

Minutes GLEIF Board of Directors Meeting

Meeting 50. Board of Directors Meeting

| Date | 2020-02-05 | Time | 09:00–12:30 CET | Place | Amsterdam, Netherlands |
|----------------|---------------------------------------|------|---|-------|------------------------|
| Present | GLEIF Board of Directors | | LEI ROC Observers | | |
| | Gerard Hartsink (Chair) | | Alan Deaton | | |
| | Sandra Boswell | | Francois Laurent | | |
| | Jefferson Braswell | | Other Attendees | | |
| | Hany Choueiri | | Stephan Wolf – CEO | | |
| | Changmin Chun | | Thomas Sprecher – Secretary of Board | | |
| | Daniel Cotti | | Veronika Norman – Head of Board Secretariat | | |
| | Robin Doyle | | Guests | | |
| | Wolfgang König | | For item 3 – Report of the CEO | | |
| | Alfredo Reyes Krafft | | Clare Rowley – Head of Business Operations | | |
| | Elemér Terták | | Sven Schumacher – General Counsel | | |
| | Kam Keung Tse | | | | |
| | Steve Joachim (Director-elect) | | | | |
| Absent | Nabil Al-Mubarak (Director) – excused | | | | |
| | Daniel Goroff (Director) – excused | | | | |
| | Salil Kumar Jha (Director) – excused | | | | |
| | Henrique Vergara (Director) – excused | | | | |
| | Zaiyue Xu (Director) – excused | | | | |

| No | Topics |
|----------|--|
| 1 | Opening by the Chair |
| | The Chair of the Board, Gerard Hartsink, opens the meeting. |
| | The Chair determines the presence of a quorum. He informs that the meeting was duly convened, and the agenda and documentation were provided to the Board prior to the meeting. |
| 2 | Approval of the Previous Meeting Minutes |
| | The Board approves unanimously the draft minutes of the previous meeting #49 of 4 December 2019. |
| 3 | Topics for Information |
| | Report of the CEO |
| | The CEO, Stephan Wolf, supported by members of his management team, informs the Board on GLEIF's main accomplishments during 2019. He further updates on current and planned projects and operations developments. |

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GLEIF's Accomplishments 2019

- Data quality management: Several data quality management and data governance initiatives were launched during 2019. GLEIF's challenge management for the LEI data users was extended to include Level 2 data on "who owns whom" in addition to Level 1 data on "who is who". With this enhancement of GLEIF challenge facility for the data users, which is available via the LEI Search tool on GLEIF's website, data users can now challenge the ownership information as part of the Global LEI Index (e.g. trigger a validation of an ultimate parent relationship of a legal entity having an LEI).
- Data access channels: The GLEIF application programming interface (API) allows users to set up fast, customized and automated access to the data set of the Global LEI Index. During 2019, GLEIF made available a public API beta test after having opened the alpha version to selected users for feedback. The API provides developers and users access to the full LEI Data search engine functionality. Further, a new Data Visualization Hackathon (launched via open source software by GLEIF in cooperation with a non-profit association of volunteering data scientists) serves as tool that allows users to search for a legal entity and view its respective relationship graph allowing to display parents and children legal entities.
- Operational excellence: A key milestone for the organization was GLEIF having been awarded with the ISO/IEC 20000-1:2011 certificate in October 2019 for which GLEIF underwent a rigorous examination of its Partnership Program Services to the LEI issuing organizations. ISO 20000 is the only international standard for service management for IT and non-IT services and still, *only a few 1000 companies worldwide hold such a certificate.*
- GLEIF and the Association of National Numbering Agencies (ANNA: www.annaweb.org) delivered the first daily open-source relationship file that links newly issued International Securities Identification Numbers (ISINs: ISO 6166) and Legal Entity Identifiers (LEIs). So far, the ANNA members of 14 jurisdictions opted in for the mapping service. The new initiative benefits the entire global capital market (issuers, investors, regulators, data-vendors) and it makes data aggregation easier for everyone.
- GLEIF responded to around 30 public consultations during 2019 and makes its consultation responses available at www.gleif.org.

LEI use cases in the public and private sectors during 2019

The CEO further outlines the continuous support for enhanced LEI application in the public and private sectors during 2019. LEI use cases for regulatory authorities supported statistics, data management and market abuse surveillance, among others. Private sector organizations made use of the LEI, inter alia, in the areas of data-vendors, cross-border payments and settlement, trade finance, supply-chain, e-commerce while partnering with GLEIF on several projects during 2019.

Innovation projects initiated by GLEIF were for example combining the LEI and digital certificates for regulatory filing (pilot project of GLEIF and XBRL.org showcasing the GLEIF 2018 Annual Report in iXBRL with an LEI-embedded digital certificate launched in May 2019). GLEIF also conducted a Proof of Concept with major blockchain partners to produce digital verifiable credentials and prove identity based on the LEI cryptographically – all recorded in a distributed ledger (blockchain) environment.

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Business update 2019

By the end of 2019, the LEI data pool grew to around 1,5 million, an increase of approx. 15% compared to the end of 2018. New issuance increased in fourth quarter 2019 to 60,000 (41,000 in previous quarter). China, Turkey and India were among the jurisdictions with the strongest growth rate in terms of LEI issuance in the fourth quarter of 2019. The CEO also briefs shortly on the current competition, the number of LEI issuers per jurisdiction that allow legal entities to make a choice, in the Global LEI System. The Board takes note of the status of competition in the Global LEI System and will revert back in case any further questions should arise at the next Board meeting.

The Board discusses highlighted projects during 2019 including outlook assessing opportunities and risks of current and planned operations for 2020.

Other operational topics

The CEO outlines preliminary year end results for 2019 while informing that the external audit for the annual financial statements will start at the end of February 2020.

Upon update of the CEO, the Board discusses the progress made on the implementation of the GLEIS 2.0 Project Program Zero. As requested by the Board, the CEO informs his findings for establishing GLEIF representation offices in the United States and in Asia.

The Board Chair informs that the Committee of Chairs reviewed in-depth the proposals put forward by the CEO. The Committee of Chairs supported the proposal namely to establish a representation office in New Jersey, United States.

The CEO will continue to provide regular updates to the Board on the implementation of the GLEIS 2.0 Program as priority for 2020.

Report of the Chair

Governance

The Board Chair and Vice Chair inform on the most important governance topics that have been addressed by the Governance Committee (GC). The GC had reviewed relevant amendments to the Organizational Regulations as well as several Board policies and amendments to existing Board policies resulting in recommendations to the Board for approval.

Directors signed a yearly conflict of interest form. Directors signed a yearly conflict of interest form. The Board takes note that in 2019 one conflict of interest has been reported by one Director. The potential conflict of interest was discussed with the Chair and documented and resolved successfully.

Succession planning

The Board confirms its agreement to appoint the new director, Steven Joachim, from the United States to the Board from June 2020 for which a “no objection declaration” was issued by the LEI ROC. The Governance Committee also reviewed the status of the application process for the Board’s Call for Applications (which deadline ended on 31 January 2020) seeking four new Directors to be appointed from June 2020. A dedicated review team has been appointed to handle the application process together with the Secretariat of the Board.

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GLEIF cooperation model with the ROC

GLEIF and the LEI ROC have a cooperation model with four functions: a. oversight, b. policy-making, c. LEI ROC members user requirements, and d. ambassador functions for the LEI program. The Board Chair and LEI ROC Vice Chair inform on the first Joint Promotion Committee of the GLEIF and LEI ROC representatives that has been held in Vienna, Austria on 27 January 2020. The Committee aims to work jointly on promoting LEI adoption globally while implementing jointly the recommendations set out in the FSB LEI Peer Review Report of 28 May 2019. That FSB report includes a recommendation 4c what the LEI ROC and GLEIF should do to raise the awareness on the benefits of the LEI. It was agreed to develop an overview for the target audiences and the appropriate messages that both organizations can use among more for their ambassador functions.

The Board was also supported to re-establish a joint Policy Consultation Group in order to ensure an efficient implementation of LEI ROC's policies such as the LEI ROC funds policy of 20 May 2019 in the Global LEI System and for the joint task of the FSB Peer Review Report Recommendation for awareness programs in the 24 FSB countries.

The LEI ROC observers further briefed the Board on the successful LEI ROC Plenary meeting held in Vienna.

Promotion

The Board Chair and other Directors inform the Board on promotion activities in their regions and industries including on activities undertaken in cooperation with the CEO.

A Meet the Market event, jointly organized by GLEIF, the De Nederlandsche Bank and the Autoriteit Financiële Markten on 4 February 2020 in Amsterdam, was regarded as great success by Board Members with over 150 representatives from the business community (corporates, financial sector, tech firms) and representatives of the public sector discussing LEI value for identification in digital business processes showing benefits for treasurers and the payments industry, investors and the securities industry as well as for the digital supply chain.

4 Reports of the Committee Chairs

There are no further reports by the Committee Chairs.

5 Resolutions of the Board

Establishment of a GLEIF representation office

Upon recommendation of the Committee of Chairs, the Board approves unanimously the CEO recommendation on the establishment of a representation office in New Jersey, United States.

(13 in favor, 0 abstention, 0 objection)

Governance

The Board approves unanimously relevant amendments to the Organizational Regulations upon recommendation of the Governance Committee and takes notes of the current signatory rights of GLEIF Board members and executives.

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(13 in favor, 0 abstention, 0 objection)

Board Policies

The Board approves unanimously, upon recommendation of the Governance Committee, the (amendments) of the following policies for the Board:

- Whistleblowing Policy
- Procurement Policy
- Travel and Expense Policy

(13 in favor, 0 abstention, 0 objection)

GLEIF cooperation with the LEI ROC

The Board confirms upon recommendation of the Committee of Chairs its endorsement of

- the mandate of the Policy Consultation Group
- the mandate of the Joint Promotion Committee

(13 in favor, 0 abstention, 0 objection)

Appointment of Director

The Board confirms its unanimous approval to appoint of Mr. Steven Joachim (United States) as Member of the Board from June 2020 for a term of three years.

(18 votes in favor, 0 abstention, 0 objection in accordance with a two-third majority vote required by article 15 of the Statutes)

Circular resolution

The Board confirms the following circular resolution to be added to these minutes

- Full accreditation of Keler (Hungary) (unanimous approval)

(18 votes in favor, 0 abstention, 0 objection)

6 AOB

No further comments are raised.

April 2020

Gerard Hartsink
Chairman of the Board

Veronika Norman
Secretary of the Meeting