



HORIZEN COMMUNITY COUNCIL

WHITEPAPER

MARCH 1, 2022

Executive Summary

The Horizen Community Council (HCC) is an organization established for the purpose of implementing and maintaining sound governance of the Horizen blockchain ecosystem. HCC serves as a bridge among the global Horizen community, the Zen Blockchain Foundation (ZBF), and other participants in the Horizen ecosystem.

The formation of HCC is a significant step in Horizen's continued commitment to decentralization. It will serve two core functions:

- Governance: to implement Horizen ecosystem governance; and
- Community Interaction and Leadership: to provide an enhanced forum for Horizen ecosystem collaboration, including through the establishment of Community Interaction Groups (CIGs) and coordination of the Horizen Improvement Proposal system (ZenIP).

In connection with these core functions, HCC will make recommendations to ZBF regarding governance, ZenIP proposals and other topics of interest to the community endorsed by HCC.

Through the leadership of HCC's Advisory Board and participation of HCC's Members from within the Horizen community, HCC will evolve and assume an increasingly important role in Horizen ecosystem governance. This evolution will eventually give rise to the establishment of Horizen's DAO.

This Whitepaper describes the principles and conceptual mechanics of HCC. As a self-governing entity, HCC will determine the implementation of the framework described herein.

For more information about the Horizen blockchain ecosystem and to read the Horizen Whitepaper, please see horizen.io.

Background & Motivation

Outlined in the October 2019 Horizen Whitepaper 2.0, the formation of the Horizen Community Council has been a long-standing goal of Horizen. The introduction of HCC required patience and careful design to ensure it would further a robust and decentralized ecosystem. As we enter this new phase of Horizen's development, we are thrilled to introduce HCC and its Board of Advisors.

Horizen already boasts the most decentralized, multi-tiered node infrastructure in the industry. The inclusion of HCC in the governance process is the next phase of development and unlocks another tool to secure Horizen's decentralized blockchain ecosystem. HCC provides the means to further empower community consensus and make recommendations to ZBF.

HCC's Advisory Board and Members will be entrusted to establish and lead Community Interaction Groups (CIGs). We envision CIGs as vibrant hubs where anyone can contribute to HCC governance and development processes. The integration of HCC into the ZenIP process represents a major step towards democratizing and enhancing the ZenIP decision-making process.

We believe in the importance of good governance and decentralization, and with HCC we take a giant leap forward. As the Horizen blockchain ecosystem further scales, matures, and its utilization widens, HCC will be at the center of the long-term trajectory towards Horizen's DAO.

Mission Statement

“To implement and maintain sound governance within the Horizen ecosystem.”

Role of HCC

HCC has two core functions in the Horizen ecosystem:

- Governance. To implement Horizen ecosystem governance, including HCC self-governance
- Community Interaction and Leadership: To provide a forum for Horizen ecosystem collaboration, including through the establishment of CIGs and coordination of ZenIP process

In connection with these core functions, HCC will be able to make recommendations to the ZBF regarding governance, ZenIP proposals and other matters endorsed by HCC.

The breadth of the Advisory Board and CIGs enable HCC to address virtually any topic of interest to the Horizen ecosystem.

Governance

HCC's mission is to implement and maintain sound governance within the Horizen ecosystem. This purpose requires HCC to define how that mission is realized.

Additionally, as a self-governing entity, HCC will also need to determine its own proper self-governance within the framework described herein and over time.

Ecosystem Governance

HCC shall endeavor to realize the goals of the Mission Statement. In that regard, HCC's Advisory Board (described below), especially in HCC's initial phase, will be focused on addressing issues related to the operation and management of ecosystem participation, such as providing the means to expand community engagement; providing stakeholders with the ability to contribute to the leadership of and have a voice in the ecosystem; and promoting activities consistent with Horizen's principles and goals. As HCC's community interaction expands, HCC's role will adapt to reflect the governance needs of the ecosystem.

HCC shall establish Community Interaction Groups (CIGs). The framework to promote community involvement, CIGs are working groups with open participation that will be organized to address ZenIP proposals and other areas of interest to HCC and the Horizen community. CIGs will be utilized to refine the roles and processes of the ZenIP system, building upon existing off-chain mechanisms and communication channels. HCC shall establish processes to form and to manage CIGs, including the leadership thereof by the Advisory Board and HCC Members.

HCC is charged with improving collaboration between stakeholders, non-profit foundations, and for-profit entities in the Horizen ecosystem.

HCC shall also prepare a code of community conduct and/or a code of ethics. As an open organization of diverse participants, HCC aims to provide a positive experience for the Horizen community.

Self-Governance

Self-governance will be a central activity of HCC, especially during the early phases of HCC's existence.

HCC shall establish protocols for the selection of the HCC Advisory Board and the process for community participants to become HCC Members. In due course, once the HCC Member

program is an active, vibrant participant in HCC, HCC shall establish the means whereby the Advisory Board will be selected by HCC Member elections.

The process for selecting the HCC Advisory Board will include establishing qualifications and a nomination process, determining number and compensation, if any, and establishing length of term, term limits, rotations, vacancies, replacements, and similar items. An initial Advisory Board, composed of long-active participants in the Horizen community, will seek to expand to 7-12 persons within the first year.

HCC desires to have a highly diversified Advisory Board, which shall include independent expert advisors in such fields as governance, political science, constitutional law, game theory, mechanism design, computer science, cryptography, and other appropriate areas to help foster global best practices for rules, norms and standards of the ecosystem.

HCC Members shall draw directly from the Horizen ecosystem community and be invited to participate in roles and activities determined by HCC. Notably, HCC Members will participate with the community in CIGs and join Advisory Board Directors in CIG leadership roles. A core function of the HCC Member program in the future will be to select the Advisory Board Directors.

Funding

At inception, HCC shall be given an initial grant from the Treasury. In the future, HCC may consider additional funding methods, including community contributions to HCC, CIGs and projects.

*The **Horizen Community Council Foundation** is a non-profit, private interest foundation established under the laws of the Republic of Panama.*