

Hedera Council Meeting Minutes

Date: May 11, 2022
Time: 6:00 – 7:30pm ET
Location: Videoconference

Attendees

Avery Dennison: Pradeep Iyer
Boeing: Brian Jeffords
Chainlink: William Herkelrath
Dentons: Kenneth Oh
DLA Piper: Scott Thiel, Mark Radcliffe, Andrew Gastwirth
EDF: Paul Breslow
eftpos: Ben Tabell
FIS/Worldpay: Micah Kershner
Google: Simonas Baksys
IBM: Shyam Nagarajan
LSE: Thamim Ahmed, Carsten Sorensen
Magazine Luiza: Simon Olson
Shinhan Bank: Daseob Lee, Tae-young Shin
Standard Bank: Gideon Rossouw
Swirls: Dr. Leemon Baird, Mance Harmon, Bill Miller, Arlan Harris, Natalie Furman
Tata Communications: Ankur Jindal

Hedera Staff/Contractors

Brett McDowell, Chair
Young Cho, CFO & Treasurer
Tom Sylvester, General Counsel & Secretary
Samuel Brylski, Chief Compliance Officer & Regulatory Counsel
Alex Popowycz, Chief Information Officer
Josh Planton, VTM Group
Jessica Zuver, VTM Group
Jason Brett, Key Bridge Advisors
Lionel Chocron, Swirls Labs
Atul Mahamuni, Swirls Labs
Christian Hasker, Swirls Labs

Members Not Present

Deutsche Telekom
IIT (Madras)
LG Electronics
Nomura
ServiceNow
Ubisoft
University College London
Wipro
Zain

Summary of actions taken at meeting

- Minutes. The Council members approved the April 20, 2022 meeting minutes.
- Board. The Council approved extending the current three Board Director terms through December 31, 2022.

Call to Order & Introductions

Brett McDowell
Chair

Brett M. formally called the meeting to order and welcomed Council members to the fifth Council meeting of 2022. Tom S. reminded the Council members of Hedera's antitrust and market integrity policies.

After being moved and seconded, the Council members approved the agenda as presented for the meeting.

Approval of Council Minutes

Tom Sylvester
General Counsel & Secretary

After being moved and seconded, the Council members approved the minutes from the Council meeting held on April 20, 2022.

Strategic planning**Jeff Tchui**
Consultant, BCW

Brett M. introduced Jeff T. from BCW Group, noting that they have been brought on to provide strategic consulting services to Hedera as experts in the DLT ecosystem. Jeff T. introduced himself, provided a background on BCW's work in the market, and outlined the scope of their engagement with Hedera.

In addition to supporting and consulting on an overall strategic plan, BCW will also be supporting the Corporate Use Case Committee and acting as an accelerator to help Council members identify and bring their use cases to market. Jeff T. reviewed the anticipated timeline and project overview for working with the Hedera Council on establishing a strategic plan, vision, and goals.

Enterprise use of Hedera (CorpCom update)**Andrew Gastwirth**
Chair, CorpCom
(DLA Piper)

Andy G. shared that the objective of the Corporate Use Case Committee ("CorpCom") is to gather and share resources and expertise to help Council members bring their Hedera network use cases to market. The group will be meeting on a rotating meeting schedule to accommodate participants in multiple time zones.

At the last CorpCom meeting, ServiceNow presented on a project they developed with TOKO for tokenizing and tracking SLAs to improve work productivity and monetize outputs, which could result in significant production and financial benefits.

Hedera Council recruiting (MemCom update)**Simon Olson**
Chair,
MemCom
(Magalu)

Simon O. shared that the Membership Committee's objective is to identify and help recruit the highest caliber of prospective Council members to Hedera. The group is currently meeting once a month. It was noted that MemCom only recommends candidates for Council membership, as the Council members themselves vote to approve new members.

Outsourcing to Swirlds Labs (Board update)**Tom Sylvester**
General Counsel &
Secretary

Tom S. reviewed Hedera's recent reorganization, via which Hedera's co-founders and most of Hedera staff left Hedera and joined Swirlds Labs, a subsidiary of Swirlds that is independent from Hedera.

Scott T. summarized the terms of an executed outsourcing agreement between Hedera and Swirlds Labs, which has an initial term of 4 years and through which Swirlds Labs will be providing engineering, product development, and developer relations services to Hedera.

Scott Thiel
Board Director
(DLA Piper)**Network operations & roadmap (TechCom update)****Dr. Leemon Baird**
Co-chair, TechCom
(Swirlds)

Dr. Lemmon B. reviewed the Hedera Improvement Proposals (HIPs 367, 410, 423, and 449) that TechCom had approved since the last Council meeting. In addition to HIPs, TechCom has begun talking about ecosystem standardization which is a focus of Hedera's longer term strategy objectives.

Dr. Leemon B. gave a status report on Council nodes and transaction signing. Brett M. reminded Council members that they have an obligation under the LLC Agreement and various Hedera policies to sign certain transactions.

Open Source update (Open Source Task Force update)**Brett M. McDowell**
Chair

Brett M. announced that the Open Source Task Force ("OSTF") was formed following feedback from the Council members at their April meeting, and multiple Council Members are participating. The OSTF's objective is to manage the open sourcing the Hedera network software code. Per the Council's agreement with Swirlds, the open sourcing of the codebase needs to be completed by the end of 2022.

Treasury management (CoinCom update)**Dr. Leemon Baird**
Co-chair, CoinCom
(Swirls)

Dr. Leemon B. shared that CoinCom had only one meeting since the last Council meeting. No major decisions have been approved by CoinCom since the last Council meeting, but the group has continued to discuss staking strategy, its charter, and additional clarifications in the Hedera Treasury Management Report. An e-ballot has been issued to approve updates to the Hedera Pricing List.

Government & regulatory (RegCom update)**Tom Sylvester**
General Counsel &
Secretary

Jason B. shared that Hedera responded to a White House Office of Science and Technology Policy request for information on ensuring responsible development of digital assets. The response included input from the HBAR Foundation and focused on how DLT networks can be energy efficient and used as a tool to build trusted sustainability markets.

Tom S. provided an update on the regulatory landscape.

Any Other Business**Brett M. McDowell**
Chair

Brett M. noted that a call for Board nominations went out to the Council recently, highlighting that this will be the first time that all seven voting Board seats will be filled by persons elected by the Council members and that Board nominees do not need to be affiliated with a Council member.

To create continuity on the Board, it was suggested that the terms of the current three Board members be extended through the end of 2022. After being moved and seconded, the Council members approved extending the current three Board Director terms through December 31, 2022.

Brett M. also provided an update on how to indicate interest in co-chairing a committee and noted that the related compensation policy for Board members and committee chairs was being developed.

Brett M. stated that the Council will seek to return to in-person meetings beginning in Q3 2022. No concerns were raised by the Council members in terms of travel restrictions, and it was agreed that additional time for in-person Committee meetings be scheduled around the Council meeting.

Actions taken or ratified by the Hedera Council by written consent (April 21, 2022 – May 11, 2022)

None