

## BENEFITS

### WORLD-CLASS ORGANIZATIONS

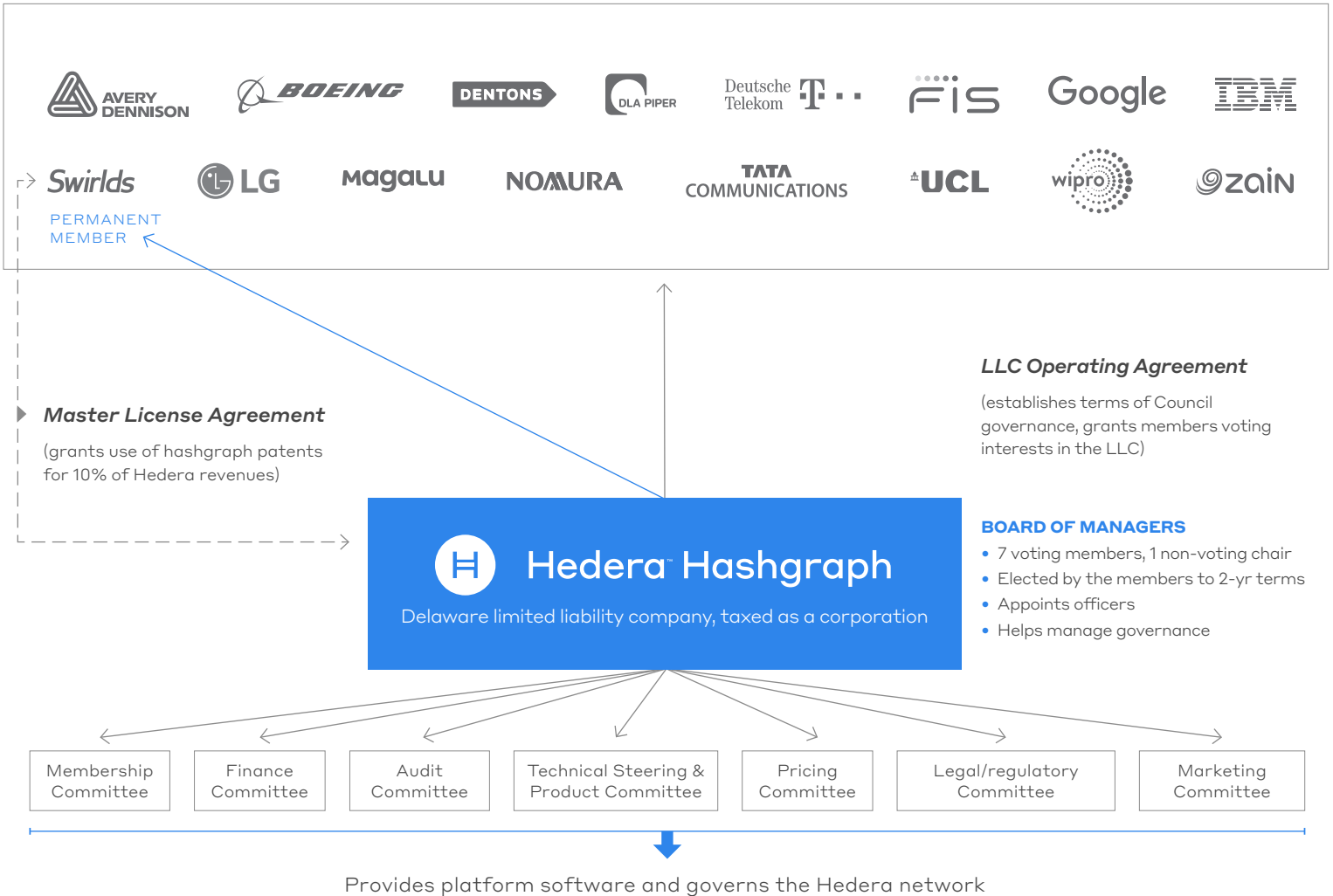
Join a network owned and operated by leading organizations spread across industries and geographies. Work alongside peers to foster and govern a stable, decentralized network designed for real world applications.

### DRIVE THE FUTURE

Oversee the direction and codebase of the network to represent your industry and ensure your organization's requirements are heard. Manage the network's treasury to foster the growth and development of the network.

### BREAKTHROUGH TECHNOLOGY

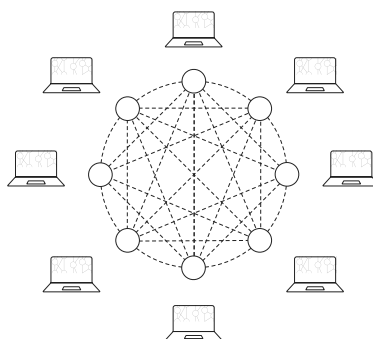
Underlying the Hedera network is hashgraph. A novel consensus algorithm created by Hedera's co-founder, Dr. Leemon Baird, allows for scalable, high-throughput transactions with guaranteed finality unmet by blockchain alternatives.



## HEDERA NETWORK

### ABOUT THE HEDERA NETWORK:

- Hashgraph is a "base layer" consensus algorithm, sits upon TCP/IP protocol
- Hedera platform will initially offer 3 services: cryptocurrency, file storage, Solidity smart contracts
- Supports dapps



### Network Participation Agreement

(establishes terms of participation for nodes, developers, and end users)

## GOVERNANCE DECISIONS

Major decisions of the Council will be determined by votes of the Members. Below is a summary of the Member consent thresholds for certain matters. Please also note that different terms may initially apply (e.g., initial appointment of Members and Board, initial term lengths, etc.).

### COUNCIL MEMBERSHIP

<b>Membership criteria</b>	Objective criteria to be determined by Membership Committee and approved by majority consent
<b>Council terms</b>	3-year terms, with up to two consecutive terms; former Member may re-join after a 3-year waiting period
<b>Council elections</b>	Vacancies filled by nominees who receive the most votes, as long as the nominee receives at least 1/3rd of votes cast
<b>Renewal terms</b>	Members may be re-elected for a renewal term with 2/3rds consent
<b>Member removal for cause</b>	If Board recommends removal of a Member for cause, Members may vote to retain such breaching Member with 2/3rds consent
<b>Member removal generally</b>	A Member may be removed with 2/3rds consent

### COUNCIL ECONOMICS

<b>Initial capital contribution</b>	Each Member provides initial capital contribution of US\$100
<b>Add'l capital contributions</b>	Additional capital contribution requires 80% consent; a Member that did not consent to the additional capital contribution may avoid additional obligation by resigning
<b>Member liability</b>	Liability limited to amount of capital contributions
<b>Network pricing</b>	Network pricing rates require majority consent
<b>Distributions</b>	Members do not receive profits distributions or distributions upon a sale or liquidation

### COMMITTEES

<b>Committee creation</b>	New committees can be created by majority consent (or by approval of the Board of Managers)
<b>Committee structure</b>	Each committee will propose its structure and charter for approval by majority consent
<b>Committee charters</b>	Amendments require majority consent
<b>Committee membership</b>	Network pricing rates require majority consent
<b>Distributions</b>	Committee membership is open to all Members

### BOARD OF MANAGERS

<b>Board composition</b>	7 voting Board members (incl. CEO, CFO and 1 Swirls appointee); 1 non-voting chair not affiliated with any Member Board members must be natural persons
<b>Nominations</b>	Each Member may nominate one affiliate to the Board
<b>Board elections</b>	Elected by the Members (vacancies filled with applicants who receive the most votes, and at least 1/3rd of votes cast) Non-voting chair elected by the voting Board members
<b>Board terms</b>	Non-voting chair elected by the voting Board members
<b>Removal of Board member</b>	A Board member may be removed with 2/3rds consent

### CORPORATE CHANGES

<b>Change tax structure</b>	Changing the Council's tax structure requires 3/4ths consent Board members must be natural persons
<b>Sale, change of control, dissolution</b>	A sale, change of control, or dtissolution requires 3/4ths consent