

**Hedera Council Meeting Minutes**

**Date:** July 13, 2022  
**Time:** 6:00 – 7:30pm ET  
**Location:** Videoconference

**Attendees**

**Boeing:** Brian Jeffords  
**Chainlink:** Seena Foroutan  
**Dentons:** Kenneth Oh  
**DLA Piper:** Scott Thiel, Mark Radcliffe, Andrew Gastwirth  
**EDF:** Paul Breslow, Arnav Shah  
**eftpos:** Ben Tabell  
**FIS/Worldpay:** Che Cabrerros, Saiprasad Raut  
**Google:** Simonas Baksys  
**IBM:** Shyam Nagarajan  
**LSE:** Carsten Sorensen  
**Magazine Luiza:** Simon Olson  
**Nomura:** Yu Ori  
**Shinhan Bank:** Minjoo Kim, Daseob Lee, Tae-young Shin  
**Swirls:** Dr. Leemon Baird, Mance Harmon, Bill Miller, Arlan Harris, Natalie Furman  
**UCL:** Paolo Tasca, Nikhil Vadgama, Riccardo Piselli, Juan Ibanez

**Hedera Staff/Contractors**

Brett McDowell, Chair  
Young Cho, CFO & Treasurer  
Tom Sylvester, General Counsel & Secretary  
Samuel Brylski, Chief Compliance Officer & Regulatory Counsel  
Alex Popowycz, Chief Information Officer  
Jason Brett, Key Bridge Advisors  
Jeff Tchui, BCW Group  
Josh Planton, VTM Group  
Jessica Zuver, VTM Group  
Lionel Chocron, Swirls Labs  
Atul Mahamuni, Swirls Labs  
Christian Hasker, Swirls Labs  
Cate Papez, Swirls Labs  
Zenobia Godschalk, Swirls Labs  
Ken Anderson, LaunchBadge

**Members Not Present**

Avery Dennison  
DBS  
Deutsche Telekom  
IIT (Madras)  
LGE  
Service Now  
Standard Bank  
TATA Communications  
Ubisoft  
Wipro  
Zain

**Guests**

Elaine Song, HBAR Foundation  
Josh Sroge, HBAR Foundation

**Summary of actions taken at meeting**

- **Treasury transfer.** The Council members approved the transfer of 2.35 billion hbars from Hedera's Treasury to staff-controlled administrative accounts to be able to meet potential coin distribution obligations in H2 2022 (NB: It is not expected that all coins will be distributed in H2 2022).

**Call to Order & Introductions**

Brett M. called the meeting to order and welcomed Council members to the seventh Council meeting of 2022. Tom S. reminded the Council members of Hedera's antitrust and market integrity policies.

**Brett McDowell**  
Chair

**June Meeting Minutes**

Tom S. reviewed the proposed redline edits to the minutes based on feedback from Council Members, and it was agreed that revised minutes would be voted on at a future meeting.

**Tom Sylvester**  
General Counsel &  
Secretary

**Board & Committee Chair Elections**

Brett M. reviewed the results of the recent Board election and noted that the Council would now move forward with elections for Committee co-chair roles for the Legal & Regulatory Committee, Corporate Utilization Committee, and Membership Committee. The Technical Steering & Product Committee and the Treasury Management & Coin Economics Committee currently both have two co-chairs.

**Brett McDowell**  
Chair

**Strategic planning**

Brett M. shared that the BCW Group will be joining Hedera meetings for the next few weeks as they work with staff and the Board on a strategic plan. Jeff T. from the BCW Group summarized how BCW and Hedera have been engaging with one another on ecosystem development. He also shared that the plan's objectives focus on network utilization, enterprise use cases, open-source implementation, and standardization.

**Jeff Tchui**  
BCW Group**HBAR Foundation update**

Josh S. and Elaine S. from the HBAR Foundation provided an update on the Foundation's work and steps they have taken in response to market conditions. They noted that demand for grants has increased and that use cases are evolving quickly.

**Josh Sroge**  
HBAR Foundation**Elaine Song**  
HBAR Foundation**Treasury Management & Coin Economics Committee Report**

Dr. Leemon B. provided an update on the implementation of staking on the Hedera network. He reminded Council Members that staking would be a phased process, and the technical functionality for staking would be implemented before the actual launch of providing rewards to users who contribute to the security to the network by staking their coins. The Council Members discussed the importance of clear communication to the public regarding the phased roll-out of staking features.

**Dr. Leemon Baird**  
CoinCom Chair

Leemon noted that CoinCom had approved initial parameters for the initial phase of technical development, including a reward rate of 0 hbars per year (which will be changed when staking rewards begin), the reward cap, the minimum and maximum stakes per node, and the minimum number of hbars that must be in the rewards account (Account 0.0.800) before staking rewards will begin.<sup>1</sup> He also explained that, while currently 100% of network usage fees go to the Hedera Treasury account 0.0.98, in the future the Council Members may want to direct a portion of network usage fees to the staking rewards account, to ensure the staking rewards program will be self-sustaining.

**Legal & Regulatory Committee Report**

Jason B. shared that RegCom is preparing a response to the US Department of Treasury's [request for comments](#) related to White House Executive Order 14067, "Ensuring Responsible Development of Digital Assets."

**Jason Brett**  
Key Bridge  
Advisors**Treasury Approval & Financial Review**

Young C. requested that the Council members approve the transfer of 2.35 billion hbars from Hedera's Treasury to meet potential distribution obligations in 2H 2022. Young explained that, to avoid having to go back and seek further approval if the coin price drops, the requested allocation assumes a \$0.04 HBAR price, and thus it is not the case that the full allocated number of coins will be distributed. The allocations were as follows:

**Young Cho**  
CFO & Treasurer

- 1.2 billion coins for SAFT holders
- 375 million coins for Token Purchase Agreement holders
- 625 million coins for employee compensation (including the co-founders)
- 35 million coins for advisors and vendors
- 75 million coins as compensation for Board members, committee chairs, and transaction signers (though to receive coins they will have to meet minimum service level thresholds)
- 40 million coins for Council member engagement programs (to be developed and approved by the Compensation Committee).

The Council members also discussed the current economic climate. Simon O. suggested that Hedera consider conducting a review of current costs and practices to see if there were ways to streamline operations or identify savings. It was agreed that the Hedera Board members would work with

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<sup>1</sup> For more information on the phased implementation of staking, see <https://hedera.com/blog/introducing-native-staking-phase-1-on-the-hedera-network>.

interested Council representatives to review Hedera's finances to ensure prudent spending and maintain Hedera's financial health, and report back to the Council members.

The Council members then met in an executive session, after which the meeting was adjourned.

**Actions taken or ratified by the Hedera Council by written consent (June 16, 2022 – July 13, 2022)**

On June 24, 2022, the Council members elected the following individuals to the Hedera Board of Directors to serve terms from July 1, 2022, through December 31, 2023:

- **Tasker Generes**, Vice President of Vision and Innovation, ServiceNow
- **Monique Morrow**, Senior Distinguished Architect of Emerging Technologies, Syniverse
- **Shyam Nagarajan**, Executive Partner, Web3.0 and Sustainability, IBM Consulting
- **Ian Putter**, Head Blockchain Centre of Excellence, Standard Bank Group