

Hedera Council Meeting Minutes

Date: January 11, 2023
Time: 6:00pm ET
Location: Videoconference

Council Member Attendees

abrdn plc: Duncan Moir
Avery Dennison: Pradeep Iyer
Boeing: Brian Jeffords
Dell¹: David Fraturra, Gaurav Chawla
DLA Piper: Mark Radcliffe, Andy Gastwirth, Kristi Swartz, Michelle Lee
EDF: Julien Pestourie
eftpos: Ben Tabell, May Lam, Tim Johnson
FIS/Worldpay: Saiprasad Raut
Google: Simon Baksys, Rich Widmann
IBM: Bhargav Perepa
LGE: Tony Jang, Paulo Lee
Magazine Luiza: Simon Olson
Service Now: Tasker Generes, Shuchi Rana
Shinhan Bank: Daseob Lee, Minju Kim
Swirls, Inc.: Dr. Leemon Baird, Mance Harmon, Bill Miller, Arlan Harris, Natalie Furman
UCL: Nikhil Vadgama, Paolo Tasca

Hedera Staff/Contractors

Brett McDowell, Chair
Betsabe Botaitis, Chief Financial Officer
Alex Popowycz, Chief Information Officer
Nilmini Rubin, Chief of Staff & Head of Global Policy
Sam Brylski, Chief Regulatory Officer
Tom Sylvester, General Counsel & Secretary
Gregory Schneider, Deputy General Counsel
Kate Ball, Director of Legal Operations & Senior Counsel
Janice Carroll, Director of Membership Operations
Brad Wells, Director of Compliance Operations
Jason Brett, Key Bridge Advisors, LLC
Young Cho, Swirls Labs
Christian Hasker, Swirls Labs
Atul Mahamuni, Swirls Labs
Cate Papez, Swirls Labs

Members Not Present

Chainlink	Nomura
DBS	Standard Bank
Dentons	TATA Communications
Deutsche Telekom	Ubisoft
IIT (Madras)	Wipro
LSE	Zain

Summary of actions taken at meeting:

- **Minutes:** The Council members approved the October 8-9 and December 14, 2022 meeting minutes.
- **Director Compensation:** The Council members approved the formation of a group of no less than five Council members—all of whom must be unaffiliated with current Directors—to clarify service level requirements in the Hedera Director Compensation Plan.

Actions taken or ratified by the Hedera Council by written consent (December 14, 2022 - January 11, 2023)

- **Board Election:** On December 14, 2022, the Council members elected the following persons to the Council's Board of Directors for the term of January 1, 2023 to December 31, 2024:
 - Pradeep Iyer, Founder, Satvatma LLC (representative for Avery Dennison)
 - Brian Jeffords, Information Technology Director, Boeing
 - Scott Thiel, Founder & Entrepreneur-in-Residence, TOKO by DLA Piper
- **Committee Co-Chair Election:** On December 22, 2022, the Council members elected the following Committee Co-Chairs for the term of January 1, 2023 to December 31, 2024:
 - **CoinCom Co-Chair:** Dr. Leemon Baird, Swirls
 - **MemCom Co-Chair:** Simon Olson, Magazine Luiza (Magalu)
 - **RegCom Co-Chair:** Kristi Swartz, DLA Piper
 - **TechCom Co-Chair:** Dr. Leemon Baird, Swirls

¹ Admission pending public announcement per LLCA Section 4.3(f). **Note:** Dell's membership was announced on February 7, 2023.

Call to Order & Introductions**Brett McDowell**
Chair

Brett M. called the meeting to order and welcomed Council members to its first meeting of 2023.

Approval of Meeting Minutes**Tom Sylvester**
General Counsel &
Secretary

Tom S. reviewed the minutes from the October 8-9, 2022 meeting and, after being moved and seconded, the Council members approved the minutes. He then reviewed the minutes from the December 14, 2022 Council meeting and, after being moved and seconded, the Council members approved the minutes.

Corporate Utilization Committee (“CorpCom”) Report**Andrew Gastwirth**
DLA Piper

Andy G. and Sai R. shared that CorpCom attendance continues to grow. They explained that CorpCom will be moving to “themed” meetings for 2023 with the goal of helping attendees learn about existing reference architecture to accelerate go-to-market strategies by prospective network users. Recent CorpCom presentations have addressed topics including commodities, carbon credits, and identity verification use cases.

Saiprasad Raut
FIS/Worldpay

Brett M. encouraged Council member representatives to invite colleagues to CorpCom meetings in order to discuss and evaluate use cases.

Membership Committee (“MemCom”) Report**Simon Olson**
Magalu

Simon O. summarized MemCom’s recent activities as it works to recruit and evaluate prospective members to fill the eleven open Council seats. MemCom continues to refine objective criteria for Council members to ensure an efficient and successful recruitment process. MemCom has been liaising with The Hbar Foundation to refine membership criteria and learn from The Hbar Foundation’s experience working within the Hedera ecosystem.

Bill Miller
Swirls, Inc.

In 2023, in addition to work on Council recruitment, MemCom plans to evaluate and enhance engagement of existing Council members.

Treasury Management & Coin Economics Committee (“CoinCom”) Report**Dr. Leemon Baird**
Swirls, Inc.

Dr. Leemon B. updated Council members on CoinCom’s recent discussions regarding staking. Because staking contributes to the security of the network, CoinCom has analyzed staking rewards in depth. CoinCom has analyzed staking rewards on analogous DLT networks and compared their reward rates to Hedera’s current reward rate. CoinCom has also considered likely TPS growth rate, account growth rate, and funding from outside sources to inform its staking recommendations. Funding for staking accounts will continue to be discussed in the next few months.

Paolo Tasca
UCL**Technical Steering & Product Committee (“TechCom”) Report****Dr. Leemon Baird**
Swirls, Inc.

Dr. Leemon B. updated Council members on TechCom’s recent decisions regarding feature releases. Specifically, the following feature releases were deferred from Q4: Smart Contract Tooling; Smart Contract Traceability; Scheduled Transactions; Smart Contract Validation; Testability Improvements; and Mirror Node Citus.

Saiprasad Raut
FIS/Worldpay

Since the last Council meeting, TechCom approved the following: Recommendation to the Board to remove Hedera mainnet software “Beta” label; Hedera Improvement Proposal (HIP) 631 for Account Virtual Addresses; and (HIP) 632 Hedera Account Service (HAS) System Contract.

Legal & Regulatory Committee (“RegCom”) Report**Rich Widmann**
Google

Rich W. shared that RegCom attendance had been up due to recent industry developments. He welcomed recently elected Co-Chair, Kristi Swartz, who is a partner at DLA Piper and is located in Hong Kong. In 2023, RegCom will increase its focus on global regulations and policy. RegCom will also coordinate with other Council committees to provide proactive feedback and input related to the governance process.

Kristi Swartz
DLA Piper

Committee Policy Update

Brett M. stated that a 2023 priority will be delegating more authority to Council committees, as they grow and become more active. Brett addressed the proposed revisions to Hedera's Committee Policy, which had been presented at the December Council meeting. Council member feedback at that time was for Hedera staff to collect more data regarding Council participation, which Brett presented and discussed. Council members opted to continue discussing Committee attendance and defer a decision on the updated Committee Policy to a subsequent meeting.

Brett McDowell
*Chair***Marketing Committee**

Brett M. discussed the idea of re-activating a marketing committee, which had been dissolved in May 2021. The goal of the renewed marketing committee would be to provide guidance, direction and coordination with Hedera's marketing service providers. The proposal would be for marketing professionals associated with Council Members to serve on the committee. If Council members opt to renew this committee, Hedera staff will develop and propose a charter.

Brett McDowell
*Chair***World Economic Forum**

Nilmini R. provided an update on the Hedera's planned activities at the World Economic Forum in Davos, including the "Hedera Haus" (a carbon negative space), programming highlights, and a specific panel in which the Hedera Chair will discuss digital identification use cases.

Nilmini Rubin
*Chief of Staff &
Head of Global
Policy***Q2 2023 In-Person Council Meeting Update**

Brett M. thanked Council member Google for offering to host the Q2 2023 Council meeting, which will take place May 19-21 at the Google Cloud HQ in Sunnyvale, CA.

Brett McDowell
*Chair***Board Compensation Plan**

Tom S. noted a desire to clarify service level requirements in the Board compensation plan. After being moved and seconded, Council members approved authorizing a group of no less than five Council member representatives—all of whom must be unaffiliated with current Directors—to approve clarifications to the service level requirements for the Hedera Director Compensation Plan.

Tom Sylvester
*General Counsel &
Secretary*

The meeting was adjourned.