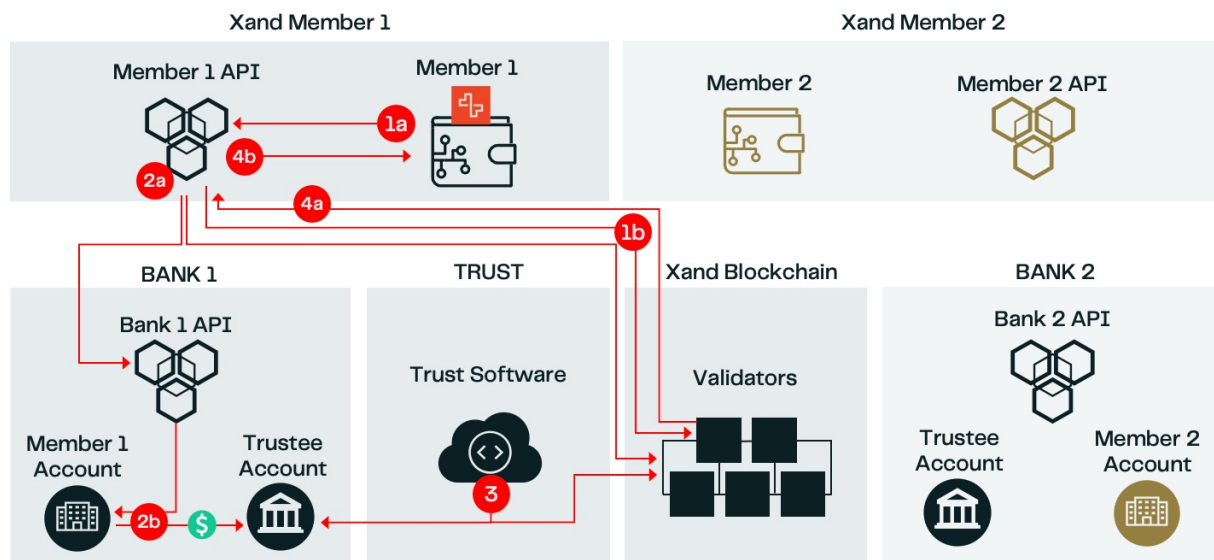


Transaction Lifecycle on a Xand Network

Transfer of Claims Between Members

1. Member instructs the member software to create Claims (1a). The member software sends a "Create Request" transaction to be validated and recorded on the Xand blockchain (1b).
2. The member software calls the bank API to transfer funds (2a). Funds are transferred from the member's account to the trust's account within the same bank (2b). (Note: This is the only step in the creation of claims process where funds are moving.)
3. The trust software observes the "Create Request" transaction on the Xand blockchain (3a) and queries the trust's account via bank API to verify that the member's deposit was received (3b). The trust software matches the "Creation Request" transaction with the deposit in the Trust account and sends a "Cash Confirmation" transaction to be validated and recorded on the blockchain (3c).
4. The member software observes the "Cash Confirmation" transaction on the blockchain (4a). The member Claim balance is updated to reflect the completed "Cash Confirmation" transaction (4b). The member can now transfer Claims to any other Member on the Xand Network.

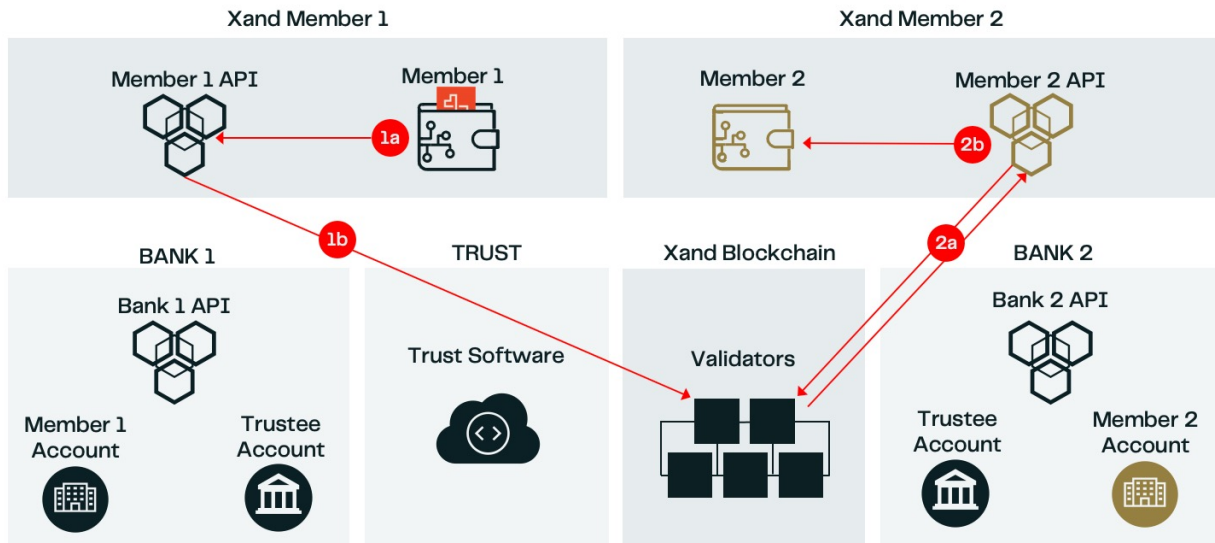
Xand Architecture – Create Transaction



Transfer of Claims Between Members

1. Member 1 instructs their member software to send Claims to member 2 (1a). The Member 1 software creates and transmits a "Send" transaction to be validated and recorded on the blockchain (1b).
2. The member 2 software observes the "Send" transaction on the blockchain (2a). Member 2 balance is increased to reflect the transfer of Claims (2b).

Xand Architecture – Send Transaction



Redemption of Claims

1. Member instructs their member software to redeem Claims for funds (1a). The member software transmits a “Redeem Request” transaction to be validated and recorded on the Xand blockchain (1b). These Claims are destroyed, removing them from circulation.
2. The trust software observes an unfulfilled “Redeem Request” transaction on the Xand blockchain.
3. The trust software calls the bank API to transfer funds (3a). The funds are transferred from the trust’s account to the member’s account within the same bank (3b), fulfilling the redemption. *(Note: This is the only step in the redemption of claims process where funds are moving.)*
4. The trust software calls the bank API to confirm execution of the fund transfer from the trust’s account to member’s account (4a) and transmits a “Redemption Fulfillment” transaction to be validated and recorded on the blockchain (4b).
5. The member software observes the “Redemption Fulfillment” transaction on the Xand blockchain and the updated member account balance via the bank API. The member balance is updated accordingly.

Xand Architecture – Redemption Transaction

