

Minutes GLEIF Board of Directors Meeting

Meeting 43. Board of Directors Meeting

| Date | 2018-02-28 | Time | 09:00–12:45 SGT | Place | Singapore |
|----------------|---|------|---|-------|-----------|
| Present | GLEIF Board of Directors Gerard Hartsink (Chair) Sandra Boswell Jefferson Braswell Bo Chen Robin Doyle Daniel Goroff Wolfgang König Alfredo Reyes Krafft Bruno Schütterle Monica Singer Christopher Taggart Elemér Terták Changmin Chun Ravi Mathur Kam Keung Tse Hiroshi Nakatake | | LEI ROC Observers Alan Deaton (Chair) Francois Laurent (Vice Chair) | | |
| | | | Other Attendees Stephan Wolf – CEO Annette Booth – Head of Finance Thomas Sprecher – Secretary of the Board Veronika Schoehl – Head of Board Secretariat | | |
| Absent | Nabil Al-Mubarak (Director) – excused Henrique Vergara (Director) – excused Jurgen Boyd (LEI ROC Vice Chair) P. Vasudevan (LEI ROC Vice Chair) | | | | |

| No | Topics |
|----------|---|
| 1 | Opening by the Chair The Chair of the Board, Gerard Hartsink, opens the meeting by welcoming the newly appointed ROC observers and ex officio member of the Board. The ROC Chair and Vice Chair update the Board on the workplan of the LEI ROC in 2019. It is informed that the FSB's thematic peer review report on implementation of the LEI is expected to be published by the FSB in the second quarter of 2019, and will be subject to the discussion of the Joint LEI ROC Executive Committee and GLEIF Board meeting in May 2019. The Chair of the Board determines the presence of a quorum. He informs that the meeting was duly convened and the agenda and documentation was provided to the Board prior to the meeting. The Members accept the agenda at hand. |
| 2 | Approval of the Previous Meeting Minutes |

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The Members unanimously approve the minutes of the previous meeting.

3 Topics for Information

Report of the CEO

Annual Report 2018 format

The CEO, Stephan Wolf, informs that the annual report of 2018 is planned to be published in machine-readable inline XBRL and XHTML format. A limited number of printed versions will be made available for the leaders of the public and private sector. The annual report will be cryptographically signed by using a digital certificate that embeds the LEI. GLEIF and XBRL will demonstrate thereby a prototype to the industry. Overall, the benefit of using the LEI for business reporting (by embedding the LEI in the XBRL taxonomy) is to be able to directly extract ownership information in a machine-readable format from an annual report.

Year end results

The CEO, supported by the Head of Finance, reports on the draft year end results for 2018. Currently GLEIF waits for the final testimony of the external audit, EY which is expected to be issued in the coming weeks. The annual report 2018 including the financial statements will be presented to the Board in the next Board meeting on 3 April 2019.

The result for the draft actuals 2018 is a surplus. There is a favourable variance against the fourth quarter forecast 2018 due to decreased total expenditures and a favourable variance compared to the budget 2018. This stems from the combined effect of increased revenue mainly due to the EU regulation MiFID/MIFIR triggering more LEI issuance than expected and reduced expenditure mainly due to postponed recruitment, non-labor costs below budget, and FX exchange rate savings.

The AFC Chair informs that the AFC reviewed in detail the year end results 2018 in its last meeting. The cash reserves for GLEIF are stable and the financial condition of the organization is in good health. The AFC discussed investment of excess funds and management of cash. The generated surplus for 2018 is considered higher than budgeted issued LEIs for the EU regulation MiFID/MIFIR and a windfall of the forex cash position. Upon conclusion of the AFC, the Board is supportive to leave the surplus in the reserves given the importance for GLEIF to be able to respond to future ROC requests for the GLEIS, to any risks such as decreasing renewal rates of LEIs and to implement relevant investments in IT systems.

Accomplishments 2018 and outlook 2019

The CEO provides an overview of some of the highlights of 2018.

- New LEI search 2.0 was launched and is currently in beta testing. The new search is essential for users since it offers more functionality including the option to identify corporate ownership structures or pinpoint other identifiers that have been mapped to an LEI. Functionalities will be further optimized.
 - Golden Copy files: help users to get frequently updated information on LEIs and related reference data in an easy-to-use format.
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- 'Look-up' application programming interface (API): allows users to set up fast, customized and automated access to the Global LEI Index. The API will be further extended.
- Research: GLEIF published research paper 'A New Future for Legal Entity Identification' on integrating the LEI as a common link to provide certainty of identity in any online interaction and published research with the Data Foundation on the entity identification systems across the U.S. government.
- GLEIF implemented a new service management system and implemented a new accounting system for accurate budgeting.
- GLEIF introduced annual accreditation verification to oversee the 33 LEI issuers in the Global LEI System at the end of 2018.

With regard to Operations, the CEO focuses on informing the Board on relevant updates for the appendix SLA 1.5 of the Master Agreement in the area of service level management. An overview of business trends of LEI issuance during 2018 as well as developments of regulations requiring the LEI is provided.

The CEO provides an outlook to 2019 and informs on planned projects such as in the area of the GLEIS 2.0 research associated pilot projects, the ISIN-to-LEI mapping and other mappings, new data challenges portal, data accuracy projects, data governance APIs, development of a semantical model LEI as meta standard and LEI and roles in digital certificates. The CEO provides a strategic outlook for GLEIF, and highlights the most important projects.

GLEIS 2.0 research project

The GLEIS 2.0 consultation results, which were reviewed in-depth by the BDC and TOPS Committee, are presented to the Board by the CEO. The Board discusses the results and make recommendations to the CEO.

The Board of Directors discusses different aspects of the CEO report relevant for the strategy of GLEIF.

Report of the Chair

Succession

The Board Chair, Gerard Hartsink, updates on the deliberations of the Governance Committee with regard to the succession of Directors of the Board in June 2019. The GC currently reviews applications based on the Call for Applications with four sector/skill profiles from four regions/jurisdictions (China, India, Switzerland and the UK) published end of the year 2018.

Appointment of Director to Board Committees

The Board Chair informs the Board of the recommendation of the Governance Committee to appoint the Director, Changmin Chun, to the Governance Committee.

Meetings of the Board

The Board takes note of the change of location for the October 2019 Board meeting as agreed with the LEI ROC for the Joint Meeting of the Board with the LEI ROC ExCo. The

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Board reviews options for Board meetings, Joint LEI ROC-ExCoCO-Board meetings and Meet the Market events in 2020 supportive of the proposals made by the Board Chair.

Promotion

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

4 Reports of the Committee Chairs

▪ **Governance**

The Board Chair, Gerard Hartisnk, and the Board Vice Chair, Wolfgang König, inform on the deliberations of the GC and the next steps with regard to succession in June 2020.

▪ **Audit and Finance**

The AFC Chair, Robin Doyle, adds to her report delivered under item 3) Report of the CEO, that the AFC will review the annual Compliance Report of GLEIF.

▪ **Technology and Operations Standards and Business Development**

The TOPS Chair, Jeff Braswell and the BDC Chair, Wolfgang König, inform on the topics discussed in the recent Joint BDC/TOPS Committees meetings. The last meeting focused on the GLEIS 2.0 research project and the Joint BDC/TOPS Committee issued several recommendations to the Board. The two Chairs intend to continue with a Joint meeting format for 2019.

5 Resolutions of the Board

GLEIS 2.0 research project

Upon recommendation of the Joint BDC/TOPS Committee, the Board approves the funding of the research project GLEIS 2.0 and approves the recommendation of the CEO regarding the award of the GLEIS 2.0 Request for Response and to enter into an agreement with the selected vendor. An independent advisory panel will be created to review the activities of the vendor and performance incentives and milestones will be instituted for the award of the contract. A Director abstained to express that an alternative use of the funds could be more beneficial for the GLEIF purpose.

(15 in favor, 1 abstention, 0 objection)

Annual Report 2018 format

The Board approves to use XBRL for the Annual Report 2018 and that a printed version of the Annual Report 2018 will be issued for the leaders of the public and private sector.

(16 in favor, 0 abstention, 0 objection)

MtM Washington

The Board approves a Meet the Market event in Washington D.C. to be held in October 2019.

(16 in favor, 0 abstention, 0 objection)

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Master Agreement update

The Board approves to enter into consultation with the LEI issuers with an updated appendix (SLA 1.5) to the Master Agreement.

(16 in favor, 0 abstention, 0 objection)

XBRL Board

The Board endorses that GLEIF's Head of Standards joins the XBRL Board of Directors.

(16 in favor, 0 abstention, 0 objection)

Appointment of Director to Board Committee

Upon recommendation of the Governance Committee, the Board approves the appointment of the Member, Changmin Chun, to the Governance Committee (while the Member abstains from voting on his appointment).

Changmin Chun accepts the appointment.

(15 in favor, 1 abstention, 0 objection)

Recording of Circular Resolutions

The Board confirms the following decisions taken by the Board by circular resolution which are added to these minutes:

- Accreditation Certification (step 1) | Xerius Ondernemingsloket, Belgium (unanimous approval)
- GLEIF Board Chair succession plan (unanimous approval)

6 AOB

No further comments are raised.

28 February 2019

Gerard Hartsink
Chairman of the Board

Veronika Schoehl
Secretary of the Meeting