

## Minutes GLEIF Board of Directors Meeting

### Meeting 37. Board of Directors Meeting

Date	2018-03-14	Time	13:00 – 15:00 CET	Place	Conference call
<b>Present</b>	<b>GLEIF Board of Directors</b> Gerard Hartsink (Chair) Wolfgang König (Vice Chair) Nabil Al-Mubarak (Director) Jefferson Braswell (Director) Bo Chen (Director) Arthur Cousins (Director) Robin Doyle (Director) Daniel Goroff (Director) Hiroshi Kawagoe (Director) Alfredo Reyes Krafft (Director) Paul Kennedy (Director) Bruno Schütterle (Director) Hyung-Seok Lim (Director) Christopher Taggart (Director) Kam Keung Tse (Director) Henrique Vergara (Director)		<b>LEI ROC Observers</b> Joseph Tracy (LEI ROC Vice Chair)		
			<b>Other Attendees</b> Stephan Wolf – CEO Thomas Sprecher – Secretary of the Board Veronika Schoehl – Head of Board Secretariat		
			<b>Guests</b> For item 3 – Report of the CEO John Alton – External Auditor (EY) Annette Booth – Head of Finance Virginia Flynn – Head of Accreditation & Audit Services Clare Rowley – Head of Business Operations Sven Schumacher – General Counsel/CCO		
<b>Absent</b>	Ravi Mathur (Director) – excused Elemér Terták (Director) – excused Michael Ritter (LEI ROC Chair) – excused Nanda Dave (LEI ROC Vice Chair) – excused				

No	Topics
<b>1</b>	<b>Opening by the Chair</b>
	The Chair, Gerard Hartsink, determines the presence of a quorum. He informs that the meeting was duly convened and that the agenda and documentation was provided to the Board prior to the meeting. The Members accept the agenda at hand.
<b>2</b>	<b>Approval of the Previous Meeting Minutes</b>
	The Members unanimously approve the minutes of the previous meeting.
<b>3</b>	<b>Topics for Information</b>
	<b>Report of the CEO</b>
	<b>Draft Financial Statements 2017</b>
	<ul style="list-style-type: none"> <li>The CEO, supported by the Head of Finance, presents the draft Financial Statements 2017. He highlights the main items relative to the presentation of</li> </ul>

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the Draft Actuals 2017, Q3 Forecast 2017 and Budget 2018. GLEIF generated a gross revenue of USD 7.9 million and a net surplus 252.9 thousand.

- The Chair of the Audit and Finance Committee (AFC), Robin Doyle, reports on the conclusions of the AFC. The AFC reviewed the draft Financial Statements 2017 in its meeting on 9 March 2018 in presence of the external auditor from EY. The AFC concluded that no deficiencies related to the audit were identified and the audit was complete. The AFC recommends to the Board the approval of the Financial Statements 2017.
- The Board takes note of the report on the Financial Statements 2017. The financial result is considered in line with the objectives of GLEIF as a not-for-profit organization. The Board concludes to add the net surplus 252.9 thousand to the organizational capital.

### **Report of the External Auditor (EY) to the Board**

The External Auditor, John Alton, informs the Board on the audit process undertaken in accordance with the IFRS. He states that the audit was complete and that no material weaknesses had been identified.

The Board takes note of the key matters related to the external audit as well as the independent auditor's report with regard to the Financial Statements of 31 December 2017.

The Board approves that the Chairman signs the Letter of Representation.

### **Compliance**

The CCO presents the compliance report for 2017 to the Board. The CCO is of the opinion that the overall compliance risk of GLEIF with respect to significant exceptions or omissions is low. GLEIF is not directly engaged in countries or industries that are considered as risky and the business model excludes GLEIF from being directly involved in financial transactions with customers other than Accredited LEI issuers. Further, there were no compliance violations reported to the CCO and GLEIF is compliant with the Compliance Policy.

### **Operations**

The CEO provides a short report on relevant operations topics and key projects at GLEIF.

- All 25 pre-LOUs (LEI issuing organizations that were upon foundation of GLEIF endorsed by the LEI ROC) are now operational as Accredited LEI issuers under the Master Agreement.
- New initiatives with regard to business operations and promotion inter alia related to the LEI in KYC are presented.
- With regard to GLEIF's service management, additional ISO 20000 processes were implemented and GLEIF finalized its service catalogue for publication.
- GLEIF provided its analysis on the PNI (Provisional Node Identifier) data for use in referring to direct or ultimate accounting consolidating parent legal entities under LEI-ROC policy.
- An update is provided on the GLEIF ID Management Workshop to be convened on 17 May in San Francisco that will include high level panelist and a diverse group of participants ranging from industry participants such as tech companies to regulatory authorities.

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A short discussion takes place.

### **Internal Audit**

The Head of Accreditation & Audit Services provides an update of internal audit for the first quarter 2018 and the 2018 audit plan. The AFC Chair informs that the AFC reviewed the internal audit plan and took note of it.

### **Report of the Chair**

#### **Annual Report 2017**

The Chair informs on the work process for the Annual Report 2017 which included a finance and non-finance part.

The Committee of Chairs reviewed the non-finance part of the Annual Report 2017 and recommends approval to the Board.

#### **Succession of Directors**

The Chair of the Governance Committee, Paul Kennedy, together with the Chair of the Board, inform on the progress made on the succession of Directors as follow up of the call for candidates for four new Directors from 5 jurisdictions based on the requirements of article 13 of the Statutes.

The Board had agreed on an open call for four candidates based on specific criteria. The ROC Chair was approached to inform all ROC Plenary members on the call for candidates.

#### **Promotion**

The Chair and Members of the Board brief about their promotion activities including on activities undertaken in cooperation with the CEO.

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## **4 Reports of the Committee Chairs**

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### ▪ **Audit and Finance**

The AFC Chair, Robin Doyle, has no additions to make with regard to the Financial Statements 2017 stating that all relevant remarks were made under item 3) Report of the CEO.

### ▪ **Business Development**

The BDC Chair, Kam Keung Tse, informs about the main outcomes of the BDC meeting focusing on LEI application for KYC and the LEI use for regulatory purposes.

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## **5 Resolutions of the Board**

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### **Annual Report 2017 including the Financial Statements 2017**

- The Board unanimously approves the Annual Report 2017 including the Financial Statements for 2017 in accordance with IFRS.
- The Board takes note of the Report of the Statutory Auditor on the Financial Statements as of 31 December 2017.
- The Board of Directors approves to add the net surplus of 252.9 thousand to the organizational capital of GLEIF.

### **PNI reference data**

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The Board unanimously approves not to publish the PNI reference data and endorses that the CEO recommends to the LEI ROC to mandate parents to obtain an LEI.

### **Recording of mail vote recommendations**

The Board adds the following circular resolutions to these minutes:

Step 1 of the Accreditation process: Recommendation to sign the Master Agreement

- Deloitte AG (unanimous approval)
- CDAD Bulgaria (unanimous approval)

Step 2 of Accreditation process: Recommendation for the issuance of an accreditation certificate

- Keler Hungary (unanimous approval)

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### **6 AOB**

No additional remarks are made.

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Date 2018

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Gerard Hartsink  
Chairman of the Board

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Veronika Schoehl  
Secretary of the Meeting