Hedera Council Meeting Minutes

Date: July 10, 2024
Time: 6:00 pm EST
Location: Virtual

Independent Chair
Brett McDowell

Council Member Attendees
abrdn plc: Duncan Moir
Australian Payments Plus: Rob Allen
Avery Dennison: Pradeep Iyer
BitGo: Frank Wang
Dell: David Fraturra
IBM: Sumabala Nair
IIT (Madras): Prahbu Rajagopal
LGE: Paulo Lee, Joe Park
LSE: Jeremy Grant
Magazine Luiza: Simon Olson
Mondelez: Xiang Xu
Nomura: Akira Iwasaki
Service Now: Shuchi Rana
Shinhan Bank: Daseob Lee, Minju Kim
Standard Bank: Wandile Malinga
Swirlds, Inc.: Dr. Leemon Baird, Mance Harmon, Bill Miller, Arlan Harris
TATA Communications: Ankur Jindal
UCL: Nikhil Vadgama, Paolo Tasca
Worldpay: Saiprasad Raut

Hedera Directors
Brett McDowell (Chair)
Tasker Generes
Pradeep Iyer
Duncan Moir
Monique Morrow

Hedera Officers & Staff
Charles Adkins, President
Andrew Aitken, Chief Open Source Officer
Joe Bachle-Morris, Chief of Staff
Betsabe Botaitis, Chief Financial Officer
Alex Popowycz, Chief Information Officer
Nilmini Rubin, Chief of Staff & Head of Global Policy
Tom Sylvester, General Counsel & Secretary
Kate Ball, Dir. of Legal Operations & Senior Counsel
Mike Cave, Director of Technical Operations
Gregory Schneider, Deputy General Counsel
Michael Spurgeon, Senior Security Manager
Vanessa Valentine, Manager of Committee Operations

Swirlds Labs
Cate Papez
Eric Piscini

Members Not Present

Boeing	EDF
Chainlink	Hitachi
COFRA	Google
DBS	Ubisoft
Dentons	Wipro
Deutsche Telekom	Zain
DLA Piper	

Summary of actions taken at meeting: None.

Actions taken or ratified by the Hedera Council by written consent (June 12, 2024 - July 11, 2024): None.

Actions taken by Hedera Committees (June 12, 2024 - July 10, 2024): None.

Call to Order & Introductions

Brett M. called the meeting to order and introduced a slight amendment to the agenda. After being moved and seconded, the agenda was adopted.

Vanessa provided a brief update regarding the in-person Council meeting to be held in Miami, Florida, USA, in Q4 2024. Vanessa reminded the Council members to register for the meeting.

Brett McDowell
Chair

Vanessa Valentine
Manager of Committee Operations

Approval of Meeting Minutes

Tom S. reviewed the outstanding meeting minutes from the Council meetings held in April, May, and June. Tom shared an e-ballot with the Council members to review and approve the outstanding minutes.

Network Utilization

Corporate Utilization Committee ("CorpCom")

Sai R. and Rob A., in their capacity as CorpCom Co-Chairs, shared information from the DeFi Alliance regarding the decentralized finance market. Sai and Rob identified key defi ecosystem assets, such as exchanges, liquidity pools, bridges, oracles, insurance, and institutional custodians, and the Hedera network's status with respect to each. CorpCom continues to work with TechCom to identify product roadmap changes and overcome barriers to network utilization.

President Outreach Campaign

Charles A. discussed current outreach efforts to connect one-on-one with each Council member to discuss participation with the Hedera network and identify any gaps in support. Charles will address specific challenges to engagement and offer tailored solutions to each member.

Force for Good Working Group

Pradeep I. discussed the Force-for-Good working group that the Council members agreed to form at the May Council meeting in New York. The group has been meeting to discuss pain points experienced by charities and philanthropic organizations that can be solved by distributed ledger technology. Pradeep thanked group participants for their enthusiasm and encouraged interested Council members to join.

AI Governance Working Group

Kate B. announced the formation of an AI Governance working group. Following up on specific suggestions by a breakout session in the May Council meeting in New York, the newly-formed group will discuss AI-related use cases, product ideas, and Hedera Improvement Proposals related to AI.

To set expectations with individuals joining both the Force-for-Good and AI Governance working groups, Brett proposed a general operating structure for working groups. The Council members agreed that working groups are informal discussion groups that exist purely for the benefit of the participants, providing them with a forum to explore use cases around a specific topic, with no authority from or responsibility to the Council. The Hedera President can form a working group and is responsible for providing adequate staffing/resources and announcing a call for participation to all Council members. Any Hedera Director, Council member, or invited expert (with an appropriate NDA) is eligible to attend. The group will choose a chair at the first meeting and the chair will be tasked with guiding the discussion.

Council members interested in joining either the Force-for-Good or AI Governance working groups should email Vanessa for the group information.

Network Governance

MemCom Update

Simon O. reminded the Council members that MemCom is working towards its objective to fill the Council with 39 highly-engaged and contributing members. Council members who wish to

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Tom Sylvester
General Counsel & Secretary

Saiprasad Raut
Worldpay

Rob Allen
Australian Payments Plus

Charles Adkins
President

Pradeep Iyer
Director

Kate Ball
Director of Legal Operations & Senior Counsel

Simon Olson
Magalu

recommend prospective members should contact MemCom's Co-Chairs, Simon and Bill M., for educational materials and assistance.

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

Dr. Leemon B. discussed a collaborative effort between the Technical Steering & Product Committee and the Government Affairs Committee to proactively identify and change terminology used to describe DLT that can be misconstrued in different circumstances.

Leemon emphasized that the Hedera network uses *consensus* nodes (rather than "validator nodes") to *process* transactions (rather than "validate" transactions). Although the term "transaction" has a weighted meaning in the financial and legal contexts, a "transaction" on the Hedera network is an operation performed by a computer (not a financial transaction). Hedera will engage with other layer one protocols to standardize this terminology in order to minimize confusion with global policymakers.

Report: Phase Four Task Force   **Brett McDowell**
                                                                                             Chair

Brett briefly updated the Council members about the Phase Four Task Force's activities since its formation at the May Council meeting in New York. The Task Force continues to debate reforms to optimize Hedera's governance structure and prepare the Hedera network for its next phase of growth. Brett announced that he will step down as Chair of the Phase Four Task Force in order to more actively participate in the discussion. Tom S. will chair the Phase Four Task Force moving forward.

Adjournment

The Council then entered into executive session, after which the meeting was adjourned.