

Hedera Council Meeting Minutes

Date: December 11, 2024
Time: 9:00 a.m. EST
Location: Virtual

Council Chair

Brett McDowell

Council Member Attendees

abrdn plc: Duncan Moir, Allan Trimmer
Australian Payments Plus: Rob Allen
Avery Dennison: Pradeep Iyer
BitGo: Frank Wang
COFRA: Jheroen Muste, Anil Nashier
Dell: David Frattura
DLA Piper: Kristi Swartz
IBM: Sumabala Nair
IIT: John Augustine
LGE: Paolo Lee
LSE: Jeremy Grant, Tom Kirchmaier
Magazine Luiza: Simon Olson
Mondelez: Xiang Xu
Nairobi Securities Exchange: Frank Mwiti
Service Now: Shuchi Rana
Shinhan Bank: Minju Kim, Jun Lee
Standard Bank: Wandile Malinga, Mz Omarjee
Swirls, Inc.: Dr. Leemon Baird, Mance Harmon, Bill Miller, Arlan Harris, Natalie Furman
UCL: Paolo Tasca, Nikhil Vadgama
Worldpay: Saiprasad Raut
Zain Group: Richard MacNamara

Hedera Directors

Brett McDowell (Chair)
Tasker Generes
Brian Jeffords
Pradeep Iyer
Duncan Moir
Monique Morrow
Ian Putter
Scott Thiel

Hedera Officers & Staff

Charles Adkins, President
Alex Popowycz, Chief Information Officer
Betsabe Botaitis, Chief Financial Officer
Nilmini Rubin, Chief Policy Officer
Shyam Nagarajan, Chief Operating Officer
Tom Sylvester, General Counsel & Secretary
Gregory Schneider, Deputy General Counsel
Kate Ball, Dir. of Legal Operations & Senior Counsel
Mike Cave, Dir. Technical Operations
Vanessa Valentine, Mgr. Committee Operations

Swirls Labs

Eric Piscini

Members Not Present

Boeing	Hitachi
Chainlink	Nomura/Laser Digital
Dentons	Tata Communications
Deutsche Telekom	Ubisoft
EDF	Wipro
Google	

Summary of actions taken at meeting:

- The Council members approved certain procedures for the 2024 Hedera leadership elections.

Actions taken or ratified by the Hedera Council by written consent (November 15 - December 9, 2024):

- The Council members approved the key material terms of an amendment to the existing Grant Agreement with The HBAR Foundation (to be renamed Hedera Foundation) and authorized the President, General Counsel, and other Hedera Officers and their designated staff to negotiate, finalize, and execute the amendment that substantially incorporates the approved key terms and includes certain contractual protections relating to reporting, corporate governance, market integrity, and such other terms as the officers in their reasonable discretion determine are necessary and prudent to successfully execute the strategic proposal as presented to the Council. (November 22, 2024.)
- The Council members voted to approve the renewal terms (as defined in the Hedera LLC Agreement) of the following Council members whose initial terms expire on December 31, 2024, and directed the Secretary to update Schedule 1 of the Hedera LLCA accordingly:
 - Avery Dennison Atma GmbH
 - Dentons Rodyk & Davidson LLP

- Australian Payments Plus Ltd.
- Standard Bank Group Limited
- Électricité de France S.A. (EDF)
- Shinhan Bank
- Chainlink Labs, Inc.
- LSE Enterprise Ltd.
- Indian Institute of Technology Madras
- ServiceNow, Inc.

(December 9, 2024).

Actions taken by Hedera Committees: None.

Call to Order & Introductions

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

Brett McDowell
Council Chair

Implementation Update: 2025 Strategic Reforms

Betsabe and Tom reviewed the recently-approved strategic reforms and updated the Council members on the implementation status. Betsabe and Tom answered questions and received suggestions from the Council members regarding implementation of the approved reforms.

Betsabe Botaitis
Chief Financial
Officer

The Council members discussed the leadership transition plan with Charles moving to The HBAR Foundation (to be renamed Hedera Foundation). Brett indicated that Hedera's Board had approved a leadership succession plan to be executed once Charles' transition is finalized. Betsabe and Tom answered questions regarding the Council's continuous operations, budget, and expectations for the Council members moving into 2025.

Tom Sylvester
General Counsel &
Secretary

2024 Hedera Leadership Elections

Brett facilitated a discussion regarding the Hedera leadership elections, which incorporate the "Phase 4" governance reforms that the Council members approved during its in-person Council Meeting in November. The Council members requested clarity on the process given the recent approvals and the truncated timeline in which to implement the approved reforms.

Brett McDowell
Council Chair

The Council members emphasized a shared desire to attract the most qualified Directors whose expertise would benefit the Hedera Network. Following discussion, and after being moved and seconded, the Council members **APPROVED** the following directives for incorporation into the 2024 leadership election:

Kate Ball
Director of Legal
Operations & Senior
Counsel

- The Nominating Committee ("**NomCom**") is directed to relax its reliance on the skills matrix given the time constraints and the fact that the matrix was not circulated to the Council; instead, NomCom is instructed to recommend the strongest candidates;
- The Council members are encouraged to send any recommendations for qualified candidates who are unaffiliated with current Council members to NomCom (there is no limit on the amount of recommendations a Council member can make and, if the Council member has not nominated any affiliated candidates, it is entitled to put its recommended unaffiliated candidate on the ballot); and
- The ballot to elect the unaffiliated Director seat shall include an option for Council members to cast their vote to extend the process, hire a recruiter, and direct NomCom to

hold an election in time to seat the new Director before the Council's expected in-person Council meeting in May.

Implementation Update: "Phase 4" Governance Reforms

Tom Sylvester
General Counsel &
Secretary

Tom, in his capacity as Council Secretary, updated the Council members on the Secretary's deliverables from the November Council meeting in Miami, Florida. Pursuant to the approved "Phase 4" reforms, Kate and Tom are in the process of revising the Hedera Committee Policy and Contributor Rewards Policy, drafting the Hedera Election Policy, and redlining the Hedera LLC Agreement in accordance with the Council members' approved terms. The revised documents will be circulated once they are completed and the Council members should expect a forthcoming vote on amendments to Hedera's LLC Agreement.

Preview 2025 Meeting Expectations

Brett McDowell
Council Chair

Brett and Vanessa previewed the expected meeting cadence for the Council members in 2025. Consistent with the "Phase 4" governance reforms approved in Miami, the Council is expected to meet quarterly with its first 2025 meeting to take place virtually in March. The Council's Q2 meeting is expected to be held in person, with details to be provided as soon as possible.

Vanessa Valentine
Manager of
Committee
Operations

Committees are expected to meet as needed at the Committee Chair's discretion. Once Committee members are elected for 2025, the committees will begin the process of electing their chairs and scheduling their 2025 meetings.

Report: Miami Breakout Sessions

Monique Morrow
Director

Monique, in her capacity as Chair of the AI Working Group, summarized the interactive AI Governance breakout session conducted at the Council's November meeting in Miami. The working group has made significant progress since its creation at the Council's May 2024 meeting in New York. Specifically, the Working Group has hosted multiple expert presenters on AI-related topics, continues to develop a HIP for functionalities needed to support AI-related use cases on the Hedera Network, and continues to discuss and identify broader strategic goals involving the intersection between AI and DLT.

Pradeep Iyer
Avery Dennison

Pradeep, in his capacity as Chair of the Force for Good Working Group, summarized the group's recent progress and activities. Brett requested that Pradeep write up a summary of use cases that are a "force for good" to share with the Council members for their review and engagement.

The Working Groups are expected to resume meetings in early 2025 and will continue to share their progress with the Council members. Council members interested in joining the Working Groups should contact Vanessa for the group information.

Adjournment

The meeting was adjourned.