**Hedera Council Meeting Minutes**

**Dates/Times:**
November 8, 2023 9am – 6pm SGT
November 9, 2023, 9am – 6pm SGT
November 10, 2023, 9am – 12pm SGT
**Location:** VOCO Orchard Hotel Singapore

*Council Member Attendees*
**abrdn plc:** Duncan Moir
**Australian Payments Plus:** Rob Allen
**Avery Dennison:** Pradeep Iyer
**Boeing**: Brian Jeffords
**COFRA:** Jheroen Muste, Anil Nashier
**Dell:** David Frattura
**Dentons:** Kenneth Oh, Teo Yi Jing
**Deutsche Telekom:** Dirk Thatmann
**DLA Piper:** Kristi Swartz, Scott Thiel, Ian Jebbitt
**EDF:** Christophe Nappez, Zhang Huajun, Morgan Philippon
**FIS/Worldpay:** Saiprasad Raut
**IBM**: Shyam Nagarajan, Sumabala Nair
**IIT (Madras):** John Augustine
**LG:** Tony Jang, Paulo Lee, Samuel Byungsun Park
**LSE:** Thamim Ahmed, Carsten Sorensen, Dr. Ahmed Khan
**Magazine Luiza:** Simon Olson
**Service Now**: Shuchi Rana, Tasker Generes
**Shinhan Bank:** Daseob Lee, Minju Kim
**Swirlds, Inc.:** Dr. Leemon Baird, Mance Harmon, Bill Miller, Arlan Harris
**UCL:** Nikhil Vadgama, Paolo Tasca
**Standard Bank:** Ian Putter, Shaveen Bageloo
**Zain:** Richard MacNamara

*Independent Director Attendees*
Monique Morrow, Independent Board Member

*Members Not Present*

| | |
|---|---|
| Chainlink | TATA Communications |
| DBS | Ubisoft |
| Google | Wipro |
| Nomura/Laser Digital | |

*Hedera Staff*
Brett McDowell, Chair & President
Andrew Aitken, Chief Open Source Officer
Betsabe Botaitis, Chief Financial Officer
Alex Popowycz, Chief Information Officer
Nilmini Rubin, Chief Policy Officer
Tom Sylvester, General Counsel & Secretary
Ian Utile, Chief of Staff
Vanessa Valentine, Manager of Committee Operations

*Swirlds Labs*
Christian Hasker
Eric Piscini

*The Hashgraph Association*
Kamal Youssefi
Stefan Deiss

*The HBAR Foundation*
David Cramer
Shayne Higdon
Josh Sroge

*DLT Science Foundation*
Boris Battistini

*Additional Guests*
Jason Loh, Rekursive Labs
Joshua Wong, Rekursive Labs
Zhaotan Xiao, REDEX
Guai Ti Howe, REDEX
Prospective Council Member representatives (*confidential*)

**Summary of actions taken at meeting:**

- GovCom Charter. The Council members approved an amendment to RegCom's charter to change its name to the Government Affairs Committee ("GovCom") and revise the purpose statement to reflect the new focus on government affairs.

- Approval of Renewal Term for 13 Council Members. The Council members approved the renewal terms of the following Council Members, which such terms shall start on January 1, 2024 and end on December 31, 2026 unless otherwise terminated in accordance with Hedera's LLC Agreement:
    - *Deutsche Telekom AG*
    - *DLA Piper Investments Limited*
    - *Magazine Luiza, S.A.*
    - *Tata Communications (America) Inc.*
    - *The Boeing Company*
    - *International Business Machines Corporation*
    - *Worldpay, LLC*
    - *Nomura Holdings, Inc.*
    - *Google, LLC*
    - *Wipro Limited*
    - *University College London*
    - *Mobile Telecommunications Company K.S.C.P. (d/b/a Zain Group)*
    - *LG Electronics, Inc.*

- Ethics and Integrity Policy. The Council members approved the proposed structure and key terms of an Ethics & Integrity Policy, which would incorporate and expand existing policies in one document. The Council Members directed the General Counsel to call a "Committee-of-the-Whole" to determine the terms of Contributor Rewards for Directors in 2024 and Director eligibility for recruitment rewards, with such Committee having delegated authority to determine such matters on the Council's

behalf. The Council Members also directed the General Council to finalize the full Ethics & Integrity Policy and (i) present the full policy to the Board for its approval; and (ii) distribute the final approved policy to the Council Members.

- Committee Policy Amendments.

  o The Council Members approved the concept of "committee leadership teams" (committee chairs, a Chair-appointed Board liaison, and applicable Hedera officer or senior staff member) and directed the Secretary to amend the Committee Policy to codify the concept and state that such teams are expected to meet at least once per month in between committee meetings.

  o The Council Members also directed the Secretary to amend the Committee Policy as follows:

    ▪ Committee Chair contributor rewards shall be examined and approved on an annual basis;

    ▪ For decisions impacting Hedera policies, delegates shall vote by roll call, re-ballot, or other affirmative indication of intent;

    ▪ Committee Chairs shall set annual objectives to be approved by the Council Members and shall provide quarterly reports to the Council Members;

    ▪ Committees charters shall be published and Council minutes shall include committee actions/decisions in which committees exercised delegated authority.

- Hedera Contributor Rewards Plan. A committee-of-the-whole, composed of active Council members unaffiliated with a current Hedera Director and acting with delegated authority from the Council members, approved updated Director participation requirements to be inserted into the Hedera Contributor Rewards Plan effective as of January 1, 2024.

- Membership Committee Charter. The Council Members directed the Secretary to update MemCom's charter to include member engagement within its responsibilities.

**Actions taken or ratified by the Hedera Council by written consent (October 18, 2023 - November 8, 2023)**

- The Council members voted to approve the application of Hitachi America, Ltd. to join the Hedera Council, contingent upon Hedera's receipt of a signed Joinder Agreement. Hitachi will be notified and its term will begin on the date of the public announcement as set forth in Hedera's LLC Agreement.

*Call to Order & Introductions*

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

**Brett McDowell**
*Chair*

*Committee Reports*

*Regulatory & Policy Committee Report*

Kristi S. and Nilmini R. summarized the current policy landscape applicable to distributed ledger technologies. Kristi reviewed global developments in public policy matters, including the Payment Services Act in Singapore, new regulatory regime for VATPs in Hong Kong, MiCA in the UE, and VARA in Dubai. Nilmini R. also summarized recent regulatory developments in the United States.

Kristi S. and Nilmini R. summarized GovCom's accomplishments for 2023 and objectives for 2024. The Committee proposed an amendment to its charter to rename the Committee the "Government Affairs Committee" ("GovCom") and explicitly include "government affairs" in the Committee's purpose statement. After being moved and seconded, the Council members **APPROVED** the proposed amendment.

GovCom's objectives in 2024 include positively impacting the policy landscape in the United States, European Union, and United Kingdom, as well as increasing engagement with policymakers in Asia and the Middle East. GovCom will focus on activities that will have a high-level impact on policymakers, inspire and catalyze the efforts of others, and reinforce Hedera's prominence and legitimacy. Kristi and Nilmini discussed several internal and external goals, including specific partnerships and events Hedera will prioritize in 2024.

GovCom also shared a recent amendment to Hedera's Code of Conduct that relates to public policy-related statements made by individuals who note their Hedera affiliation.

**Kristi Swartz**
*DLA Piper*

**Nilmini Rubin**
*Chief Policy Officer*

*Membership Committee Report*

MemCom's Co-Chairs, Bill M. and Simon O., updated the Council Members on MemCom's recent activities. MemCom continues to strike a balance between maintaining a strong pipeline and upholding high membership standards.

Bill M. and Simon O. discussed a potential new program in which smaller entities could participate as Council "affiliates" or "associates," with some but not all of the benefits and obligations of being a full Hedera Council Member.

The Council Members discussed pros and cons of the proposal. MemCom will continue to brainstorm and revisit the proposal at a later date.

**Bill Miller**
*Swirlds, Inc.*

**Simon Olson**
*Magalu*

*Technical Steering & Product Committee Report*

TechCom's Co-Chairs, Dr. Leemon B. and Sai R., briefed the Council Members on TechCom's 2023 accomplishments. These accomplishments included completing certain staking phases and advancing smart contract usability and the GRP-C proxy. TechCom's 2024 plans are focused on six themes: (i) decentralization, (ii) open source onboarding, outreach, and development, (iii) next gen tokenization, (iv) community HIPs, (v) network innovations, and (vi) decentralized identity.

Alex P. discussed mainnet costs, which include node operator costs (expenses related to maintaining file/build servers, entity archives, proxies, and the nodes themselves) and Council network costs (the costs incurred by the Council for state storage, stream storage, and the operation of mirror nodes). Alex discussed opportunities for cost optimization that Hedera will explore in 2024.

Dr. Leemon B. shared plans for the Enterprise Readiness Initiative, which is a joint initiative between TechCom and CorpCom. This initiative will look to define enterprise standards, recommend core and ecosystem features, conduct a gap analysis, and update the technical roadmap using collaborative tools and ranked voting for prioritization. Dr. Leemon B. shared a phased approach that will begin sixty days after the Council meeting and will aim to conclude with an updated roadmap by mid-2024.

**Dr. Leemon Baird**
*Swirlds, Inc.*

**Saiprasad Raut**
*FIS/Worldpay*

**Alex Popowycz**
*Chief Information Officer*

*Coin Economics Committee Report*

Dr. Leemon B. and Dr. Paolo T. discussed CoinCom's progress against its 2023 goals. CoinCom successfully executed against the responsibilities set forth in its charter, including managing pricing of network services, contributing to the staking task force, managing node subsidies and rewards, and reviewing and advising on the Treasury Management Report and Policy. CoinCom also worked with the Board's Finance Committee to clarify roles and responsibilities with regard to Hedera's budget.

CoinCom will specifically examine node rewards in 2024 with the goal of paying each node owner enough to run the node plus a minor incentive. The node rewards model depends on a number of factors, including the number of Council and community nodes, TPS growth, and Hedera expenses, among others. CoinCom will also focus on a -sustainable fee/reward dynamic model and continue its analysis of optimal pricing strategies for Hedera network services and the allocation of network revenue..

**Leemon Baird**
*Swirlds*

**Paolo Tasca**
*UCL*

*Marketing Committee Report*

Shuchi R. and Ian J. shared MarCom's goal of supporting adoption of the Hedera network. Since its inception in May 2023, MarCom has focused its attention on transparency around marketing activities and evaluating and reporting ROI on marketing spend.

MarCom has made several key changes to the 2024 marketing plan. These changes include additional emphasis on enterprise marketing, revised and updated marketing themes, regular and transparent reporting, and increased support of open source efforts. MarCom also presented its target audience and mix of marketing spend for 2024, which represents a consensus reached at the recent Hedera leadership meeting in London. MarCom's approved messaging framework for 2024 represents an updated and collaborative effort between MarCom and the Council members.

**Shuchi Rana**
*ServiceNow*

**Ian Jebbitt**
*DLA Piper*

*Corporate Utilization Committee Report*

***Sai Raut***
*FIS/Worldpay*

Sai R. updated the Council on CorpCom's progress against its 2023 goals, which include expanding awareness and support within the Hedera ecosystem, increasing meeting participation, partnering with various organizations to assist in bringing use cases to market, and developing a comprehensive repository of resources. One accomplishment in 2023 was CorpCom's shift to themed meetings in order to increase engagement and better serve its members. Popular themes from 2023 included on-chain finance, ESG/sustainability, consumer engagement and brand loyalty, and decentralized identity.

CorpCom's goals for 2024  include deploying Hedera ambassadors, working with MarCom on the development of strong enterprise-level marketing, and promoting key Hedera Improvement Proposals. CorpCom will also streamline the process for guests to join meetings and present their use cases in order to accelerate the sharing of knowledge.

***Corporate Governance: Board's Budget/Operations Report & Discussion***

***Brett McDowell***
*Chair*

Brett M. updated the Council Members on the Board's 2023 objectives. These objectives include reducing operational risk for Hedera Network participants, enabling Hedera Network utilization, delivering a sustainable fee/reward model, and increasing trust in the Hedera Network and its governance.

***Brian Jeffords***
*Director*

Brett also discussed the Board's request to allocate certain funds from Hedera's treasury to Board-controlled accounts for designated uses in 2024.  Brian J., in his capacity as a member of the Board's Finance Committee, discussed prior budget figures (both approved and actual). Brian J. specifically discussed the Board's 2024 budget request, which has been presented at prior Council meetings and will be presented for formal approval at a special Council meeting in early December.

The Council Members discussed the budget, and Brett concluded by reminding the Council Members that a formal treasury request is forthcoming.

**Secretary's Proposals**

***Tom Sylvester***
*General Counsel &*
*Secretary*

*Renewal of Council Member Terms*

Tom S. and Brett M. reminded the Council Members that certain Council Members' initial terms expire on December 31, 2023. As set forth in Schedule 1 of the Hedera LLC Agreement, these Council Members are:

***Brett McDowell***
*Chair*

1. *Deutsche Telekom AG*
2. *DLA Piper Investments Limited*
3. *Magazine Luiza, S.A.*
4. *Tata Communications (America) Inc.*
5. *The Boeing Company*
6. *International Business Machines Corporation*
7. *Worldpay, LLC*
8. *Nomura Holdings, Inc.*
9. *Google, LLC*
10. *Wipro Limited*
11. *University College London*
12. *Mobile Telecommunications Company K.S.C.P. (d/b/a Zain Group)*
13. *LG Electronics, Inc.*

Pursuant to Section 4.3(g) of the Hedera LLC Agreement, each such Council Member shall automatically be nominated for a subsequent three-year term. The Chair is authorized to hold a renewal vote within six months of the expiration of such Council Members' terms.

Brett M. called a vote on the renewal terms of each of the thirteen members listed above. After being moved and seconded, the Council Members (accounting for at least two-thirds of the Members as required by Section 4.3(g) of the Hedera LLC Agreement) voted to **APPROVE** the renewal terms of the listed Council Members. Such terms shall start on January 1, 2024 and end on December 31, 2026 unless otherwise terminated in accordance with Hedera's LLC Agreement. Hedera's Secretary will update Schedule 1 of the Hedera LLC Agreement to reflect the approved renewal terms.

New Ethics & Integrity Policy

Tom S. proposed a new Ethics & Integrity Policy to address the past several months of discussion regarding best-in-class corporate governance. This comprehensive policy has four components:

- Proposed revisions to strengthen and incorporate the Hedera Related Party Transactions Policy;
- A new framework to evaluate and decide matters that could impact payment to individuals serving on Hedera's Board of Directors, such as through Hedera's Contributor Rewards Policy;

- A new framework to identify and evaluate conflicts of interest more generally,  particularly as they may relate to independent ecosystem participants and existing or new service providers; and
- A revised and incorporated Code of Conduct for all individuals participating in Hedera governance activities.

Tom S. summarized each component of the proposed policy. Currently, related party transactions are identified by the General Counsel and reviewed by the Board. The Board is tasked with assessing the terms of such proposed transactions against market terms and, with any conflicted individuals recusing themselves, evaluating the proposed transaction. The proposed revisions would clarify that programs applicable to all Council Members are outside the scope of the policy; however, requests for material deviations or exceptions to such generally applicable initiatives are treated as related party transactions. The proposed revisions would also add a new requirement to disclose any approved related party transactions to the Council.

Tom S. then discussed policies or initiatives involving potential payments to Hedera Directors. Council review and oversight of these policies or initiatives, such as payment to directors under Hedera's contributor rewards policy, has been the subject of ongoing discussion. Hedera's legal team previously shared a draft charter for a proposed Board Oversight Committee and collected feedback from various Council Members about the proposal. Ultimately, having considered feedback and logistics of the various proposals, Tom S. proposed a comprehensive framework as follows:

- A "committee-of-the-whole" of all active Council Members who are unaffiliated with current Directors, to be chaired by the General Counsel;
- The committee, acting by majority vote, has delegated authority to evaluate and make decisions involving policies or initiatives involving payments to directors in their role as such;
- All such policies or initiatives will be reviewed annually be a new committee-of-the-whole; and
- All decisions will be reported to the full Council.

Tom S. also proposed a catch-all framework for recusals in the context of real or perceived conflicts of interest. Examples of such conflicts may include relationships and contracts with independent third parties in the Hedera ecosystem with whom Council Members or individuals may be affiliated. Tom S. proposed a framework to address situations in which an individual or entity has or appears to have secondary interests that could influence their ability to perform their duties in an impartial and effective manner. This framework includes guidelines for individual recusal from certain decisions or activities.

Finally, Tom S. discussed the Hedera Code of Conduct, as approved by the Board in February 2023 and amended in November 2023. Tom S. proposed minor revisions to the Code of Conduct, which will be incorporated into the new Ethics & Integrity Policy.

The Council Members discussed the proposal. After being moved and seconded, the Council Members **APPROVED** the proposed structure and key terms of the new Ethics & Integrity Policy, as presented during the meeting. The Council Members **DIRECTED** the General Counsel to call a "Committee-of-the-Whole" to determine the terms of Contributor Rewards for Directors in 2024 and Director eligibility for recruitment rewards, with such Committee having delegated authority to determine such matters on the Council's behalf. The Council Members also **DIRECTED** the General Council to finalize the full Ethics & Integrity Policy and (i) present the full policy to the Board for its approval; and (ii) distribute the final approved policy to the Council Members.

*Proposed Committee Policy Updates*

Tom S. presented proposals to revise Hedera's Committee Policy and standard practices involving committees. Tom S. explained that the goals of the proposals are to incorporate feedback received, address challenges, and consistently evaluate practices to ensure best-in-class governance.

*Board Liaisons (Committees)*

Tom S. suggested appointing a "Board liaison" to each committee in order to ensure alignment between committees and the Board, especially involving budget matters. Tom S. explained that committees advise the Council on policy and strategy matters that relate to key service and grant agreements, and that certain committees have authority to decide matters that implicate Council budget and resources, which are in the Board's purview. Tom S. also explained that committees often need insight into Board activities and vice versa. e.

Tom S. proposed a workflow in which the Hedera Chair will assign a Board member to each Council committee. This Board liaison will communicate with the Board regarding personnel and resource allocation in committees. The Board liaison will not serve as a third co-chair, set agendas, or otherwise encroach the Committee Chairs' authority.

Following discussion, and after being moved and seconded, the Council Members **APPROVED** the concept and **DIRECTED** the Secretary to amend the Committee Policy to codify the concept of "committee leadership teams" (committee chairs, a Chair-appointed Board liaison, and applicable Hedera officer(s) or senior staff

member(s)) and state that such teams are expected to meet at least once per month in between committee meetings.

*Committee Policy*

Tom S. introduced a potential amendment to committee voting thresholds. The proposal was previously raised and discussed at Council meetings in December 2022 and January 2023. Tom S. discussed relevant considerations, including the balance between allowing committees to act efficiently and ensuring Council Members are sufficiently represented in committee decisions.

The Council Members discussed the proposal and opted not to make any changes to committee voting thresholds at that time.

*Affirmative Voting, Committee Chair Elections & Responsibilities; Publication of Committee Charters & Actions*

Tom S. introduced additional proposals to strengthen Hedera's governance protocols. These proposals include: (i) voting by roll call or e-ballot to encourage discussion and affirmatively confirm voting intent; (ii) reexamining committee chair terms and ability for one individual to chair multiple committees; (iii) setting annual objectives in committee charters to be approved by the Council Members; and (iv) publishing committee charters and related materials for the public.

Following discussion, and after being moved and seconded, the Council Members **DIRECTED** the Secretary to amend the Committee Policy as follows:

- Committee Chair contributor rewards levels shall be examined and approved on an annual basis;
- For decisions impacting Hedera policies, delegates shall vote by roll call, e-ballot, or other affirmative indication of intent;
- Committee Chairs shall set annual objectives to be approved by the Council Members and shall provide quarterly reports to the Council Members;
- Committees charters shall be published and Council minutes shall include committee actions/decisions in which committees exercised delegated authority (as set forth in the applicable charter).

### Network Utilization: Council Member Showcase

*IBM Use Case & Discussion*

*Shyam Nagarajan*
*Sumabala P. Nair*
*IBM*

Shyam N. and Sumabala N. presented IBM's use case, DICE, to the Council members. DICE is a comprehensive digital identity and credential ecosystem solution for governments and enterprises. DICE has broad industry application across the healthcare, travel, education, tech, and financial services sectors. Key components include DICE's modular approach for broad applicability, developer friendly tools, and emphasis on data sovereignty, openness, and privacy.

*EDF Use Case & Discussion*

*Morgan Philippon*
*Hua Jun Zhang*
*Christophe Nappez*
*EDF*

Representatives from EDF and Rekursive Labs summarized recent projects in renewable energy verification, hydrogen certification, and decentralized energy technology that run on the Hedera Network. These projects include (i) a system to verify renewable energy in EV charging (in collaboration with REDEX and Rekursive Labs), and (ii) a green H2 certification and trading program focused on certifying renewable hydrogen and creating a related marketplace (in partnership with EIFER and EXAION). These projects are particularly relevant given recent calls from over 400 leading brands for 100% renewable energy by 2030.

*Jason Loh*
*Joshua Wong*
*Eu Tak Kong*
*Rekursive Labs*

Jason L. and Joshua W. informed the Council members about Rekursive Labs' product offerings that enhance app deployment and management on the Hedera network. These include (i) Security Management Service (SMS) with multi-signature account management and transaction oversight, and (ii) User-as-a-Service (UaaS) that provides credentialing, authentication, and customizable user experiences with loyalty token schemes.

*Xiao Zhao Tan*
*REDEX*

### Network Utilization: Ecosystem Showcase

*GSMA Stablecoin Project Report & Discussion*

*Monique Morrow*
*Independent Director*

Monique M. discussed her work with the GSMA, the global industry body for the mobile telecoms industry, which includes Council members Zain, TATA Communications and Deutsche Telekom amongst its members and which Hedera has recently joined as a 'sector member.'

*Kamal Youssefi*
*The Hashgraph*
*Association*

GSMA's DLT Working Group is currently working on various blockchain initiatives, specifically for the telecommunications ("telco") industry, which present various opportunities for the Hedera Network, namely: developing a Hedera-based solution for the telco industry, forming a Hedera-driven telco consortium, and

integrating GSMA stakeholders into the Hedera ecosystem. In addition to the aforementioned Council members, the initiative involves ecosystem participants Swirlds Labs and the Hashgraph Association.

Hedera's distinct technology offerings, such as stablecoins and decentralized identifiers, will play a pivotal role in this collaborative effort. Monique described several key advantages of stablecoins to the telco industry:

- Cost Efficiency: Stablecoins reduce costs for financial transactions, especially in cross-border payments, by cutting out third parties and lowering currency conversion expenses.
- Interoperability: Stablecoins enhance compatibility with different digital platforms, other telecom operators, and align with international monetary systems, including CBDCs.
- Market Expansion: The adoption of stablecoins can reach underbanked populations, expanding the telecom industry's customer base.
- Automated Payments: Stablecoins facilitate automated transactions in areas like NFTs and the Metaverse.
- DeFi Integration: Stablecoins enable new decentralized finance functionalities, broadening the scope of financial services in telecom.

This initiative represents a significant step towards modernizing and expanding financial operations in the telco sector.

*DLT Science Foundation Report & Discussion*

Dr. Paolo T., Nikhil V., and Boris B. informed the Council members about the DLT Science Foundation's ("DSF") latest activities. Since its launch in early 2023, DSF has extended key grants through its Innovation, Research, and Education program. DSF has hosted influential events, such as the UZH Summer School Innovation Event, and provided scholarships, courses, and webinars. DSF has also engaged in its own research and development to analyze nodes and network growth dynamics and, specifically, to analyze large-scale transactions to identify patterns across the Hedera network.

*The Hashgraph Association Report & Discussion*

Kamal Y. and Stefan D. discussed the Hashgraph Association's ("THA") strategic objectives and expansion plans across Africa, Europe, the Middle East, and Asia. Key programs include the Hashgraph Innovation Program (HIP) (focused on fostering innovation within the ecosystem); the Hashgraph Enterprise Program (HEP) (enterprise-level adoption and integration), the Hashgraph Partner Program (HPP) (designed to build and strengthen partnerships), the Hashgraph Certification Program (HCP) (certifications for individuals and entities within the Hedera ecosystem), and Hashgraph Ventures Fund (HVF) (a fund dedicated to supporting ventures within the Hedera network).

*The HBAR Foundation Report & Discussion*

Shayne H., David C., and Josh S. from THF gave a detailed presentation to the Council. THF has recently launched and engaged in several innovative projects and collaborations. Key initiatives include:

- Supporting the development of a user-friendly platform in the travel industry for Hedera users, which integrates travel-related services with decentralized payments and rewards;
- A new game based on a Netflix series and a free-to-play game with Hedera NFTs, launching in late 2023, aimed at growing Hedera's user base;
- An online chess platform featuring characters from an Amazon show, set for release in 2024, to enhance IP reputation; and
- Implementing Hedera-based payment and ticketing systems, along with customer loyalty programs, in collaboration with major industry players to enhance Hedera's market presence.

THF's plans for 2024 include expanding venture activities, marketing amplification, and strategic team expansions in various sectors.

THF's long-term focus will be shifted to HTS (Hedera Token Service) and HSCS (Hedera Smart Contract Service) applications and will drive significant advancements in several key areas:

- Stablecoin Studio: An anticipated increase in the issuance of stablecoins, indicating a growing reliance on digital currencies with stable values;
- Loyalty Platform: Expansion in the use of NFTs (Non-Fungible Tokens) for loyalty programs, leading to more NFT transactions and a rise in new account creations;
- Payment Applications: A surge in digital transaction volumes and account registrations, reflecting wider adoption of blockchain technology in financial transactions;
- Metamask Integration: Enhanced user access and engagement through the integration with Metamask, a leading cryptocurrency wallet; and

*Paolo Tasca*
*Nikhil Vadgama*
*Boris Battistini*
*DLT Science Foundation*

*Kamal Youssefi*
*Stefan Deiss*
*The Hashgraph Association*

*Shayne Higdon*
*David Cramer*
*Josh Sroge*
*The HBAR Foundation*

- - Ticketing: A shift towards blockchain-based digital ticketing solutions, evidenced by increased NFT use for tickets, higher fungible token transfer volumes, and new account setups.

**Network Governance: Open Source Report & Discussion**

*Andrew Aitken*
*Chief Open Source*
*Officer*

Andrew A. discussed the goal for an open source foundation for the hashgraph code to be launched in 2024. Currently, the initiative shows growing use case momentum and has attracted interest from expert partners as well as traditional web2 entities. Areas of focus would likely be strengthening involvement with the open source community, mentorship and fellowship programs, and ensuring best practices in the governance model.

**Swirlds Labs Report & Discussion**

*Eric Piscini*
*Mance Harmon*
*Christian Hasker*
*Swirlds Labs*

Eric P., Mance H, and Christian H. discussed Swirlds Labs' history and plans for strategic growth as well as goals for improved ecosystem collaboration. They noted how Swirlds Labs will employ new tools and reports to regularly incorporate feedback from Council committees, the Council, and Hedera officers and staff.

**Risk Committee Report & Discussion**

*Ian Putter*
*Director*

Ian P. discussed the Board's recently approved committee, RiskCom, which was established to oversee and review all events or vulnerabilities that could negatively affect the Hedera  Council or the Hedera Network. RiskCom's goal is to effectively identify, assess, and mitigate risks related to Hedera's operations, assets, and reputation. Ultimately, RiskCom aims to inspire confidence across Hedera's ecosystem.

RiskCom will operate under a phased approach. Phase 1 saw the committee established with roles and responsibilities defined. Phase 2, which is in progress, will see a risk framework and matrix developed for assessing, tracking, and monitoring risks. In Phases 3 and 4, RiskCom will conduct risk assessments and present its findings to the Board, Council, and other stakeholders for implementation and feedback.

**Executive Session**

The Council Members then entered into executive session, which included small-group breakout sessions, to discuss certain strategic initiatives.

**Executive Session (Director Compensation)**

*Tom Sylvester*
*General Counsel &*
*Secretary*

The Council Members entered into a second executive session to discuss Director compensation for 2024. Pursuant to the authority granted by the Council Members the day prior, Tom S., in his capacity as General Counsel, called a special committee composed of active Council Members that were unaffiliated with a current Director.

This committee, acting with delegated authority from Council, voted to **APPROVE** Director participation requirements as set forth in the meeting and **DIRECTED** the Secretary to update the Hedera Contributor Rewards Policy to be effective January 1, 2024.[1]

**Any Other Business**

*Brett McDowell*
*Chair*

Simon O., in his capacity as Co-Chair of MemCom, informed the Council Members that MemCom is interested in working with disengaged Council Members to increase participation in Hedera governance activities. The Council Members discussed engagement strategies and the benefits of Council membership. After being moved and seconded, the Council Members **DIRECTED** the Secretary to update MemCom's charter to include member engagement within its responsibilities.

*Simon Olson*
*Magalu*

Brett M. discussed plans for the next in-person Council meeting, which is expected to take place on May 8 - 10, 2024, at a location to be determined.

The Council Members thanked Andrew Gastwirth for his service to CorpCom (term expiring on December 31, 2024) and Rich Widmann for his service to GovCom (formerly RegCom) (term expiring on December 31, 2024).

The meeting was adjourned.

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[1] Participation requirements under the Contributor Rewards Policy are attached to the minutes for the Council's Dec. 13, 2024 meeting.