance of staggered terms among the elected Directors. No action by the RPC Board to prescribe a shortened term for an elected Director shall have the effect of shortening the term of an incumbent elected Director without his or her consent.

## **12. Board Composition**

At least one-third of the sitting Directors must be patron members. And a majority of the sitting Directors shall have been selected by the House of Patronage. If, due to resignation, death, or for some other reason the majority of the Board of Directors is not elected by the House of Patronage, or there are insufficient patron member directors, then at the next election the House of Patronage shall be given additional director seats to increase the number of sitting Directors selected by the House of Patronage until there is a majority of sitting Directors who are selected by the House of Patronage.

To be eligible for election or appointment (including re-election or re-appointment) as a Director, a person must at the time of his or her election be a member and be at least twenty-one years old; and must not, by the end of the term to which he or she is to be elected or appointed, have served as a Director for more than twelve consecutive years. The term limitation in the preceding sentence will not, however:

- 1) apply to any Director who is an Officer of RPC at the time of his or her election or appointment; or
- 2) prevent a person who would otherwise be ineligible for election or appointment to an additional consecutive term from later being elected or appointed to a new term after a period of at least two years has elapsed since his or her last service as a Director, or from being appointed to serve for an additional one-year term by a two-thirds majority vote of the elected Directors.

All elected Directors must also, at the time of their election and during their respective terms of office, satisfy such standards of independence as are prescribed by the Nominating and Governance Committee at the time of their respective elections.

## **13. Nominations; Election**

The Nominating and Governance Committee will establish procedures and criteria for selection and nomination of candidates for election to the RPC Board, with a view toward maintaining depth of experience and diversity on the RPC Board as a whole, and enabling

reasonable participation by non-Director members in the process for identifying potential candidates. Sitting Directors are assumed to be running for election to their existing seat, unless they affirmatively indicate to the RPC Board or to the Nominating and Governance Committee that they intend not to run.

Candidates interested in being nominated for election must submit their Director Qualification Statement Form to the RPC at [notices@RPC.coop](mailto:notices@RPC.coop) sixty (60) days in advance of a meeting of the members. The RPC Board and/or the Nominating and Governance Committee should be notified of a candidate's interest in running for Director by this deadline. Additional documents and references in support of their candidacy may be sent subsequently, but must be received in advance of the selection of the slate of candidates or they will not be considered.

Among candidates who apply for nomination, the Nominating and Governance Committee will annually recommend a slate of potential candidates no later than thirty (30) days before the annual meeting of the membership. The Nominating and Governance Committee will select a number of candidates that is not greater than two times the number of elected Directors whose terms will expire at the next annual meeting of members, and/or Director seats that are, or will be, vacant for some other reason. From this slate, the RPC Board will nominate a number of proposed Directors that is neither fewer than the number of elected Directors that must be elected at the next annual meeting to maintain at least three elected Directors in office, nor greater than the largest number of elected Director positions that could be elected at such meeting plus two. No other candidates who have not been so nominated will be eligible for nomination or election to the RPC Board. The RPC Board shall also specify which candidates will run for a seat on an uncontested basis, and which nominees will run against one another on a contested basis either for a specified seat or on an at-large basis for any of the remaining available seats.

Relative to each annual meeting, the Secretary will furnish to all active members information as to the identities of the nominees for election to the RPC Board, such biographical information for each of them as the Nominating and Governance Committee may consider appropriate, information as to which nominees are running on an uncontested or contested basis, and a ballot for use in voting for elected Directors. With respect to each nominee for election to a seat that is not shown on the ballot as being subject to an election contest, the ballot shall indicate that members may either cast their vote "for" or expressly "withhold" their vote as to such nominee. In such an uncontested election, a nominee will be elected if the number of votes cast "for" the nominee exceeds the number of votes expressly "withheld". In such an uncontested election, any nominee who does not receive a greater number of "for" than "withhold" votes will not be elected, and the RPC Board seat for which the nominee was nominated will be considered vacant. A vacancy so created may be filled by action of the remaining Directors as authorized by the Governing Statute, by appointing a director, chosen from a slate of potential candidates nominated by the Nominating and Governance Committee, to a term expiring at the next annual meeting of members. In an election where the RPC Board has created an election contest by

nominating two or more nominees for a particular seat, a nominee will be elected to that seat upon receiving the greatest number of votes in favor of his or her election among all the nominees for that same seat. If the RPC Board proposes that several nominees run on a contested basis for two or more available elected Director seats, then a nominee will be elected upon receiving the greatest number of votes in favor of his or her election from among all such nominees, followed by the nominee who receives the second most votes, and so on until all available contested seats are filled. The term of each elected Director will commence on the date of the annual meeting of members, provided the results of voting as to his or her election have been communicated to RPC by an independent vote tabulator prior to that date.

#### **14. Board Meetings**

Each newly constituted RPC Board will hold an annual meeting, at which officers will be appointed (the “Officers”), either on the same day as the annual meeting of members or within a reasonable number of days thereafter, to be held via teleconference or at RPC’s principal office in Seattle, Washington or at such other location as may be designated by the Chair of the RPC Board. No notice need be given of the annual meeting of the RPC Board if it is held on the same day as the annual meeting of members.

The RPC Board must hold at least four regularly scheduled meetings per year, and may by resolution designate a time, date and place for its regular meetings. If scheduled in this manner, regular meetings may be held without further notice to the Directors. A portion of each regular meeting of the RPC Board may, at the discretion of the Chair of the Board, be devoted to an executive session, without members of management present.

Special meetings of the RPC Board may be called by the President, the Chair, or any three or more Directors, upon delivery to the Secretary of a written request stating the purpose of the meeting. Upon receipt of such a request, the Secretary will promptly give notice to each Director at least three days prior to the date of the special meeting. A special meeting called upon request by the President, the Chair, or three or more Directors must be held either via teleconference or at RPC’s principal office in Seattle, Washington. A special meeting may also be called by action of the RPC Board, to be held upon at least three days’ advance notice at such time and place as the Board may specify.

Any required notice of a meeting of Directors may be waived in writing by any Director before, during, or after the meeting. Any required notice is presumed to be waived if no objection is raised within two weeks after the meeting.

## **15. Quorum; Majority Vote**

Except as otherwise required by law, (a) a majority of the Directors in office will constitute a quorum to transact any business, and (b) the affirmative vote of a majority of Directors present at a meeting at which a quorum is present will be sufficient for approval of any action.

## **16. Committees**

The RPC Board may from time to time appoint standing or temporary committees consisting solely of members and invested with such powers as the RPC Board may prescribe, subject to the limitations of the Governing Statute. The RPC Board may establish the following standing committees: Executive Committee; Audit and Finance Committee; Nominating and Governance Committee; and Compensation Committee. Each of these standing committees will have such powers and responsibilities as are described in their respective charters, which will be subject to approval of the RPC Board and the limitations of the Governing Statute. The RPC Board may, at its discretion, appoint such other committees as it deems appropriate.

The Compensation Committee shall determine fair compensation for the Directors by majority vote, and a quorum of at least two-thirds of the committee casting votes either for or against, shall be necessary in order to approve any change to Director compensation.

## **17. Directors' Compensation**

All Directors shall be compensated for their service as Directors. The Chair of the RPC Board, and the chair of each committee of the RPC Board, will receive additional compensation for service in those capacities. The amount and timing of all such compensation will be determined by the Compensation Committee, subject to approval of the RPC Board. Additionally, RPC shall reimburse Directors for all reasonable expenses incurred in carrying out their duties and responsibilities.

## **18. Action by Consent**

Any action that can be taken at a meeting of Directors or of a committee of the RPC Board may be taken without a meeting if a written consent, describing the action to be taken, is signed before or after such action by all of the Directors in office, or all of the members of the committee, as the case may be. Such a consent will have the same effect as a unanimous vote and will be effective when the last Director signs, unless a later date is specified.

## **19. Vacancies**

In the event that a Director's seat is vacant in between member meetings, such as if a Director resigns, dies, or for any other reason, the RPC Board may select a temporary replacement Director by two-thirds majority, who shall serve as a Director until the next annual meeting of the members. During the next annual meeting of the members a permanent replacement Director will be elected by the members, even if that Director's seat would not otherwise require an election. The RPC Board may vote to fill vacancies temporarily, up to the maximum allowed number of directors authorized under these Bylaws.

## **20. Removal**

Whenever any Director shall fail to meet the qualifications described in Section 2 of this Article, or fails to attend four (4) consecutive board meetings, either regular or special, without just cause, and provided that notice of such meetings has been properly given in accordance with these Bylaws, then it shall be the duty of the RPC Board to remove said director and to fill the vacancy in accordance with Section 9 of this Article.

Any member may bring charges against an Officer or Director by filing charges in writing with the Secretary, together with a petition signed by at least ten percent (10%) of the members requesting the removal of the Officer or Director in question. Upon receipt of a petition signed by the membership, the RPC Board shall determine if the petition has any merit, and if so, then removal shall be an item of business at the next regular or special meeting of the association. The director[s] whose removal is sought shall not vote in his or her removal. Upon an affirmative vote by a majority of the membership, the Officer or Director shall be removed, and the RPC Board shall fill the vacancy, either by appointing a new Officer or with a temporary Director until the next election. In advance of the regular or special meeting the Director or Officer against whom such charges have been brought shall be informed in writing of the charges prior to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses. The person or persons bringing the charges shall have the same opportunity.



## **ARTICLE IV**

### **Officers**

#### **21. Officer Roles**

RPC's Officers will include (a) the President, (b) the Treasurer, and (c) the Secretary, each of whom shall be appointed by the RPC Board. In addition, the President may from time to time in his or her discretion appoint other Officers. The President will be the chief executive officer of RPC. All of the Officers will have those responsibilities and powers as are customarily associated with their respective offices, subject to such limitations or additional powers as the RPC Board may prescribe. The term of office for each Officer will be one year or until his or her successor is elected. Any Officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the Directors in office or, solely with respect to officers appointed by the President, upon notification of removal by the President. Any such removal will be without prejudice to any contract rights of the person so removed.

#### **22. Duties of President**

The President shall be the chief executive officer of RPC and shall, subject to the control of the RPC Board, supervise and control the affairs of RPC and the activities of the Officers. He or she shall

1) perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation, or by these Bylaws, or which may be prescribed from time to time by the RPC Board;

2) preside as Chair at all meetings of the RPC Board and at all meetings of the members, unless another person is selected by the RPC Board to serve as Chair at a particular meeting;

3) call special meetings of the RPC Board;

4) except as otherwise expressly provided by law, by the articles of incorporation, or by these Bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the RPC Board; and

5) perform all other acts and duties usually performed by a presiding officer;

6) review all votes and with prudence exercise veto on items of business not in alignment with jurisdictional requirements, or with the security, or financial sustainability of the Cooperative.

### **23. Duties of Treasurer**

The Treasurer shall be responsible for the keeping and disbursing of all monies of the association, and shall keep accurate books of accounts of all transactions of the association. The Treasurer shall perform all such duties with respect to the finances of the association as may be prescribed by the RPC Board. Upon the election of a successor, the Treasurer shall promptly turn over to his successor all monies, property, books, records, and documents pertaining to his or her office or belonging to the association.

### **24. Duties of Secretary**

The Secretary shall keep a complete record of all meetings of the association and of the RPC Board and shall have general charge and supervision of the books and records of the association. The Secretary shall sign papers pertaining to the association as authorized or directed by the RPC Board. The Secretary shall serve all notices required by law and by these Bylaws and shall make a full report of all matters and business pertaining to the office to the members at the annual meeting. The Secretary shall keep the corporate seal and all books of blank certificates, complete and countersign all certificates issued, and affix the corporate seal to all papers requiring a seal: shall make all reports required by law: and shall perform such other duties as may be required by RPC Board. Upon the election of a successor, the Secretary shall turn over all books and other property belonging to the association.

## **ARTICLE V**

### **Dividends**

#### **25. Patronage Dividends**

The net distributable surplus from RPC's conduct of business on a cooperative basis will be returned annually to active members as patronage dividends, in proportion to their purchases from RPC during the calendar year for which the dividend is declared, subject to the other provisions of this Article V.

The RPC Board will annually determine the amount of net distributable surplus for the prior calendar year, the time and manner of distribution of patronage dividends from such amount, and any other related matters, in accordance with such policies and procedures as it may adopt from time to time. The RPC Board may elect not to declare or distribute a patronage dividend of net distributable surplus for any calendar year if it determines that such election is in the best interests of RPC; however, in accordance with Article VI of the RPC Articles, the RPC Board may not so elect more frequently than every other calendar year.

#### **26. Definitions**

As used in this Article V, "net distributable surplus" means the amount equal to (a) the annual earnings from the conduct of business on a cooperative basis for such year as determined by the RPC Board less (b) such reserves as the RPC Board may consider necessary or appropriate for business purposes or contingencies. As used in this Article V, "purchases" means all purchases of merchandise or services on the cooperative plan (or comparable plan with respect to a Foreign Subsidiary), except that:

(x) unless otherwise specified by the RPC Board, services will not qualify as purchases; (y) the RPC Board may designate specified merchandise (such as sale merchandise and merchandise with low profit margins) as not being sold on the cooperative plan and not qualifying as "purchases;" and (z) the RPC Board may establish separate allocation units or pools for specified merchandise or services, and distribute net profits on the basis of the value of business done with or for members with respect to such units or pools.

#### **27. Form of Payment; Taxation**

Patronage dividends may be distributed in cash, any suitable cryptocurrency, merchandise credits,

qualified or non-qualified written notices of allocation (as such terms are defined in 26 U.S.C. Sec. 1388), other property, or any combination of the above as determined from time to time by the RPC Board.

Any patronage dividend distributed as a qualified or non-qualified written notice of allocation must be designated as such by the RPC Board in accordance with 26 U.S.C. Sec. 1388. RPC will redeem any qualified or non-qualified written notice of allocation with merchandise credits in full and complete satisfaction of such allocation. Merchandise credits distributed in payment of patronage dividends or in redemption of qualified or non-qualified written notices of allocation may be used, upon such terms and conditions as may be designated by the RPC Board, at any of RPC's physical or online retail locations or any other place designated by the RPC Board. Each member, by such act of membership alone, consents that the amount of any distribution with respect to his or her patronage which is made in the form of a qualified written notice of allocation will be taken into account as part of the member's taxable income at its stated dollar amount in the manner provided in 26 U.S.C. Sec. 1385(a) in the taxable year in which the member receives such qualified written notice of allocation.

## **28. Unclaimed Dividends**

Unless it has taken specific action to the contrary, the RPC Board will be conclusively presumed to have exercised its discretion under RCW 23.86.160 to cause the expiration and reversion to RPC of any patronage dividend that was paid in the form of a qualified or non-qualified written notice of allocation or in merchandise credits, to the extent it has not been used or redeemed on or before the second January 3 following declaration of the patronage dividend. RPC may, in its discretion, treat any written communication that it receives from a member regarding his or her unredeemed patronage dividend as a request for payment of the patronage dividend in cash, whether or not the member has explicitly made such a request.

## **29. Deductibility**

If any part of RPC's annual earnings or income to be distributed and paid to members as patronage dividends would not be deductible from RPC's gross income as a patronage dividend (under applicable provisions of 26 U.S.C. Secs. 1381-1388, inclusive, or any other applicable revenue statute or regulation), the declaration and payment of such patronage dividends will to such extent be deemed to have been made out of annual earnings that do so qualify as deductible, whether or not the dividend resolution of the RPC Board made specific reference to the source of earnings out of which the patronage dividend was declared or payable.

## **30. Foreign Subsidiaries**

RPC may from time to time, directly or indirectly own or control corporations or other entities

under the laws of countries other than the United States ("Foreign Subsidiaries") for the purpose of conducting business in other countries substantially similar to the business conducted by RPC in the United States. Subject to limitations in the bylaws of each Foreign Subsidiary or under any foreign laws to which such Foreign Subsidiary is subject, the net distributable surplus of each such Foreign Subsidiary will be returned annually to those active members of RPC who have made purchases from such Foreign Subsidiary during the calendar year for which the net distributable surplus is calculated. Such net distributable surplus will be returned in the form of patronage dividends or its equivalent, including rebates, credits or coupons, based upon the active members' purchases from such Foreign Subsidiary during such calendar year. This Section 6 does not limit the authority of the RPC Board or other governing body of a Foreign Subsidiary to establish a fixed percentage or minimum patronage dividend or its equivalent that will be returned to active members based upon their purchases, even though the amount to be returned may exceed net distributable surplus for the applicable year, if such board or governing body determines that it is advantageous to do so for marketing or other business reasons.

## **ARTICLE VI**

### **Token Governance**

#### **31. RPS Tokens**

After their initial creation, any additional creation of RPS tokens shall require an affirmative vote by the membership. No vote of the membership is required for the initial creation of 500,000,000,000 RPS staking tokens; nor for the up to 10% new RPS staking tokens that will be issued by the consensus protocol each year for the purpose of awarding validators.

#### **32. Amendment Requires Member Vote**

This Article cannot be modified by the usual process of amending the bylaws through a vote by the RPC Board. This Article can be modified with an affirmative vote of the membership.

## **ARTICLE VII**

### **Indemnification**

In addition to the immunities and releases from liability conferred by RCW Secs. 4.24.264, 23B.08.320, 23.100.0602, and 23.100.0701, RPC undertakes in accordance with the Governing Statute to indemnify its current and former Directors, Officers, employees and agents against any expense, loss or damages incurred by them in connection with or arising out of their service in such capacities, to the fullest extent allowed by law under any circumstances. The right to indemnification conferred in this Article VI is a contract right upon which each beneficiary hereof will be presumed to have relied. Any amendment to or repeal of this Article VI will not adversely affect any right or protection of any current or former Director, Officer, employee or agent for or with respect to any acts or omissions of such individuals occurring prior to such amendment or repeal.

## **ARTICLE VIII**

### **Amendment**

These Bylaws may be amended or repealed by the affirmative vote of two-thirds of the Directors in office, except where these Bylaws require a vote of the membership to effect a change or amendment. No such amendment or repeal may, however, alter in an adverse manner or reduce or diminish the rights and benefits of any current or former Director, Officer, employee or agent except with the advance written consent of each individual so affected.

[Googledoc](#) reference