

## Community Requests for the Secret Foundation (“the Foundation”)

The Secret Foundation is a positive contributor toward the growth of Secret Network. The Community would like to see this continue for the foreseeable future. We recognize the Foundation has room for improvement in several aspects. We wish to create greater network alignment on our shared mission.

**Transparency & Accountability:** The Foundation commits to providing greater accountability and transparency with the following recommendations and requests:

Quarterly transparency reports should include:

- Quarterly transparency reports should be provided as management accounts.
- Prompt disclosure of any conflict of interest held by foundation staff and leadership. These disclosures should be communicated through transparency reports. This includes affiliations with network validators, dapps, or other key organizations. This should include a note clarifying why the conflict of interest does not compromise or negatively impact the Foundation.

### 1) Financial Statements

- a. To bridge the gap between quarterly and annual reporting, I suggest presenting a non-audited semi-annually report (so at the end of the year, the full audited financials are presented, and every half year, non audited financials are presented)

Annual transparency reports should include:

- Providing the community with a growth roadmap and budget for the year. We expect the Foundation to plan for a range of outcomes to account for market volatility and to have network buy-in on growth map and budget.
- Transparency reports should include total remuneration for key employees, board members, officers, and directors. The following should be disclosed: token vesting agreements with key employees, board members, officers, or director & aggregate vested tokens to employees per year.
- Official public description of foundation scope and associated KPIs for each function within scope.
- Annual transparency reports should include an audit.

### 1) Financial Statements

- a. Financial reports should be prepared in one of the industry accepted standards - either US GAAP or IFRS, and audited externally (not by the company's CPA, but by a certified auditor) once a year. This should all be done by professionals, exercising common industry standards.
- b. Compensation - C-level and up should be reported personally. Otherwise as an aggregate amount on the audited financial statements.

The Foundation should take further steps in this regard by disclosing or doing the following:

- We seek information on whether or not the foundation still intends to form a board of directors as was initially stated. This should include pros and cons considered by the Foundation.
- Regarding the Secret Foundations' initial pitch of being a non-profit, and existing commitments to research the viability of converting to one, we request the conclusions of this research be communicated in a future transparency report.
- A combination of Key Mans Insurance and Hit by Bus Document to ensure the community is the beneficiary of the Foundation or that the Foundation returns to the Community in case of any conflict.
- The Foundation commits to hiring a person responsible for operations within 6 months with a serious effort to hire this person ASAP. This individual should ensure the continuity of transparency in the future as well as the past by way of audits for the calendar years.
- Add a section to the <https://scrt.network> website with links to each transparency report from the Secret Foundation.

- Taxes - Reassess tax approach going forward and potentially looking backwards. We ask the Foundation to explain why it's paying taxes or accounting for that as part of the budget. Why, to date, has SF paid taxes at all? Why wasn't income recorded as a liability?

*These are requests which we believe fulfilling will allow the community to have greater trust in the Foundation. This greater trust is critical as it potentially provides a viable alternative, or otherwise mitigates the need to obtain trust through the implementation of a Board of Directors and or transitioning to an NPO.*

**Secret Foundation Neutrality & Alignment:** The Secret Foundation affirms its commitment to neutrality across the Network. To this extent, the Foundation, should:

- Provide neutral grounds for proposals on the Network. Any proposer should be offered an equal opportunity of their proposal from official network channels; and.
- While it is not expected that all dApps will be equally promoted, the Foundation should ensure that no dApp receives exclusive or special access to foundation resources.

*The above requests are fundamental in giving the Community the ability to reduce the amount of faith required in the Foundation and replace it with greater trust. This creates a healthier relationship which will enable all parties to work towards the success of the network.*

*Voting Yes is signing your support of these community asks.*

*Voting No is signaling your non-approval of this list of community asks.*

Voting Abstain is signaling you wish to participate, but not with a yes or non-approval.

*Voting No With Veto is signaling you think parts of this list pose a danger to the network.*