

Hedera Council Meeting Minutes

Date: September 11, 2024
Time: 6:00 pm EST
Location: Virtual

Independent Chair
Brett McDowell

Council Member Attendees

abrdn plc: Duncan Moir
Australian Payments Plus: Rob Allen, Tim Johnson
Avery Dennison: Pradeep Iyer
BitGo: Frank Wang
Dell: David Fraturre
Dentons: Yi Jing Teo
DLA Piper: Kristi Swartz
IBM: Shyam Nagarajan, Sumabala Nair
LGE: Joe Park, Paulo Lee
LSE: Jeremy Grant, Tom Kirchmaier
Magazine Luiza: Simon Olson
Mondelez: Xiang Xu
Service Now: Shuchi Rana
Shinhan Bank: Daseob Lee, Jun Lee, Minju Kim
Swirls, Inc.: Dr. Leemon Baird, Bill Miller, Arlan Harris
Tata Communications: Ankur Jindal
UCL: Nikhil Vadgama, Paolo Tasca

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

Hedera Officers & Staff
Charles Adkins, President
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
Gregory Schneider, Deputy General Counsel
Michael Spurgeon, Senior Security Manager
Vanessa Valentine, Manager of Committee Operations

Members Not Present

| | |
|------------------|----------------------|
| Boeing | Nomura/Laser Digital |
| Chainlink | Standard Bank |
| COFRA | Ubisoft |
| Deutsche Telekom | Wipro |
| EDF | Worldpay |
| Google | Zain Group |
| Hitachi | |
| IIT (Madras) | |

Hashgraph
Eric Piscini
Atul Mahamuni
Cate Papez

Summary of actions taken at meeting: None.

Actions taken or ratified by the Hedera Council by written consent (August 14, 2024 - September 11, 2024):

- The Council Members voted to approve the minutes for the Council meeting held on July 10, 2024.

Actions taken by Hedera Committees (August 14, 2024 - September 11, 2024): None.

Call to Order & Introductions

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

Brett McDowell
Chair

Brett reviewed upcoming agenda items, including topics for discussion at the Q4 in-person meeting in Miami.

Hedera Technology Roadmap/Dependencies

Atul Mahamuni
Hashgraph

Atul M. discussed the Hedera Network’s technical roadmap, including dependencies thereto. All dependencies have been mapped against the network’s long-term goals. Atul emphasized that scalability at layer one is an exciting long-term goal of the Network.

Atul discussed foundational items that are currently being advanced, such as services modularization and EVM improvements. Hedera and Hashgraph are working collaboratively to evaluate cost saving measures and continue optimizing network operations.

Atul also discussed the role of the newly-formed Hiero project hosted by the Linux Foundation Decentralized Trust. This important open source initiative will continue to decentralize Hedera network operations.

Changes for Node Reimbursements & Onboarding

Dr. Leemon Baird
Swirlds, Inc.

Dr. Leemon B. updated the Council Members on recent TechCom discussions. Pursuant to the Node Policy, Hedera may elect to set up transitional nodes on behalf of new Council Members. Leemon explained that moving forward, Hedera staff will help new members set up their nodes but will not operate a transitional node on a new member’s behalf. Hedera staff will focus on helping new members set up their nodes quickly and efficiently.

Leemon, on behalf of CoinCom, also presented a proposed change to the node subsidy policy. CoinCom recommends that, beginning in the second half of 2025, the Hedera network will pay node subsidies programmatically in hbars. The Council members discussed whether enterprise adoption has reached a point at which large enterprises are able to accept hbars. Leemon emphasized that CoinCom believes it is the right time to implement this change.

CoinCom called a vote on the change to the node subsidy policy; however, the vote did not receive the requisite approval from a majority of Council members. CoinCom requested a subsequent e-ballot in order to allow the Council members more time to review and discuss the proposal.¹

Management Report: Company Performance

Charles Adkins
President

Charles reported to the Council members on Hedera’s mid-year performance against its 2024 objectives.² Charles highlighted specific examples demonstrating Hedera’s excellence in operations, such as policy initiatives, compliance programs, cost reduction measures, and audit readiness, among others. These and other performance metrics, along with Hedera’s 2025 goals, will be discussed in more detail at the Q4 in-person Council meeting in Miami.

Report & Preview of Recommendations: Phase 4 Task Force

Tom Sylvester
General Counsel &
Secretary

Tom updated the Council members on the Phase 4 Task Force’s recent discussions and recommendations. The Task Force has been meeting frequently to address challenges, consider best practices, and ultimately recommend governance reforms to increase Hedera’s operational efficiency. Tom previewed specific changes to the Hedera LLC Agreement that the Task Force will propose.

The Council members discussed the recommendations and proposals. Tom offered to meet with any Council member representative(s) one-on-one to further explain the Task Force’s discussions and ideas. Brett reminded the Council members that the Task Force’s recommendations will be formally presented at the October Council meeting with a vote being called thereafter.

¹ The e-ballot was approved on September 24, 2024.

² The objectives were presented by the Board and [approved](#) by the Council members in April 2024.

Adjournment

The meeting was adjourned.