

Hedera Council Meeting Minutes

Date: October 18, 2023

Time: 9:00 a.m. EST

Location: Zoom

Council Member Attendees

abrdn plc: Duncan Moir

Avery Dennison: Pradeep Iyer

Boeing: Brian Jeffords

COFRA: Anil Nashier, Jheroen Muste

Dell: David Fraturra, Steve Todd

Dentons: Yi Jing Teo

Deutsche Telekom: Dirk Thatmann

DLA Piper: Andy Gastwirth, Kristi Swartz, Scott Thiel, Ian Jebbitt

FIS/Worldpay: Saiprasad Raut, Che Cabrerros

Google: Simon Baksys, Rich Widmann

IBM: Shyam Nagarajan, Sumabala Nair, Venkat Vairavan

IIT (Madras): John Augustine

LGE: Tony Jang, Paulo Lee

LSE: Thamim Ahmed, Carsten Sorensen

Magazine Luiza: Simon Olson

Nomura/Laser Digital: Yu Ori, Olivier Dang (Laser Digital),

Toshinori Ishibashi (Laser Digital)

Service Now: Tasker Generes, Shuchi Rana, Nicola Attico

Shinhan Bank: Daseob Lee, Minju Kim

Standard Bank: Ian Putter

Swirls: Dr. Leemon Baird, Mance Harmon, Bill Miller,

Arlan Harris, Natalie Furman

UCL: Nikhil Vadgama, Paolo Tasca

Independent Director Attendees

Monique Morrow, Independent Board Member

Hedera Council Staff

Brett McDowell, Chair & President

Andrew Aitken, Chief Open Source Officer

Kate Ball, Dir. of Legal Operations & Senior Counsel

Betsabe Botaitis, Chief Financial Officer

Mike Cave, Director of Technical Operations

Alex Popowycz, Chief Information Officer

Gregory Schneider, Deputy General Counsel

Tom Sylvester, General Counsel & Secretary

Vanessa Valentine, Manager of Committee Operations

Brad Wells, Director of Compliance Operations

Swirls Labs

Eric Piscini

Young Cho

Zenobia Godschalk

Christian Hasker

Cate Papez

Advisors

Jason Brett, Key Bridge Advisors, LLC

Members Not Present

Chainlink TATA Communications

DBS Ubisoft

EDF Wipro

eftpos Zain

Summary of actions taken at meeting:

- September Minutes: The Council members approved the minutes from their September 13 meeting.

Actions taken or ratified by the Hedera Council by written consent (Sept. 13, 2023 to Oct. 18, 2023)

- August Minutes: The Council members approved the minutes from their August 9 meeting (Oct. 5, 2023).

Call to Order

After being welcomed to the meeting, the Council members briefly discussed the November in-person Council meeting to be held in Singapore. Several agenda items lay the groundwork for issues to be discussed and voted on in Singapore.

Brett M. called the meeting to order and, after being moved and seconded, the meeting agenda was adopted.

Brett McDowell
Chair & President

Approval of Meeting Minutes

Tom S. reviewed the minutes from the September 13, 2023 Council meeting and members offered some minor corrections. After being moved and seconded, the Council members approved the minutes as revised during the meeting.

Tom Sylvester
General Counsel &
Secretary

Update on Board Oversight Committee proposal**Tom Sylvester**
General Counsel &
Secretary

Tom reminded the Council members that, as Board members can't vote on matters related to their own compensation, previously the Council has determined such matters either by voting at the Council member level or by delegating authority to a sub-group of disinterested Council members. To try to make that process more effective and efficient, there was a proposal for a Board oversight committee that, if approved, would have authority to decide matters involving Council programs or initiatives that could involve payment to directors. Tom shared the key terms of a draft charter for such a committee and added that the legal team was working on other policy proposals to further reduce or eliminate potential conflicts of interest. He invited Council members to share any feedback for the legal team to incorporate in the proposals being developed for the Council's consideration at its November meeting.

Treasury Allocation Request**Brian Jeffords**
Director, Boeing

Brian J., in his capacity as a member of the Board's Finance Committee ("**FinCom**"), presented background to a Treasury allocation request that the Board anticipates making to the Council members in November.

Betsabe Botaitis
Chief Financial
Officer & Treasurer

Brian reviewed the current hbar allocation and shared projections based on certain assumptions of key drivers, including network TPS and transaction mix. Referencing the [Treasury Management Report](#), he explained that certain categories of expenses, such as Initial Development Costs & Licensing, Purchase Agreements, and Network Governance & Operations, are largely predetermined based on pre-existing obligations and commitments. He explained that the allocation to Ecosystem & Open Source Development, though, is more flexible and contingent upon the decisions of the Council members. He shared that the Board is seeking feedback from Council members regarding the extent to which the Council members want to manage the allocation of ecosystem development requests versus delegating such authority to the Board. Specific ecosystem development requests from independent third parties within the Hedera ecosystem will be presented and addressed in the November meeting.

The Council members discussed the Board's treasury management analysis, including the model's assumptions and the sensitivity of various factors to the underlying assumptions. Brian explained that certain drivers are within the control of the Council members and some are not. The Council members also discussed network economic targets for long-term sustainability and agreed to prepare for treasury management decisions in November.

Year-End Election Process**Brett McDowell**
Chair & President

Brett M. discussed the upcoming elections for open director and committee chair positions for the 2024-25 term, noting that four Board seats and five committee co-chair seats (one for each of CoinCom, TechCom, CorpCom, MemCom, and RegCom) will open up in 2024. Hedera Council staff will issue a call for nominations during or shortly after the November meeting. Elections will run through December 2023.

MemCom Update**Simon Olson**
Magalu

Simon O., in his role as MemCom co-chair, provided an update on the pipeline of prospective Council members and shared that, shortly after the meeting, an e-ballot would be issued to the Council members to vote on a prospective member.

Any Other Business**Brett McDowell**
Chair & President

Brett M. updated the Council members on the Hedera Council's ongoing search for a new President and reported that the Board is interviewing a strong pool of candidates.

The meeting was adjourned.