

The following is an account of the minutes taken at the 4. GLEIF Board meeting held between 8.30 & 15.00 CEST on 24 September 2014 in Frankfurt am Main, Germany.

## 1. Attendees

The following members were PRESENT:

### **GLEIF Board Director**

Gerard Hartsink (Chair)  
Nabil Abdullah Alamubarak  
Jeff Braswell  
Bo Chen  
Arthur Cousins  
Robin Doyle  
Hiroshi Kawagoe  
Wolfgang Koenig  
Bruno Schütterle  
Tim Smucker  
Christopher Taggart

### **ROC Observer**

Matt Reed  
Bertrand Couillault  
Jun Mizuguchi

The following members were ABSENT:

Sergio Chodos  
Howard Edelstein  
Ayan Keser  
Ravi Mathur  
Hyoung-Seok Lim

Ayan Keser provided his votes in advance of the meeting to the Chair.

### **Other Attendees**

Thomas Sprecher – Corporate Secretary  
Stephan Wolf – CEO Elect  
Clare Rowley – LOU Transition Project Manager  
Markus Kaiser, CMS, external adviser (until 12.00)

## 2. Approval previous Meeting Minutes

- The meeting minutes of 27 August 2014 were approved.

### 3. Topics for dialogue

- **Recap of previous days' conclusions**

Chair Gerard Hartsink provided an overview of the Pre-LOU Managers Meeting agenda.

The Board evaluated the GLEIF-pre LOU meeting of 22 September. The concept of a next step of a GLEIF sponsored LOU user group – with terms of reference – was discussed. Concerns were raised on the compliance of competition law. The Chair and the ROC Chair will take care of a one-pager on competition law applicable to the GLEIF and the LOU Managers.

The Board discussed the successful Meet the Market event on 23 September in Frankfurt. It was suggested that prior to the next Meet the Market event the GLEIF would (1) request the recommendation of the ROC Chair on the ROC panel members, (2) require a conference call or rehearsal of panel participants prior to the panel event, (3) discuss with panelists that the purpose of the event is to promote the LEI.

Each Board Committee Chair informed the Board on the main points of the discussions of their Committee.

- **Finance**

The Chair requested that the True-up scenarios be introduced.

The AFC recommended that the Board endorse the proposed percentage of 2,5 percent above the 3-month LIBOR and to delay the request for the OMC funds until the CEO-elect would have time to better manage the 2015 budget and could create a better estimate of the per LEI fee needed to fund the GLEIF reserve of 6 months of the forecasted operating expenses (per CPSS-IOSCO Principle 15, General Business Risk). The Board stressed that the GLEIF cannot give away the commitment for the full OMC at this stage.

- **Communications**

The plan for establishing [www.gleif.org](http://www.gleif.org) version 1.0 was discussed. Several board members voiced again the desire to have a website established asap.

- **Teleconferencing Services**

The Board was informed that an RFP for teleconferencing services is underway.

- **Technical Infrastructure**

The CEO-elect led discussion on the GLEIF objectives and the remit for the CEO regarding the GLEIF IT services and operational requirements for the GLEIS and the GLEIF functions.

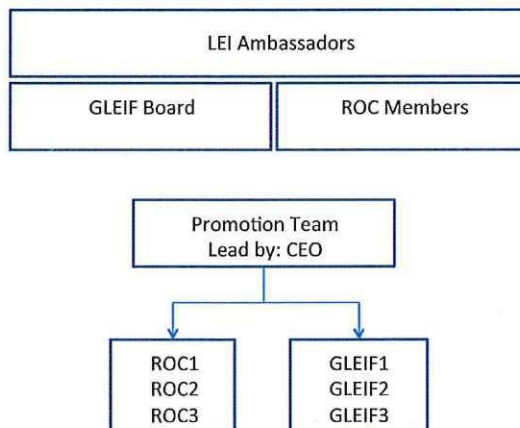
- **Compliance Considerations**

The Chair discussed compliance considerations for the LOUs (as will be specified in the Master Agreement), for the GLEIF CEO, and the GLEIF Board. It was noted that the structure of the internal audit reporting function would include requirements for reporting to the CEO and to the Audit and Finance Board Committee Chair.

The Board approved that the structure for compliance for LOUs, the GLEIF CEO, and the GLEIF Board would follow the outline presented.

- **Promotion Plan**

The GLEIF Business Plan 1.0 Attachment A was agreed upon as the starting point for the promotion plan. The Board approved already that all ROC Members and the Directors of the Board are ambassadors to promote the LEI in their jurisdiction to give support to the GLEIF CEO. The Chair suggested that the three ROC members and 3 Board members with diverse industry experience and geography be the core promotion team that will support the CEO.



The Board approved the following ROC Members (Matt Reed, Bertrand Couillault, Jun Mizuguchi) and Board Directors (Hiroshi Kawagoe, Tim Smucker and Gerard Hartsink) will become the members of the Promotion Team.



- **Audit and Finance Committee Update**

The Audit and Finance Committee Chair Robin Doyle reported on the Committee's conclusions from the previous day:

- The AFC plans to recommend reaching out to the FSB for a deficit guarantee after the updated draft GLEIF-ROC MOU is received from the ROC.
- The AFC plans to construct various scenarios and consider how to appropriately reserve or contract an insurance policy to protect the Directors of the Board from resulting liabilities.

- **Governance Committee Update**

The Chair reported on behalf of the Governance Committee Chair, Sergio Chodos, who was unable to be present for the previous day's meeting:

- The Governance Committee will review the structure and the composition of the Board Committees in January 2015.
- The Governance Committee recommends reviewing the Responsibility Matrix received from the ROC and preparing a response in time for the next scheduled Joint GLEIF & ROC meeting.
- The Governance Committee plans to put together a proposal for the Board staggering policy for review in the next in-person GLEIF Board meeting.
- The Governance Committee will, together with the Secretary of the Board, prepare a draft of the By-laws for the next in person meeting.
- A renewed request for signing the Conflicts of Interest form will be sent to Directors who have not yet returned their Conflict of Interest form. All Directors are expected to have signed the form before end of October.
- A first draft of list of Level I and II policies has been developed. All Directors are requested to review and complete the lists.
- The Corporate Secretary will be asked to provide a lecture on Swiss Foundation Law in the next in-person GLEIF Board meeting.
- Useful subscriptions will be considered to ensure Directors have access to relevant important industry reporting.

- **TOPS Committee Update**

The TOPS Committee Chair Jeff Braswell reported on the Committee's conclusions from the previous day:

- A clear distinction must be established between the role of ROC/CES and GLEIF (CEO and TOPS) vis-à-vis standards accountability and responsibility (e.g., for the MOU). The ROC/CES takes care of policy standards and the GLEIF for operational and technical standards of the GLEIS.
- Clarification of LOU Eligibility and Accreditation Guidelines should be prioritized.

- **Master Agreement Committee Update**

The Master Agreement Committee Chair Bruno Schütterle reported on the Committee's conclusions from the previous day:

- The Heads of Terms document will be used for the next stage of the development of the Master Agreement.
- Co-branding and competition related items would be further considered in the development of relevant chapters.
- IP and copyright protections for the GLEIF as asked for in the Statutes are weak for the LEI and legal entity Reference Data. The Master Agreement will not attempt to establish GLEIF ownership for either the LEI or the legal entity reference data. Rather the Master Agreement will focus on ways to protect the LEI and the legal entity reference data via strong quality controls.
- The GLEIF will not attempt to restrict control over the LEI and the legal entity reference data by limiting access to certain quantities of data. The GLEIF is committed to the free and open access of LEI and legal entity reference data.
- The Master Agreement may include a reference to the FSB role.

Other Board members encouraged that the Master Agreement use language from the FSB recommendations when possible.

#### **4. Decisions taken by the Board**

- **Master Agreement Consultation process**

The proposed Master Agreement Consultation process was presented to the Board.

It was requested that the ROC Chair send a message to the ROC Sponsors requesting they send their already approved endorsed pre-LOUs accreditation package to the GLEIF Chair and CEO. The GLEIF requested that the ROC provide clear and regular communication on the pre-LOU endorsement pipeline.

Upon discussion of this topic the following recommendations were approved: The Board approved the proposed Master Agreement Process Proposal and asks the CEO to execute the creation of the MA as proposed with the caveat of extending the internal and external consultation timeframes and making more clear that the Board is consulted prior to external consultation (0 votes against, 0 abstentions).

- **GLEIF Location**

Director Wolfgang Koenig provided an overview of the status of the tax issues. The results of data protection research were also discussed and it was concluded that this had no impact on the location choice.



The ROC agreed to check for oversight implications given the GLEIF decision of (and the conditions) of 26 June, 2014 for the operations location(s) in addition to Basel as the place of the legal establishment.

Upon discussion of this topic the following recommendations were approved: The Board reconfirmed the location decision taken by the Board on 26 June, 2014 with the understanding that the tax law “lex specialis GLEIF” passes before the year end and with the communication that this is the first of multiple global operational hubs. The Board agreed this information would be kept internal to the Board until further notice. (0 votes against, 0 abstentions).

- **Finance**

The Audit and Finance Committee Chair Robin Doyle presented considerations of the Committee on the applicable interest rate for the OMC.

Upon discussion of this topic the following recommendations were approved: (1) The applicable interest rate for the OMC was confirmed as 2,5% above 3-month LIBOR, and (2) The pre-LOUs will be asked to sign the OMC terms and conditions as is consistent with the current Attachment A LEI Activity estimates with only the adjustment to the interest rate (0 votes against, 0 abstentions).

- **Senior Job Descriptions**

The Chair requested the organization chart be presented and the 3 immediate senior job descriptions were discussed.

Upon discussion of this topic the following job description recommendations were approved: The org chart proposed by the CEO and the job descriptions for the (1) Head of Business Operations, (2) Head of Business Administration, Accounting, and Controlling, and (3) General Legal Counsel (0 votes against, 0 abstentions).

- **GLEIF 2015 Board Meetings**

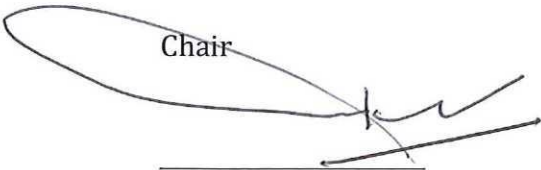
The Chair introduced the proposed 2015 meeting schedule. It was agreed a proposal for the 2015 Board meeting schedule would be circulated to the Board for getting the Directors feedback and to conclude on the (additional) dates of the face-to-face meetings.

- The Board agreed to the following schedule for the next in-person GLEIF Board meeting in Seoul Korea:
  - 17 November: Committee Meetings scheduled end of the day
  - 18 November: Committee Meetings, GLEIF Board Meeting, and Meet the Market (end of the business day) and Board Dinner
  - 19 November: Joint meeting in the morning, GLEIF Board Meeting

- The Board agreed that more time should be planned for Board Committee meetings when in-person meetings were scheduled.
- The Board agreed that an in-person meeting should take place in January 2015.

Basle, 29 October 2014

Chair

  
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Gerard Hartsink

Secretary

  
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Thomas Sprecher