

## Minutes GLEIF Board of Directors Meeting

Meeting	44. Board of Directors Meeting				
Date	2019-04-03	Time	14:00–16:00 CET	Place	Conference call
<b>Present</b>	<b>GLEIF Board of Directors</b>		<b>LEI ROC Observers</b>		
	Gerard Hartsink (Chair)		Alan Deaton (Chair)		
	Sandra Boswell				
	Jefferson Braswell		<b>Other Attendees</b>		
	Bo Chen		Stephan Wolf – CEO		
	Robin Doyle		John Alton – External Auditor (EY)		
	Daniel Goroff		Annette Booth – Head of Finance		
	Wolfgang König		Veronika Schoehl – Head of Board Secretariat		
	Alfredo Reyes Krafft				
	Bruno Schütterle				
	Monica Singer				
	Changmin Chun				
	Ravi Mathur				
	Kam Keung Tse				
	Hiroshi Nakatake				
	Henrique Vergara				
<b>Absent</b>	Nabil Al-Mubarak (Director) – excused Christopher Taggart (Director) – excused Elemér Terták (Director) – excused Jurgen Boyd (LEI ROC Vice Chair) Francois Laurent (LEI ROC Vice Chair) P. Vasudevan (LEI ROC Vice Chair)				

No	Topics
<b>1</b>	<b>Opening by the Chair</b>
	<p>The Chair of the Board, Gerard Hartsink, opens the meeting.</p> <p>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 Board Chair informs that the report of the external auditor to the Board, for practical reasons, will follow after the CEO report on the draft financial statements 2018. The Members accept the agenda.</p>
<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>

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### **Report of the CEO**

#### **GLEIF Financial Statements 2018**

The CEO, Stephan Wolf, supported by the Head of Finance, reports on the draft financial statements 2018.

It is noted that the financial numbers of the year end results have not changed since the report on the year end results provided in the last Board meeting on 28 February 2019.

In short, the result for the draft actuals 2018 is a surplus. There is a favorable variance against the fourth quarter forecast 2018 due to lower total expenditures than budgeted and a favorable variance compared to the budget 2018. This stems from the combined effect of increased revenue mainly due to the EU regulation MiFID II/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. Explained are the most important points of the statement of comprehensive income and the balance sheet. There is no material variance between the IFRS and the CO Obligations reporting and a very small reporting difference in term of amount due to the pension system requirements according to German law.

The Chair of the AFC (Audit and Finance Committee), Robin Doyle, informs that the AFC reviewed in detail the year end results 2018 in its last meeting end of February and concluded that the AFC is comfortable with the report provided and with the financial condition of GLEIF recommending adoption of the financial statements 2018 to the Board.

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

The external auditor, John Alton, reports to the Board that the audit was conducted according to IFRS and the Swiss Code of Obligations. He states that the audit was complete and there were no significant findings identified. EY will issue a standard unqualified opinion on both, the financial statements according to IFRS and Swiss CO. EY will digitally sign the report of the auditor included in the Annual Report 2018. EY also welcomes improvements in the area of policies and internal controls as well as for the audit trail that were successfully implemented. The external auditor asks the Board and management if there have been any subsequent events since the end of 2018 that would have an impact on the financial statements 2018 that they would be aware of and are not already included in the financial statements. No Director informed the auditor that there have been any subsequent events he/she is aware of.

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 2018.

The Board endorses that the Chairman and the AFC Chair sign the Letter of Representation.

The Chair thanks the external auditor for the work and for digitally signing the report of the auditor for inclusion in the Annual Report 2018 which should serve as a role model for annual reports that are presented in a digital XBRL format.

#### **Compliance**

The AFC reviewed and accepted the compliance report 2018 issued by the Chief Compliance Officer (CCO).

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The Board takes note of the report provided.

### **Promotion and communications**

The CEO provides an update on the strategic projects of GLEIF with regard to LEI adoption and growth and LEI uses cases. These include initiatives in the public sector through regulation including bulk registration and initiatives in the private sector for voluntary adoption - all leading to more LEI adoption and growth of the LEI numbers. Use cases in the public sector are associated, among others, to statistics, reporting purposes and market surveillance. In the private sector LEI, uses cases are associated to several areas such as capital markets, cross-border and RTGS payments, trade finance, supply chain, digital ID and e-commerce.

The CEO also informs on the good cooperation items with the LEI ROC and their specialized workstreams to achieve relevant policy implementation.

### **Operations**

The CEO provides a short update on GLEIF's Operations.

- Data Quality remains GLEIF's priority so that users continue having trust in the LEI system: the data governance milestones are presented
- Results of the LEI issuer satisfaction survey conducted for the year 2018 were shared with the Board
- Feedback on individual LOU performance is provided
- GLEIF's cooperation with its stakeholder groups such as with vendors and the GIFI (globally important financial institutions) work effectively and bring good results

### **Report of the Chair**

#### **Report on the Draft Annual Report 2018 including the Draft Financial Statements 2018**

The Chair informs on the work process for the Annual Report 2018 that includes the financial and non-financial part. The Committee of Chairs reviewed the non-financial part of the Annual Report 2018 and recommends the content for approval to the Board.

#### **Appointment of Directors to the Board**

As discussed in the Governance Committee, the GC Chair, Henrique Vergara, explains the succession planning process and the results of the search for four candidates from the jurisdictions of China, India, Switzerland and the UK to be appointed to the Board from June 2019. The four applicants, of whom the Board received the profile, were selected according to article 13 of the Statutes and the requirements mentioned in the profiles of the Call for Applications. The names are still strictly confidential and cannot be shared with others as long as GLEIF did not receive a "no objection declaration" (formal endorsement) of the ROC as required in article 31 of the Statutes. The GC recommends four candidates from the aforementioned jurisdictions to be appointed to the Board for June 2019.

#### **New Board portal**

The Chair of the TOPS Committee, Jeff Braswell, informs that the functions of the newly proposed board portal were explored with support of the GLEIF team. The portal meets the desired goal to improve and consolidate Board information effectively. The platform is easy to use and if needed, trainings can be held with the Directors.

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### Promotion

The Chair and Directors 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

#### ▪ Governance

The Board Chair, Henrique Vergara, informs on the results of the public RFP for the review of the Board Governance Program. The Board is asked to vote on the proposed supplier via circular resolution. The GC Chair and the Vice Chair of the Board, Wolfgang König, inform the Board also on the succession planning for the Chair of the Board for June 2020.

#### ▪ Audit and Finance

The AFC Chair, Robin Doyle, has no additional items to add to item 3) Report of the CEO.

#### ▪ Technology and Operations Standards

The TOPS Committee Chair, Jeff Braswell, informs that demos are planned for the upcoming Board meeting in Frankfurt related to ISO 20000, GLEIF's management system as well as structuring board messages for interested Board members.

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### 5 Resolutions of the Board

#### Annual Report 2018

- The Board takes note of the Report of the statutory auditor on the financial statements as of 31 December 2018
- The Board approves the Annual Report 2018 including the financial statements 2018 in accordance with IFRS and the Swiss Code of Obligations.
- The Board approves to add the net surplus to the organizational capital of GLEIF.
- The Board endorses that the Board Chair and the AFC Chair sign the Letter of Representation.

(15 in favor, 0 abstention, 0 objection)

#### Appointment of Directors to Board

Upon recommendation of the Governance Committee, the Board approves the appointment of four candidates to the Board (which profiles have been shared with the Board) from June 2019 from the jurisdictions of China, India, Switzerland and the UK subject to a "no objection declaration" of the LEI ROC.

- Candidate China: 15 in favor, 0 abstention, 0 objection
- Candidate India: 15 in favor, 0 abstention, 0 objection
- Candidate Switzerland: 15 in favor, 0 abstention, 0 objection
- Candidate UK: 14 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) | InfoCert (unanimous approval)

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- Approval of the bonus pool for the GLEIF staff (unanimous approval)
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**6 AOB**

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No further comments are raised.

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23 May 2019

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Gerard Hartsink  
Chairman of the Board

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Veronika Schoehl  
Secretary of the Meeting