

**Hedera Council Meeting Minutes**

**Date:** September 2, 2020  
**Time:** 9:00 – 11:00am EDT  
**Location:** Teleconference

**Attendees:**

**Avery Dennison**, Pradeep Iyer, Max Winograd  
**Boeing**, Brian Jeffords, Brien Hansen, Gary Haines, Peter Keane-Rivera  
**Deutsche Telekom**, Fredrich Kurz  
**DLA Piper**, Scott Thiel, Mark Radcliffe, Andrew Gastwirth  
**FIS/Worldpay**, Che Cabrerros  
**Google**, Rich Widmann  
**IBM**, Porter Stowell  
**LG Electronics**, Ti Cho, Samuel Park  
**Magazine Luiza**, Simon Olson, Vinicius Porto  
**Nomura**, Akira Iwasaki, Kenta Takemura, Yu Ori, Chikanori Hayashi  
**Swirls**, Bill Miller  
**Tata Communications**, Troy Reynolds  
**University College London**, Paolo Tasca, Nikhil Vadgama  
**Wipro**, Vignesh Pethuraja, Punit Kumar  
**Zain Group**, Malek Hammoud, Richard MacNamara, Devajeet Daata, Monther Alomani

**Hedera Officers/Staff:**

Mance Harmon, CEO  
Dr. Leemon Baird, Chief Scientist  
Brett McDowell, Executive Director & Vice Chair  
Natale Furman, General Counsel & Secretary  
Lionel Chocron, Chief Product Officer  
Christian Hasker, Chief Marketing Officer  
Tom Sylvester, Associate General Counsel  
Jordan Fried, SVP, Global Business Development  
John Larre, VP of Finance & Treasurer  
Samuel Brylski, Associate General Counsel  
Rachel Epstein, Corporate Counsel  
Josh Planton (VTM)

**Invited Guests:**

Rob Allen, eftpos Australia

**Call to Order**

Brett M. formally called the meeting to order and welcomed the Council Members to the third Council meeting of 2020.

**Brett M. McDowell**  
*Executive Director & Vice Chair*

After being moved and seconded, the Council Members unanimously approved the agenda for the meeting.

**Network Utilization: Case Studies**

Rob A. briefed the Council about eftpos Australia and its services. He described how the company was exploring use of the Hedera Network to facilitate micropayment processing options for merchants looking for a safe, scalable, and cost-effective way to avoid the negative effects of paywalls. The eftpos application utilizes the Hedera Network’s high-level of security and trustworthiness to allow the use of stablecoins for near real-time transaction processing as well as to address regulatory compliance challenges.

**Presenter:**  
**Rob Allen**  
*Entrepreneur in Residence, eftpos Australia*

**Approve Meeting Minutes for Publication**

After being moved and seconded, the Council Members unanimously approved the minutes from the Council meeting on June 3, 2020.

**Natalie Furman**  
*General Counsel & Secretary*

**Amendments to Hedera’s LLC Agreement**

Tom S. reviewed proposed changes to Hedera’s LLC Agreement, some of which were reviewed at the February and June Council meetings.

**Tom Sylvester**  
*Associate General Counsel*

Tom S. highlighted that the proposed revisions include: (i) defining the date of admission for new Council Members as the date their membership is publicly announced, (ii) requiring Council Members to identify a primary and alternate representative from their organization to sit on the Council, (iii) delegating authority to TechCom to approve node software updates, and (iv) granting the Board explicit rights to (a) approve Hedera policies, (b) approve Hedera budgets, and (c) in the absence of an appointed Council Chair, assign the position’s responsibilities to an officer or agent.

Tom S. also introduced recommendations to clarify the Council Members' nondisclosure obligations regarding confidential information and address the licensing of Council Members' contributions to whitepapers and other collateral created through participation in committees and special interest groups (SIGs) and published by Hedera. Natalie F. clarified that the new copyright provisions do not address patents, and Brett M. shared that the proposed language is in line with other industry consortia best practices.

Brett M. summarized the review process for the LLC Agreement proposed changes, and asked the Council Members to provide any feedback they may have to Tom S. and Natalie F. Once all comments have been addressed a final version of the amended LLC Agreement will be sent out for approval by e-ballot.

**Executive Report**

**Mance Harmon**  
Co-Founder & CEO

Mance H. provided an update on Hedera's use and decentralization, noting several milestones that Hedera has reached in the past several months. Hedera continues to garner further utilization of its network as it engages with new systems integrators such as custodians, wallets, and exchange platforms.

**Dr. Leemon Baird**  
Co-founder & Chief Scientist

Mance H. then provided an update on Hedera's key performance indicators (KPIs), which the Council Members adopted for measuring progress in 2020 in the areas of utilization, finance, reliability, membership, and culture. He went on to review the updates to Hedera's 2020 budget.

Dr. Leemon B. reviewed the technical roadmap and discussed the continued progress made towards achieving greater decentralization on the Hedera Network by open-sourcing the Hedera Network services code and improving network functionality. He then provided a summary of TechCom's activities since the last Council meeting and encouraged members to join TechCom and CoinCom meetings to discuss strategy around network services and incentive programs.

**Network Utilization: Case Studies**

*Presenter:*  
**Vignesh Pethuraja**  
Wipro

Vignesh P. summarized Wipro's interest in the distributed ledger technology (DLT) ecosystem in order to offer new enterprise solutions. Punit K. went on to review Wipro's proposed use case for a decentralized identity platform for IoT devices using the Hedera Consensus Service (HCS).

**Discussion of Hedera's Regulatory Posture**

**Simon Olson**  
Magalu

Simon O. expressed to the Council his views on recent lawsuits, enforcement actions, fundraising strategies and overall activities in the DLT space, and how Hedera's conservative regulatory stance and restrictions on certain activities may be hampering its position in the market.

Mance H. noted that Hedera's positioning on this topic relates to how Hedera worked to set itself apart in the industry through its decentralized governance model and commitment to regulatory compliance. Natalie F. shared that RegCom's recent focus has included developing a framework to assess the Council's overall risk posture as part of its ongoing efforts with respect to risk balancing and regulatory compliance. She added that RegCom has been taking incremental steps and iterating throughout this process to account for the Council's unique structure and the varying risk profiles of the Council Members.

Brett M. suggested that RegCom continue to develop its risk framework and return with analysis and guidance for the Council's consideration in-line with its overall strategic planning.

The meeting was adjourned.