

Minutes GLEIF Board of Directors Meeting

Meeting Twenty-fifth Board of Directors Meeting

Date	2016-08-31	Time	13:00 – 15:00 CET	Place	Basel, Switzerland
Present	GLEIF Board of Directors	ROC Observers			
	Gerard Hartsink (Chair)	Joseph Tracy			
	Nabil Al-Mubarak	Michael Ritter			
	Jefferson Braswell	Daisuke Yamazaki			
	Bo Chen	Other Attendees			
	Arthur Cousins	Stephan Wolf – CEO			
	Robin Doyle	Thomas Sprecher – Secretary of the Board			
	Daniel Goroff	Veronika Schoehl – Head of Board Secretariat			
	Hiroshi Kawagoe	Guests (joined the meeting by phone)			
	Paul Kennedy	For item 3 – Report of the CEO			
	Wolfgang König	Sam Caddy – Head of Finance and Business Administration			
	Alfredo Reyes Krafft	Virginia Flynn – Head of Accreditation and Audit Services			
	Hyoung-Seok Lim	Anja Lechner – Head of Service Management			
	Ravi Mathur	Clare Rowley – Head of Business Operations			
	Bruno Schütterle	Sven Schumacher – Head of Legal and Compliance			
	Christopher Taggart				
	Elemér Terták				
	Kam Keung Tse				
Absent	Sergio Chodos (excused)				

No	Topics
1	Opening
	The Chair determines the presence of a quorum. It is noted that the meeting was duly convened and that the agenda and documentation was provided to the Members in advance.
2	Previous Meeting Minutes Approval
	The Board members unanimously approve the minutes of the previous meeting.
3	Topics for information
	Report of the CEO
	<ul style="list-style-type: none"> ▪ Q2 Forecast 2016 (including Half Year Financial Results)
	The CEO, supported by the Head of Finance and Business Administration, presents the Q2 Forecast 2016 compared to the Budget 2016 approved by the Board. It is noted that a comprehensive presentation was already delivered to the AFC.

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The following points are highlighted:

- Variance for Q2 Forecast 2016 compared to Budget 2016 is favorable due to the net effect of a decrease in forecast revenue between Q2 Forecast 2016 and Budget 2016 and a decrease in total cost projections.
- Variance for Q2 Forecast 2016 compared to Q1 Forecast 2016 is favorable due to the combined effect of increased forecast revenue and decreased total cost projections.
- 2017 Revenue projection is based on a 30% increase in 2016 LEI activity, primarily due to the expected implementation of MIFID II regulations in January 2018 with anticipated significant effects on 2017 LEI activity.
- Q2 Forecast 2016 total expenses decreased compared with Budget 2016 mainly due to lower labor expenses. Labor shortages and higher workloads for GLEIF staff would persist.

The Chair of the AFC, Robin Doyle, underlines the importance of a strong cash position, the estimation of FX impact and assesses GLEIF position as overall stable.

- **Accreditation Update**

The CEO, supported by the Head of Accreditation and Audit Services, provides an update on the status of the accreditation by ROC endorsed pre-LOUs and the new applicants. Also the onboarding process (second phase) is explained which follows the documentation process (first phase). Onboarding includes live testing of LEI system application of a candidate and verification of controls. This process is finalized by a possible award of a GLEIF certificate upon Board approval. A short discussion on the onboarding process takes place.

The Board also discusses the accreditation recommendation plan report on GMO GlobalSign Oy.

Finally, it is suggested to adapt the annual accreditation verification process based upon a rolling 12 months calendar from the date of accreditation aiming at better periodicity in terms of oversight for LOU and GLEIF planning purposes.

- **Internal Audit**

The Head of Accreditation and Audit Services briefs on the current audit services. It is informed that the evaluation of the Board Portal will be concluded in the next Board meeting. No material findings are reported.

- **Operations Update**

The CEO informs on the most important projects and developments highlighting latest deliverables in the area of GLEIF services and quality management. The GLEIF website is now available in 14 languages. Also the new GLEIF service of the Challenge Process is underlined as major success and is outlined in more detail and discussed by the members. The CEO also updates on the current status, next steps and expected results of the Level 2 project in consultation with the TOPS Chair, Jefferson Braswell.

- **Registration Authorities List**

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The CEO informs that GLEIF published the new 'Registration Authorities List' (RAL) aiming at further increasing the quality and transparency of the Legal Entity Identifier Data. The members discuss the registrant agent model as well as next steps and outlook. The CEO confirms upon a question of one Director that the RAL will also be made available in a XML format.

Report of the Chair

- **Vice Chairs of the Board and Board Committees**

The Chair of the Governance Committee (GC), Paul Kennedy, informs the Board on the GC recommendation of nominees for the position of Vice Chairs for the Board and Board Committees. Factored in were the views of the respective Chairs and the feedback of members willing to serve in a Vice Chair position.

- **Composition of the Business Development Committee (BDC)**

The GC Chair, Paul Kennedy, informs that the GC reiterated in its meeting on 25 August the importance of geographical balance, industry representation and expertise as set out in the in Art 13 Statutes with regards to the composition of the BDC. The GC presents 9 candidates for the BDC. A short discussion takes place and one Director decides to withdraw his candidacy. In this context, also general provisions for the structure of Board committees are discussed according to the Org Regs.

- **Additional term as Board Member**

The GC Chair, Paul Kennedy and the Board Chair, Gerard Hartsink, inform that the eight Directors in question were requested to inform if they are prepared to serve for an additional term of two years from June 2017 to June 2019. All eight Directors answered to be prepared to serve for the respective additional term. The GC will review and formulate a recommendation for each of the Directors for the Tokyo Board meeting.

- **Org Regs**

The GC Chair, Paul Kennedy, informs on the GC's recommendation to approve a new version of the Org Regs reflecting the concept of Vice Chairs as well as the structure, tasks and responsibilities of the BDC.

- **Promotion**

The Chair informs the Board on the latest promotion activities also undertaken together with the CEO. Relevant upcoming events are highlighted in this context.

- **Meeting schedule 2017**

The Chair presents the meeting schedule 2017 that includes the feedback of the ROC on the Joint ExCo Board meetings.

4 Decisions taken by the Board

- **Accreditation**

The Board approves that GLEIF's CEO enters into the Master Agreement with GMO GlobalSign Oy engaging with full accreditation.

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(16 in favor, 2 abstentions, 0 objection)

The Board unanimously agrees to the adaption of the Appendix 10 Annual Accreditation Verification Requirements as outlined under point 3 Report of the CEO, Accreditation.

- **Vice Chairs of the Board and Board Committees**

The Board unanimously approves to appoint the following Vice Chairs of the Board and Board Committees:

- Board: Wolfgang König
- CoC: Wolfgang König
- GC: Robin Doyle
- AFC: Nabil Al-Mubarak
- TOPS: Arthur Cousins

- **Composition of the BDC**

The Board unanimously approves the composition of the BDC and agrees to appoint a Vice Chair at the next Tokyo Board meeting.

- **Org Regs**

The Board unanimously approves the new version of the Org Regs valid as of 31 August 2016.

- **Meeting Schedule 2017**

The Board unanimously approves the meeting schedule of 2017.

- **Recording of mail votes**

The Board requests that the following three circular resolutions are included in the minutes.

CEO Recommendations for Accreditation:

- CSCS Nigeria (unanimous resolution)
- UnaVista LEI Limited (17 in favor, 1 abstention, 0 objection)
- Saudi Arabia Credit Bureau (unanimous resolution)
- EQS Group AG (17 in favor, 1 abstention, 0 objection)

5 Reports of the Committee of Chairs

- **Governance**

The GC Chair, Paul Kennedy, briefed under item 3, Report of the Chair.

- **Audit and Finance**

The Chair, Robin Doyle, briefed under item 3. Report of the CEO.

- **Technology and Operations Standards**

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The Chair, Jefferson Braswell, updates on the latest developments and outcomes of the TOPS meeting underlining an expert presentation on Blockchain.

6 **AOB**

No points are raised.

27 October 2016

Gerard Hartsink
Chair of the Meeting

Veronika Schoehl
Secretary of the Meeting