

The following is an account of the minutes taken at the 2. GLEIF Board meeting held by conference call between 12.00 & 14.00 GMT on 23 July 2014.

### 1. Attendees

The following members were PRESENT:

#### **GLEIF Board Director**

Gerard Hartsink (Chair)

Jeff Braswell

Bo Chen

Arthur Cousins

Robin Doyle

Howard Edelstein

Hiroshi Kawagoe

Ayhan Keser

Wolfgang Koenig

Hyoung-Seok Lim

Ravi Mathur

Bruno Schütterle

Tim Smucker

Christopher Taggart

#### **ROC Observer**

Matt Reed

#### **Other Attendees**

Thomas Sprecher – Corporate

Stephan Wolf – CEO Elect

Clare Rowley – LOU

Board member Sergio Chodos was unable to attend.

### 2. Approval previous Meeting Minutes

- The meeting minutes of 26 June 2014 noting mandatory decisions were approved (these meeting minutes were filed with the Swiss Commercial Register). The meeting minutes of 26 June 2014 for all other meeting discussion were approved.

### 3. Topics for dialogue

- **GLEIF Funding**

On request of the Chair an update was given on the status of the operational issues of the funding and on the financial commitments of the GLEIF so far. The Board was also informed on the status of the Commitment Letters of the pre-LOUs and was pleased with the substantial progress made for the license fee commitments for the period Jan-June 2014.

It was requested that as part of the onboarding process the legal and tax status of each pre-LOU be verified in order to protect the GLEIF from unforeseen tax issues.

Also discussed was the need to renew efforts to secure donations.

- **GLEIF Action Plan**

The Board discussed the Action Plan for the period up to end of October with actions for the CEO with the support of Directors and with action for the Board. Guidance was given on some higher priority items. It was agreed that a detailed project plan will be made available asap where also time lines and dependencies are made clear.

### 4. Decisions taken by the Board

- **LEI Trademark**

Director Bruno Schütterle introduced discussion on the status of the GLEIF trademark registration. The Board discussed different considerations for international trademark registration.

Upon conclusion of these discussions, the GLEIF Board conducted a vote on the first phase of trademark registration. The Board concluded to endorse the recommended Phase I approach including filing the EU Community Trademark application, the select International Trademark applications, and the required National Trademark Applications. (0 abstentions, 0 votes against).

- **Directors & Officers Insurance Policy**

Director Bruno Schütterle introduced discussion on the D&O coverage offers secured by the approved broker firm. The Board discussed the coverage of the policies offered by three insurance companies. It was acknowledged that some changes would be required if the GLEIF operations are located outside Switzerland.

Upon conclusion of this discussion, the Board approved the recommended D&O policy of AIG – coverage CHF 15 Mio with an August 2014 start of coverage date. (0 abstentions, 0 votes against).

- **Commitment Letter Update for Newly Endorsed Pre-LOUs**

On the request of the Chair, considerations for adjusting the Commitment Letter to newly endorsed pre-LOUs were introduced.

Upon conclusion of this discussion, the Board approved the revised approach for estimating the 2014 LEI activity for newly endorsed pre-LOUs. (0 abstentions, 0 votes against).

- **GLEIF Audit**

Audit and Finance Committee Chair Robin Doyle introduced considerations for the GLEIF Annual Audit, the future GLEIF operational audit, audit requirements for the pre-LOUs, and audit requirements of the transition of the pre-LOUs into the GLEIS.

Upon discussion of this topic, the following recommendations were approved:  
(1) Use of IFRS as the methodology for the annual financial audit standards. (0 abstentions, 0 votes against).

(2) The GLEIF should subject itself to the highest standards in practice, recommend the GLEIF have an annual compliance audit in accordance with SSAE16/ISAE 3402 - SOC 1 (the former SAS70 standard). The Board approved that EY is also chosen for the operational audit for the report to the Board (the scope and the budget will be further refined). (0 abstentions, 0 votes against).

(3) The LOUs must obtain an annual audit of their financial statements and provide the report to the GLEIF (at the LOU's cost). The LOUs must also obtain an annual operational audit of compliance with the GLEIS policies, procedures and standards as agreed in the Master Agreement (at the LOU's cost). The CEO start work on drafting a compliance plan with EY's support on identifying how the compliance function can be at best organized (the scope and the budget will be further refined). (0 abstentions, 0 votes against).

(4) The CEO should immediately undertake to complete the Certification Criteria required for an LOU to be accepted into the GLEIS. This will likely include hiring external help to get the criteria in place quickly. The LOUs must obtain an audit of "agreed upon procedures" that will demonstrate compliance with the above referenced certification criteria; An LOU must "pass" such an audit before being accepted in the GLEIS. If an LOU cannot comply, its issued LEIs would be transferred to another LOU as directed by the CEO. (0 abstentions, 0 votes against).

- **GLEIF Location Recommendation**

The Board Chair Gerard Hartsink discussed the process and the feedback received from the Directors on the GLEIF (COU) location evaluation criteria and proposed locations. He mentioned the work underway to validate the tax consideration evaluations. On the request of the Chair, the ranking methodology and scoring procedure used for each of the suggested locations was described.

Concerns were raised on the tax issues (in particular VAT), differences in IP laws, and data protection laws. It was noted that the IP is under Swiss law and this will be specified in the Master Agreement as the presiding law regardless of the location of the COU. NKF will prepare a tax analysis of different locations for Board consideration.

Directors were given the opportunity to raise additional points for research through the end of the week.

Upon discussion of this topic, the following recommendations were approved. The recommended GLEIF location of Frankfurt is approved pending the conclusions of investigation on tax issues, confirmation of the conditions of the subsidy amounts, and any other issues requiring additional research. (0 abstentions, 0 votes against). (Note: A lease contract for a location can only be signed if there is clarity on the tax issues).

- **LEI Issuance by Non-endorsed pre-LOUs**

The Audit and Finance Committee Chair Robin Doyle discussed a policy recommendation to the ROC that non-endorsed pre-LOUs should not issue LEIs.

Upon discussion of this topic, the Board agreed the policy should be recommended to the ROC. (0 abstentions, 0 votes against).

#### **4.1. Important Discussion and Comments**

- Progress on the Commitment Letter payment package materials was noted.
- Progress on the funding commitment by the pre-LOUs was noted.
- An estimate of GLEIF expenses incurred to date was presented.
- The Action Plan for progress through October was discussed.
- Short term plans for data validation and possible consolidation of LEI files was discussed.
- The GLEIF final version of the Conflict of Interest Policy is in process.
- The Bylaws (Organizational regulations) are in process



Global Legal Entity Identifier Foundation  
2. GLEIF BOARD MEETING – MEETING MINUTES

Basel, 27 August 2014

Chair

Gerard Hartsink

Secretary

Thomas Sprecher