

**MEMORANDUM OF TERMS FOR PRIVATE PLACEMENT OF SERIES C PREFERRED STOCK OF COINBASE GLOBAL INC.**

**October 24, 2014**

This memorandum (the "*Term Sheet*") summarizes the principal terms of a proposed venture capital financing for **Coinbase Global Inc.** (the "*Company*"). The completion of the transactions contemplated by this memorandum will be subject to, among other things, satisfactory completion of financial and legal due diligence by DFJ Growth and its partners and affiliates ("*DFJ Growth*"), as well as execution of final transaction documents acceptable to DFJ Growth and the Company.

**Offering Terms**

Issuer: Coinbase Global Inc. (the Company")

Investor:

<b>Investor Name</b>	<b>Amount</b>
DFJ Growth	\$25.0M
Other Investors	\$17.0 – 45.0 M
<b>Total Investment</b>	<b>Up to \$70.0M</b>

"Other Investors" shall include existing investors and new investors to be determined by the Company in its sole discretion.

Securities to be issued: Series C Preferred Stock (the "Series C Preferred")

Price: [TBD] per share of Series C Preferred, reflecting a fully-diluted pre-money valuation of \$400.0 million. Assuming a total Series C financing of \$50.0 million, the post-money valuation shall be \$450.0 million based on the expected pro forma post-closing capitalization of the Company. To the extent the pre-money capitalization differs from that assumed in Exhibit A, the price per share shall be adjusted accordingly.

Option Pool: Upon closing the Series C Preferred financing, the Company's stock option pool shall have at least 8.0% of the Company's fully-diluted equity shares unallocated and available for issuance of future stock option grants. Any expansion of the option pool needed to meet this requirement shall be included in the pre-money valuation.

Expected Closing Date: One or more closings to occur within 90 days after execution of this Term Sheet (the "Expected Closing Date"), where the first closing shall include at least \$39.6 million of investment from DFJ Growth and existing investors within 30 days after execution of this Term Sheet.

**Terms of Series C Preferred Stock**

**Certificate of Incorporation**

Liquidation Preference: In the event of a liquidation, dissolution or winding-up, the proceeds shall be distributed to the stockholders as follows:

First, the Preferred Stock (Series A, B, C) shall be paid one times (1X) their respective original purchase price (on a pari-passu basis) plus declared but unpaid dividends. Thereafter, the Common Stock and FF Preferred Stock shall share any remaining proceeds on an as-converted basis.

Dividends:	Same structure as Series B
Redemption:	Same structure as Series B
Automatic Conversion:	Series C Preferred shall automatically convert into Common Stock upon (i) the election of at least a majority of the outstanding shares of Series C Preferred, or (ii) the consummation of an underwritten public offering with aggregate proceeds in excess of \$50,000,000 (a "Qualified Public Offering").
Price-Based Antidilution:	Same structure as Series B
Other Antidilution Adjustments	Same structure as Series B
Voting Rights:	Series C Preferred votes on an as-converted basis, but also has a series and class vote as provided by law.  Same protective provisions as the Series B investment documents and requiring majority approval of the Series A, B and C Preferred Stock (together, the "Preferred Stock").  Same series-based protective provisions as the Series B Preferred for the Series C Preferred class and requiring majority approval of the Series C Preferred.

### **Preferred Stock Purchase Agreement**

Representations and Warranties:	Same structure as Series B
Conditions to Closing:	Same structure as Series B
Expenses:	Counsel to the Company will draft the investment documents. The Company shall pay, at the closing, reasonable legal fees and due diligence expenses of Investor not to exceed \$35,000.

### **Investor Rights Agreement**

Registration Rights:	Same structure as Series B
Right of First Offer:	Same structure as Series B
Financial Information:	DFJ Growth shall be treated as a Major Holder and shall have information rights consistent with other major Preferred investors.

**Board Composition:** The size and composition of the board of directors (the “Board”) shall be determined by the Company and existing investors. If the size of the Board is expanded as part of the Series C financing, then DFJ Growth shall have the right to designate one Board member and the two directors designated by a majority of the Common Stock and FF Preferred Stock held by Brian Armstrong and Fred Ehsam (the “Founder Directors”) shall be entitled to two (2) votes each on all matters submitted to the Board (i.e. an aggregate of four (4) votes). If the size of the Board remains unchanged at the time of the Series C financing, then DFJ Growth shall have the right to designate one Board member at any time after the Board composition is expanded from its current size, at which time each Founder Director shall be entitled to two (2) votes (i.e. an aggregate of four (4) votes). DFJ Growth shall have the right to designate a non-voting observer to participate in Board meetings. In each case, the DFJ Growth Board member or Board observer, as applicable, shall initially be Barry Schuler, unless otherwise approved by the company. Approval shall not be unreasonably withheld.

**Other Matters**

**Right of First Refusal and Co-Sale:** Same structure as Series B

**Drag Along:** Same structure as Series B

**Management Rights Letter:** At the closing, DFJ Growth shall receive a customary management rights letter in a form reasonably acceptable to DFJ Growth, which will include standard inspection rights and board observation rights for DFJ Growth.

**Disproportionate Adverse Changes:** The rights of the Series C Preferred in the ancillary financing documents shall not be adversely affected in a manner different than the rights of the other series of Preferred Stock without the consent of the holders of a majority of the Series C Preferred.

**Confidentiality:** Except as required by law, the Company will not discuss the terms of this Term Sheet with any person other than key officers, members of the Board of the Company or the Company’s accountants or attorneys without the written consent of the Investors.

**No Shop:** From the signing date hereof until 5:00 P.M. Pacific Time on the Expected Closing Date, other than in connection with the allocation of the Series C Preferred financing to other investors contemplated by this Term Sheet, the Company agrees that it shall not solicit, encourage others to solicit, or encourage or accept any offers for another preferred stock equity financing or sale of the Company, and it shall not negotiate with or enter into any agreement or understanding with any other person with respect to any such transaction.

The failure to execute and deliver a definitive agreement shall impose no liability on DFJ Growth, any Investors or the Company. If not accepted and executed by 5:00 P.M. Pacific Time on October 25, 2014, this term sheet shall expire.

**AGREED AND ACCEPTED:**

**DFJ GROWTH**

By: 

Name: Barry M. Schuler

Date: 10/24/2014

**COINBASE GLOBAL, INC.**

By: 

Name: Fred Ehrsam

Date: 10/25/2014 3:36 PM PT