

TREASURY MANAGEMENT POLICY OF REGEN FOUNDATION

Updated: April 14th, 2021

1. Layers of Defense
 - (a) Multi-sig wallet: two out of three signatories to do anything
 - i. Key management policy around mnemonic backups and ledgers
 - (b) 21-day unbonding period
 - i. If monitoring is occurring, compromises can be identified before tokens become liquid
 - (c) If the assets compromised are significant enough, community governance can be addressed through a governance proposal (such as during the original DAO hack on Ethereum in 2016).
2. Regen Foundation Token Endowment
 - (a) *This allocation is 5mm REGEN at Token Generation Event, and consists of locked tokens.*
 - (b) Treatment of Staking Rewards
 - i. Staking rewards are held in a discretionary pool, disbursements governed by the Foundation Board
 - ii. This policy will be revisited in 2022
 - (c) Delegation Policy
 - i. Regen Foundation will make staking decisions according to these criteria (in no particular order):
 - A. Community engagement
 - B. Testnet scores
 - C. Validator professionalism and security protocols
 - D. Reputation in the ecosystem
 - E. Engagement with the utility of Regen Ledger as a part of Validator Business Operations
 - ii. Initial delegations have been made in advance of mainnet, and redelegations will likely occur within a month of mainnet, once adequate empirical data is available to inform this process.

- iii. In addition to the criteria listed above, Regen Foundation will endeavor to maintain a well distributed delegation strategy aimed to decentralize staking power and rewards across the broadest set of validators that can credibly meet the above criteria.

(d) Voting Policy

- i. Regen Foundation will vote in alignment with its charitable cause, at its discretion
- ii. For Community Staking DAO allocation please see section II below.

(e) Multi-Sig Wallet Policy

- i. Directors have signed a policy elucidating the legal relationship they hold with the Foundation as signers
 - A. Hardware wallets and mnemonic keys are the property of the foundation.
 - B. Delegation decisions and transaction decisions will be made through a board vote, and the multi-sig will not be used as a voting mechanism, merely to execute transactions on behalf of the Foundation on Regen Ledger.
- ii. Two out of three Board Directors must sign transactions/delegations
- iii. This policy will be revisited when groups module and keystone functionality allow delegated rights to create an equally secure but more efficient system.

3. Community Staking DAO

- (a) *This allocation is 30mm REGEN at Token Generation Event, and consists of tokens to be enDAOed to locked pools.*

- i. This pool is stewarded by the Foundation on behalf of future Community Staking Members

Treatment of Staking Rewards

- i. Staking Rewards are redelegated

(b) Delegation Policy

- i. No delegations will be made at mainnet; this policy will be revisited when there is adequate empirical data upon which to upgrade this policy.
 - A. Network-wide validator economics will be factor into this policy
- ii. Delegations are made on an annual basis, or redelegated in the case of emergencies, until which point more dynamic options are available

(c) Voting Policy

- i. Regen Foundation will not actively vote with these tokens

- ii. According to Tendermint consensus this means that the tokens will follow the Validator vote where the tokens are staked.
 - iii. Upon enDAOment the full rights accorded to the tokens will be under the control of the community staking DAO managing the private keys and they can vote as they see fit.
- (d) Multi-Sig Wallet Policy
 - i. Directors have signed a policy elucidating the legal relationship they hold with the Foundation as signers
 - A. Hardware wallets and mnemonic keys are the property of the foundation.
 - B. Delegation decisions and transaction decisions will be made through a board vote, and the multi-sig will not be used as a voting mechanism, merely to execute transactions on behalf of the Foundation on Regen Ledger.
 - ii. Two out of three Board Directors must sign transactions/delegations
 - iii. This policy will be revisited when Groups module and Keystone functionality allow delegated rights to create an equally secure but more efficient system.
- 4. Regen Foundation Cash
 - (a) Cash donations received by the Foundation are held as cash at our account with Amalgamated Bank
 - (b) Cash management strategies are expanded upon in our Financial Management Policy
- 5. Other Assets
 - (a) As the Foundation encounters other asset classes, it will develop treasury management for these asset classes.