

**Hedera Council Meeting Minutes**

**Date:** February 9, 2022  
**Time:** 6:00 – 8:00pm ET  
**Location:** Videoconference

**Attendees**

**Avery Dennison:** Pradeep Iyer  
**Boeing:** Brian Jeffords  
**Chainlink:** David Post, William Herkelrath  
**Dentons:** Kenneth Oh  
**DLA Piper:** Scott Thiel, Mark Radcliffe  
**EDF:** Paul Breslow  
**Google:** Simonas Baksys, Rich Widmann  
**IIT:** Prabhu Rajagopal  
**London School of Economics:** Thamim Ahmed, Carsten Sorensen  
**Magazine Luiza:** Simon Olson  
**ServiceNow:** Nicola Attico  
**Shinhan:** Andrew Kim, Daseob Lee, Tae-young Shin  
**Standard Bank:** Gideon Rossouw  
**Swirls:** Bill Miller, Arlan Harris, Natalie Furman  
**TATA Comm:** Ankur Jindal  
**Ubisoft:** Oscar Navarro, Nicolas Pouard, Guillaume Tormo  
**University College London:** Paolo Tasca, Nikhil Vadgama, Riccardo Piselli, Juan Ibanez  
**Zain:** Richard McNamara

**Hedera Officers/Staff**

Brett McDowell, Chair  
Mance Harmon, CEO  
Dr. Leemon Baird, Chief Scientist  
Young Cho, CFO  
Christian Hasker, Chief Marketing Officer  
Samuel Brylski, Chief Compliance Officer & Regulatory Counsel  
Tom Sylvester, General Counsel & Secretary  
Atul Mahamuni, SVP Product

**Guests**

Ken Herzinger, Paul Hastings LLP  
Josh Planton, VTM Group  
Jessica Zuver, VTM Group  
April Denning, VTM Group

**Members Not Present**

DBS  
Deutsche Telekom  
eftpos  
FIS/Worldpay  
IBM  
LGE  
Nomura Holdings  
Wipro

**Summary of actions taken at meeting**

- Minutes. Council members approved the minutes from the Council meeting held on Nov. 17, 2021.
- Staking rewards. Council members approved the development of a permissionless staking rewards model.
- Committee policy. Council members approved updates to the Committee Policy and delegated authority to the Chair to implement the policy.

**Call to Order & Introductions**

**Brett M. McDowell**  
*Chair*

Brett M. formally called the meeting to order and welcomed Council Members to the second Council meeting of 2022. Tom S. reminded the Council that this meeting is being held under the terms of Hedera’s antitrust and market integrity policies.

After being moved and seconded, the Council Members unanimously approved the agenda as presented for the meeting. Later in the call Brett M. welcomed new members and all members were provide with an opportunity to introduce themselves.

After being moved and seconded, the Council members approved the minutes from the Council meeting held on January 12, 2022.

### **Staking Program Proposals**

Leemon B. provided background on proof-of-stake DLT networks. He noted that automatic staking had not yet been implemented on the Hedera network, and that implementing automatic staking is essential to further decentralization and protecting network security.

**Dr. Leemon Baird**  
Chief Scientist

Leemon B. reviewed the timeline for launching staking on the Hedera network. The main decision before the Council is to determine if it will implement a permissionless or permissioned staking rewards model. He reviewed staking models used by other layer-1 proof-of-stake networks and noted that Hedera's competitors all use a permissionless staking rewards model.

Leemon B. summarized the Treasury Management & Coin Economics Committee's recommendation to adopt a permissionless staking rewards model to, among other things, align with market practice and drive decentralization and use of the network.

Sam B. reviewed compliance-related issues and risks that accompany staking, along with risk mitigation steps and policies, such as using an IP geo-location block to prevent users from restricted jurisdictions from using the network. He also observed that a permissionless rewards model is the clear industry standard.

**Sam Brylski**  
Chief Compliance  
Officer & Regulatory  
Counsel

Tom S. summarized the Legal & Regulatory Committee's recommendation to move forward with a permissionless staking rewards model and to continue to monitor the regulatory landscape.

**Tom Sylvester**  
General Counsel &  
Secretary

The Council members discussed staking models and it was agreed that RegCom will continue to monitor regulatory issues relating to the Hedera network and come forward with recommendations if the regulatory landscape changes.

After being moved and seconded, the Council approved implementing a permissionless rewards staking model on the Hedera network.

### **Board Report**

Brett M. agreed to send a Board report out by email to provide more transparency to the Council on Board activities.

**Brett M. McDowell**  
Chair

### **New Committee Policy Proposal**

Brett M. reviewed a proposed updated Committee Policy. The policy is being updated given Hedera's reorganization and to further decentralized governance. Under the new policy, all Committees with delegated authority to take actions or make decisions on behalf of the Council would be required to maintain active representation from a majority of the Council members. If Committees are not able to meet this threshold, they will be deactivated or made an advisory group.

**Brett M. McDowell**  
Chair

Brett M. reminded members that the Council approved an engagement plan to support the ability of Council members to add additional headcount in support of Council activities. He noted that the Board is also reviewing other programs to assist Council members with dedicating resources.

After being moved and seconded, the Council approved the updated Committee Policy as presented.

Brett M. clarified that new Committee Charters that align with the updated Committee Policy will also be circulated for approval by the Council, and Simon O. suggested that the developer engagement aspects of the policy be moved under engineering's scope and responsibilities.

After being moved and seconded, the Council approved delegating authority to Brett M. to manage the implementation date of the recently approved Committee Policy changes.

**TechCom Report**

**Dr. Leemon Baird**  
Chief Scientist

Leemon B. shared the updates to the Hedera Technical Roadmap, stating that Update was launched on mainnet in January and has been thoroughly tested. Other major changes include Smart Contract 2.0 service, which benefits include increased speed, more memory, and integration with HTS.

TechCom has also approved several Hedera Improvement Proposals (HIPs) that were requested and developed by community members. TechCom continues to see good participation from Council members.

**CoinCom Report**

Leemon B. stated that CoinCom has been focused primarily on staking and staking reward pricing over the past few months. CoinCom is also reviewing a draft Treasury Management Policy document. CoinCom continues to see good participation from members.

**RegCom Report**

**Tom Sylvester**  
General Counsel  
& Secretary

Tom S. noted that RegCom has been focused on staking rewarding models in its recent meetings and that attendance had increased for such meetings.

**Any Other Business**

**Brett M. McDowell**  
Chair

Council Members were reminded of the open e-ballot to approve the proposed amendments to Hedera's LLC agreement.

Brett M. shared that the intention is for the Council to continue to meet monthly for the next several months, and that meeting length will be reduced to 90 minutes.

The meeting was adjourned.

**Actions taken or ratified by the Hedera Council by written consent (Jan. 13, 2022 – February 9, 2022)**

*None*