

## Minutes GLEIF Board of Directors Meeting

### Meeting 60. Board of Directors Meeting

Date	2021-04-21	Time	12:00–14:00 CEST	Place	Video conference call
<b>Present</b>	<b>GLEIF Board of Directors</b>		<b>ROC Observers</b>		
	Steve Joachim (Chair)		Francois Laurent – ROC Chair		
	Sandra Boswell		Alan Deaton – ROC Vice Chair		
	Daniel Cotti		<b>Other Attendees</b>		
	Hany Choueiri		Stephan Wolf – CEO		
	Changmin Chun		Thomas Sprecher – Secretary of the Board		
	Daniel Goroff		Veronika Norman – Head of the Board Secretariat		
	Salil Kumar Jha		<b>Guests</b>		
	Amy Kabia		<u>GLEIF</u> : For agenda items 1. to 3.2		
	Alfredo Reyes Krafft		Annette Booth – Head of Finance		
	Hiroshi Nakatake		Ines Gensinger – Head of Global Corporate Communications		
	Javier Santamaria		Anja Lechner – Head of Service Management		
	Kam Keung Tse		Zornitsa Manolova – Head of Data Quality Management		
	Zaiyue Xu		Karla McKenna – Head of Standards		
			Clare Rowley – Head of Business Operations		
			Christoph Schneider – Head of IT Development & Operations		
			Sven Schumacher – General Counsel		
			<u>External</u> :		
			Wolfgang Schmidt-Sölch, Anna Rex (Heidrick & Struggles) for agenda item 3.3 Report of the Chairs		
<b>Absent</b>	Humaid Mudhaffr (Director)				

No	Topics
<b>1</b>	<b>Opening by the Chair</b>
	The Chair of the Board of Directors, Steve Joachim, opens the meeting and determines the presence of a quorum. He informs that the meeting was duly convened, and that the agenda and documentation were provided to the Board of Directors prior to the meeting. The Board of Directors accepts the agenda at hand.
<b>2</b>	<b>Approval of previous meeting minutes</b>

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The Board of Directors agrees on one amendment raised and approves unanimously the minutes of the previous Board of Directors meeting held on 24 February 2021.

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### 3 Topics for information and resolution

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#### 3.1 Report of the Chair

The Chair of the Board of Directors, Steve Joachim, recalls the goals for 2021 as presented in the previous Board of Directors meeting.

1. Adopt a new pricing plan for LEIs
2. Agree on a high level economic approach/model for vLEIs
3. Assess our progress on the Verifiable Credential Strategy and determine if any mid-course corrections are required
4. Assess our overall progress on GLEIS 2.0, review any experience from the bank and registrant perspective and determine if any mid-course corrections are required
5. Monitor the success of the core LEI product including:
  - Quality of information collected to date
  - Regulatory and legal initiatives

He explains that the goals are designed for GLEIF, the Board of Directors and the Global LEI System as a whole acting as one with regard to committing to achieve such goals. As underlined by two Members, the Board of Directors will assess progress and take actions to correct or amend such goals. The goals are supplemented and further detailed by the KPIs of GLEIF's management, as approved by the Committee of Chairs. The Chair apologized for not having shared the KPIs with the Board of Directors and commits to distributing them to all Board Members immediately following the meeting.

#### Resolution:

The Board of Directors approves unanimously the goals 2021.

Voting results of present and voting members: 13 in favor, 0 abstention, 0 objection

The Chair further informs that he agreed with the Chair of the ROC to have a regular update on relevant ROC activities, approximately every 6 months during the Board of Directors meeting. In case of any specific topics of interest, the Chair will inform the Chair of the ROC in advance of the meeting so he can prepare accordingly.

With regard to the in-person Board of Directors meeting planned for October, the Chair informs that the destination of South Africa is still on the agenda and that potentially the destination of Frankfurt would be considered as an alternative. Depending on the development of the global health crisis, it would be desired to meet in person if possible so all Directors can meet and get to know each other. The Chair requested that all Board Members think about whether they would be willing to travel in October if it would be permitted for updates at the next Board of Directors Meeting in July. Normal travel should be expected from 2022 onwards.

#### 3.2 Report of the CEO

##### Compliance Report 2020

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From the Chief Compliance Officer's perspective, GLEIF and LEI Issuers were in good compliance in 2020.

### Resolution

Based on the Recommendation of the Audit and Finance Committee (AFC) that reviewed the report in its previous meeting, the Board of Directors approves unanimously the Compliance Report 2020.

### **Operations**

The CEO provides and update on the most important operational and strategic projects.

- Accreditation: as of 12 April, there are 39 accredited LEI issuing organizations and 100 registration agents in the Global LEI System. GLEIF continues to perform the usual obligatory Annual Accreditation Verification process with the LEI issuing organizations.
- Cooperation with LEI issuing organizations: GLEIF presented a timeline for 2021-2022 for the implementation of three policies of the ROC (a) Funds Relationships, b) Legal Entities Events and c) Government entities. This will involve service changes for the LEI issuing organizations and possible budget requirements which GLEIF will update on in due course.
- Business update: per end of the first quarter 2021, the total LEI issuance amounted to 1,77 million active LEIs. The renewal rate remains stable at 65%.
- Outreach: GLEIF responded to 23 consultations in the first quarter and continued with promotion work in Europe, the US and internationally. GLEIF campaigns are ongoing with press work including webinars and podcasts, among others, targeting GLEIF's key stakeholders.
- GLEIS 2.0 project: progress has been made to have more validation agents (financial institutions) to join the Global LEI System.

The Board of Directors discusses different aspects of the operations report.

One Director welcomed the encouraging trend of LEI issuance rates globally increasing despite the ongoing global pandemic. The Japanese Director updated on the progress on promotion work for the broader usage of the LEI in Japan. The Chinese Director briefed on a comprehensive promotion plan for the LEI in China focusing on cooperation with, inter alia, large financial institutions and free trade zone administrations as well as bulk issuance with business registries as well as embedding LEIs in digital certificates. GLEIF had released a publication in April with regard to the pioneer work of the China Financial Certification Authority (CFCA) to pave the way for increased LEI usage in digital identity products.

### **3.3 Report of the Chairs**

#### **Report of the Governance Committee**

- **Succession planning**

The Chair of the Governance Committee (GC), Hiroshi Nakatake, informs on the progress made by the executive search firm of Heidrick & Struggles (H&S) for the search of new Directors to join the Board of Directors from June 2021.

The following Members will retire in June 2021:

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- Daniel Goroff (US) – Region: North America
- Hiroshi Nakatake (JP) – Region: Asia
- KK Tse (HK/CN) – Region: Asia

The following Members resigned from the Board of Directors:

- Elemer Tertak (HU) on 17 February 2021 – Region: Europe
- Monica Singer (ZA) on 3 March 2021 – Region: CSAAOME

H&S also conducted a survey with regard to the effectiveness of the Board of Directors as a basis to find the most appropriate candidates. Anna Rex presents the main results of the survey including key successes, improvements and recommendations and the Board of Directors engages in a discussion on the results.

- **New Chair and Vice Chair positions**

The Chair of the GC informs on three new nominations of Members for leadership positions in the Board of Directors and its Committees.

### Resolution:

The Board of Directors approves unanimously the following leadership positions:

- Vice Chair of the Board of Directors and Chair of the Business Strategy Advisory Committee (BSAC): Hany Choueiri (UK) (with immediate effect)
- Chair of the Risk Committee (RC): Amy Kabia (US) (with immediate effect)
- Chair of the Governance Committee (GC): Javier Santamaria (ES) (from July 2021)

Voting results of present and voting members: 13 in favor, 0 abstention, 0 objection

The GC Chair further informs that Sandra Boswell decided to withdraw as Chair of the AFC and will remain a member of the Committee. The GC will recommend a new Chair in due time.

The Chair of the Board of Directors thanks the new Chairs and Vice Chair for taking on these important leadership roles.

### **Report of the Audit and Finance Committee**

The acting Chair of the Audit and Finance Committee (AFC), Javier Santamaria, informs that the AFC reviewed the preliminary annual financial results for 2020 including forecast and an outlook for 2022. The AFC also reviewed the Compliance Report 2020 and started to discuss a new financial strategy for GLEIF.

### **Report of the Risk Committee**

The Chair of the Risk Committee (RC), Hany Choueiri, informs on work conducted by the RC with regard to Risk Register. The RC added Risk control recommendations and added new risks and discussed mitigation measures. The RC will finalize the results that will be presented at the next Board of Directors meeting.

### **Report of the Business Strategy Advisory Committee**

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The acting Chair of the Business Strategy Advisory Committee (BSAC), Hany Choueiri, informed that the BSAC held discussions with regard to the business model and pricing in the GLEIS.

### **Closing remarks**

The Chair of the Board of Directors thanks the former Vice Chair and BSAC Chair, Monica Singer, who left the Board of Directors, as well as Sandra Boswell, former AFC Chair, for their great leadership.

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#### **4 AoB**

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No matters are raised.

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July 2021

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Steven Joachim  
Chairman of the Board

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Veronika Norman  
Secretary of the Meeting