

## Hedera Council Election Policy

Version 1.1 | Effective as of November 15, 2024  
(last updated August 19, 2025)

*Capitalized terms not defined herein shall have the meanings ascribed to them in the Hedera Council LLC Agreement, as may be amended from time to time.*

1. **Purpose.** The purpose of this Hedera Council Election Policy is to clarify certain processes with respect to the Hedera Council, Board of Directors, and Council committees. This Policy is intended to supplement, and not supersede, relevant portions of the Hedera Council LLC Agreement and any other referenced Council Policy. In the event of conflict, the terms set forth in the Hedera Council LLC Agreement or referenced Council Policy, as applicable, shall control.
2. **Administration.**
  - a. The Council Secretary shall be the “**Administrator**” of this Policy. The Administrator shall have the full authority to administer the Policy and to interpret and construe the Policy in accordance with its terms. The Administrator is authorized to adopt such rules, regulations, forms, and guidelines for administering the Policy and delegate such responsibilities under the Policy as the Administrator deems necessary or appropriate.
  - b. The Administrator has the authority, in the Administrator’s reasonable discretion, to make non-substantive administrative revisions, such as clarifications or procedural optimizations, to the Policy without requiring the prior approval of the Council members. The Administrator shall notify the Council members of any such administrative revisions in a timely manner.
  - c. Nothing set forth in this Policy shall entitle any individual serving in the referenced positions to any specific term, compensation, or role for any period of time.
  - d. This Policy may be amended, suspended, or discontinued, in whole or in part, by the approval of at least a majority of the Council members. Amendments shall be effective as set forth in Section 11.4(b) of the Hedera Council LLC Agreement.
3. **Affiliation Defined.**
  - a. For purposes of this Policy, an individual is considered “affiliated” with an entity if the individual is a current employee, officer, director, or authorized agent of the entity (consistently with the definitions set forth in Section 4.3(f) of the Hedera Council LLC Agreement).
  - b. If an individual’s affiliation status changes while serving a term in an elected leadership position, the individual must disclose the change to the Administrator as soon as reasonably practicable and in any event within thirty days of the event causing the change.

#### 4. Elections Generally.

- a. Unless otherwise specifically set forth herein, for any election to fill an elected position for the Council Chair, Board, or Council Committee members,<sup>1</sup> the Council Chair or the Council Chair's designee shall timely notify the current Council members of any nominations and fix the time, place, and manner of a vote on the open position(s); provided that for an election to fill the role of Council Chair, the Administrator shall fulfill the role of the Council Chair who is required to recuse themselves from overseeing their own election.
- b. Each Council member shall have one vote for every open position and may not vote more than once for any candidate. The candidate receiving the most votes shall be admitted to the office, provided that a candidate must receive at least one-third of votes cast in the election and provided further that at least a majority of the Council members must have voted in the election. If the election has not achieved the required level of Council member participation, the Administrator shall either announce an extension to the election or close the election and restart the process pursuant to Section 4(a). If an election achieves the required level of participation but no candidate receives at least one-third of votes cast, the candidate with the lowest vote total will be eliminated from consideration, and the Council members will vote again, with the process repeating itself until all vacancies are filled.

#### 5. **Board of Directors.** The following terms supplement Sections 7.1(c) and 7.1(d) of the Hedera Council LLC Agreement ("Composition and Rules of the Board" and "Meetings of the Board; Notice of Meetings; Waiver of Notice").

##### a. Board Composition.

- i. For so long as the Board consists of up to five (5) Directors as set forth in the Hedera Council LLC Agreement, all five Directors shall be Voting Directors and the Board shall be composed as follows:
  1. One of the five seats shall be reserved for the Hedera Council President, who shall serve *ex officio* as a Voting Director and who shall not be the Board Chair.
  2. The remaining four seats shall be elected by the Council pursuant to the process set forth in Section 4 of this Policy and shall be composed as follows:
    - a. Two of the five seats on the Board shall be reserved for individuals affiliated with Council members (the "**Affiliated Seats**"). The Administrator shall ensure that the terms of the Affiliated Seats are staggered such that they do not expire at the same time.
    - b. Two of the five seats shall be reserved for individuals unaffiliated with Council members (the "**Unaffiliated Seats**"). The Administrator shall ensure that the terms of the Unaffiliated Seats are staggered such that they do not expire at the same time.
  3. An individual serving the role of Council Chair cannot simultaneously serve on the Board.

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<sup>1</sup> The Council may decide to create additional groups with more informal rules, such as working groups and task forces. Composition and leadership of those groups may not require any form of an election, and if so, shall be outside the scope of this Policy and shall be governed by the Council's procedural rules with respect to each.

- ii. No more than one Director may be affiliated with any one entity at any time (e.g. two employees of the same company cannot serve as Directors at the same time).
  - iii. In the event that a Director's affiliation status changes during the Director's term (either from affiliated to unaffiliated or vice versa), that Director's seat shall immediately become vacant. The Council Chair shall use reasonable efforts to facilitate a vote within thirty days of the date on which the affiliation change becomes effective for the Council to determine whether to retain the Director or hold a new election; provided that if less than ninety days remains in the Director's term, the Council Chair may exercise discretion in determining whether to facilitate the vote.
  - iv. If, in the Council Chair's discretion, the process set forth in this Policy has been exhausted and no candidate has received the requisite threshold of votes to fill a particular Voting Director position, a position for an Unaffiliated Seat may be filled by an individual affiliated with a Council member, and a position for an Affiliated Seat may be filled by an individual unaffiliated with a Council member.
- b. Board Chair.
- i. The Directors shall elect a Board Chair, who shall be one of the Directors and who may not be the same person as the President. For a Board Chair to be elected in this manner, the Board Chair must be elected by a supermajority (four of five) of votes from the Directors. For the avoidance of doubt, all Directors are expected to vote in this process.
  - ii. The Administrator shall facilitate an election process whereby each Director casts a vote (which can include themselves) for the Board Chair. The Administrator shall use best efforts to facilitate the vote as soon as reasonably practical for the Board Chair to serve a term beginning on January 1 of each calendar year; provided that if no candidate gets a supermajority of votes by January 30 of the applicable year, the Council shall elect the Board Chair from among the elected Directors.
- c. Terms.
- i. Each Voting Director elected by the Council members shall serve a term of two (2) years, which may be extended upon the approval of a majority of the Council members (e.g. to extend a term that started out-of-cycle to fill a vacancy). There is no limit to the number of terms a Director may serve.
  - ii. The Board Chair shall serve a term of one year unless modified by the Board. In the absence of a duly elected Board Chair, or the absence of the Board Chair once elected (e.g. a temporary recusal or absence), the President or the President's designee shall perform the duties of the Board Chair. There is no limit to the number of terms the Board Chair may serve.
- d. Nomination of Voting Directors. In any particular election, each Council member may nominate one (1) candidate for an Unaffiliated Seat and one (1) candidate for an Affiliate Seat. The candidate must be a natural person. The nominations process for Unaffiliated Seats shall be assisted by a Nominating Committee ("NomCom"), which shall convene and operate as follows.
- i. The purpose of NomCom is to assist the Council members in identifying and selecting the strongest candidate(s) to the Unaffiliated Seats on the Board.
  - ii. The Council Chair shall convene NomCom at each instance in which there is a vacancy for an Unaffiliated Seat, either due to a term expiring or a vacancy in an Unaffiliated Seat

(each, an “**Unaffiliated Election**”). NomCom shall meet on an ad hoc basis as determined by the Council Chair as needed to fulfil its responsibilities.

iii. *NomCom Composition.*

1. NomCom shall be composed of the Council Chair, the elected Directors not up for re-election in the Unaffiliated Election,<sup>2</sup> and two committee chairs selected at random by the Administrator. The Council Chair shall serve as the Chair of the Nominating Committee. If there exist vacancies in the aforementioned offices, NomCom may operate provided that it has three active members.
2. NomCom shall be reserved for individuals who do not intend to run for a Director position in the election at issue (whether as an affiliated or unaffiliated director). If an individual at any time accepts a nomination to run for a Director position, the individual shall immediately be removed from NomCom, and the Council Chair shall determine whether to appoint a new individual to NomCom.

iv. *Responsibilities.* For each Unaffiliated Election, NomCom shall:

1. Prepare a skills matrix to identify skills and experience that would benefit the Board, populate the skills matrix with the skills and experience of current Directors, present the skills matrix to the Council for feedback, and use the skills matrix to guide the recruitment and nomination process;
2. Task the Administrator to select a recruiter or consultant to assist in identifying unaffiliated candidates;
3. Oversee the recruitment process, including interviewing final candidates where possible; and
4. Provide the Council members with a written report summarizing the qualifications of each candidate submitted to NomCom, recommending one or more candidate(s) for the Unaffiliated Seat, and explaining the reasons for the recommendation.

If the Administrator determines, given time, budget, or related constraints, that any of the above responsibilities are not possible for an Unaffiliated Election, NomCom shall carry out the aforementioned responsibilities as close as reasonably practicable to effect its purpose, and the Administrator shall notify the Council members with an explanation for any deviations from the above.

v. *Nominations Process: Unaffiliated Seats.*

1. Council members may submit their one nominated candidate for an Unaffiliated Seat to NomCom, who shall evaluate the candidate as set forth above. The Administrator shall include the candidate on the ballot.
2. In addition, NomCom may nominate one or more candidates for an Unaffiliated

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<sup>2</sup> For clarity, in annual elections to seat Directors pursuant to a standard process in which two of four staggered terms are expiring, NomCom shall be composed of the two Directors whose staggered terms are not expiring. In an election to seat an unaffiliated Director due to a vacancy or otherwise outside the standard process, the Administrator shall determine the Directors who shall serve on NomCom for the election at issue.

Seat. The Administrator shall include all candidates nominated by NomCom on the election ballot.

3. NomCom shall maintain a working draft of all nominated candidates that is visible to all Council Members throughout the nomination period. This will serve to inform the Council Members who are having internal deliberations over who to recommend before the nomination period closes.

e. Resignation & Removal of Board Members.

- i. Any Director may resign his or her position by delivering a written resignation, which may be by e-mail, to the Council Chair or the Secretary; any such resignation shall be effective on the later of the effective date, if any, specified in such resignation and the date such resignation is received by the Council Chair or by the Secretary of the Council, and unless the resignation expressly states otherwise, action by the Board or Members formally accepting the resignation shall not be required in order for the resignation to become effective.
- ii. Any Voting Director elected by the Members may be removed at any time by the approval of at least a majority of the Members. A Voting Director vacancy may be filled pursuant to Section 4 above.
- iii. The Board Chair may be removed at any time with the approval of at least a majority of the Voting Directors. Any vacancy in the role of Board Chair may be filled pursuant to Section 5(b).

f. Board Meeting Attendees.

- i. The Council Chair and Council Committee Chairs may attend, as non-voting participants (each, a “**Board Attendee**”), those portions of the Board meetings that are not held in executive session as determined at the Board Chair’s or the General Counsel’s discretion. The Board Chair or Board Chair’s designee shall make reasonable efforts to provide adequate advanced notice of any such Board meeting(s) to the Board Attendees. Board Attendees shall be offered the option to attend all in-person Board meetings at their own expense, or virtually.
- ii. The Board Chair shall provide the Board Attendees with copies of materials to be considered in advance of a given Board meeting they are invited to attend. Board Attendees shall hold in confidence all information so received, shall not disclose such information to the Council members unless specifically authorized, and shall not use such information for any purpose other than to inform their performance of their roles. The Board Chair and General Counsel retain the right to withhold any information and exclude the Board Attendees from any meeting or portion thereof in the Board Chair’s or General Counsel’s discretion, including but not limited to if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Council and its legal counsel or result in disclosure of trade secrets or a conflict of interest.

## 6. Council Chair.

- a. Nominations & Election. Each Council member may nominate (1) candidate for the role of Council Chair,<sup>3</sup> who must be a natural person. An individual serving as a Director cannot simultaneously serve as the Council Chair. The Administrator shall facilitate the election for the Council Chair as set forth in Section 4 and shall use best efforts to conduct the election mid-year so as not to interfere with the annual Board and committee elections.
  - b. Term. The Council Chair shall serve a term of two (2) years, which may be extended upon the approval of a majority of the Members (e.g. to extend a term that started out-of-cycle to fill a vacancy). In the absence of a duly elected Chair, or the Chair's absence once elected (e.g. a temporary recusal or absence), the General Counsel or the General Counsel's designee shall perform the duties of the Council Chair. There is no limit to the number of terms the Council Chair may serve.
  - c. Resignation, Removal, or Replacement of the Council Chair. The Council Chair may resign his or her position by delivering a written resignation, which may be by e-mail, to the Secretary of the Council; any such resignation shall be effective on the later of the effective date, if any, specified in such resignation and the date such resignation is received by the Board Chair or by the Secretary of the Council, and unless the resignation expressly states otherwise, action by the Board or Council members formally accepting the resignation shall not be required in order for the resignation to become effective. The Council Chair may be removed at any time by the approval of at least a majority of the Council members. Should any Council member wish to call a vote to remove the Council Chair, such Council member may contact the Administrator who shall facilitate such vote as soon as reasonably practicable. A vacancy in the position of Council Chair shall be filled in accordance with subsection (a) above.
7. **Hedera Council Committees.** The creation, composition, and operations of Hedera Council committees shall be governed by the Hedera Council Committee Policy.

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<sup>3</sup> For the avoidance of doubt, the duly-elected Council Chair shall be considered a “governor” of the Council for purposes of determining covered individuals under an applicable insurance policy.

**Document Change Log**

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Change Description</b>
0.1	November 15, 2024	N/A	Council members approved the material terms of the election policy during a Council meeting, to be effective immediately subject to the approved transition plan
0.2	February 17, 2025	Kate Ball	Codification of the Council's approved terms; presented to Council for review and comment
0.3	May 23, 2025	Kate Ball	Feedback received from Council Chair and incorporated for circulation to Council Members.
1.0	June 12 - 13, 2025	Kate Ball	Final Policy presented to Council
1.1	August 19, 2025	Kate Ball	Administrative edit (added footnote 3 for clarification)