

We are responsible for the identification of the control objectives for our business and the design and operation of ICE Futures Europe's control procedures to effectively address the provisions of the EU Benchmarks Regulation ('BMR') and the Benchmark Methodology for the administration and the calculation of the ICE Brent Index.

In our attached directors' Statement of Compliance, we set out a description of the relevant frameworks and control procedures together with the related control objectives and BMR Requirements as at 1 June 2020 and confirm that:

- i. The directors' Statement of Compliance describes fairly the control procedures which were in place as at 1 June 2020; and
- ii. The control procedures are suitably designed such that the specified control objectives, including the provisions of the BMR and the Benchmark Methodology, can be achieved and to our knowledge and belief the described control procedures were complied with.

Sign on behalf of ICE Futures Europe,

A handwritten signature in black ink, appearing to read 'Stuart Williams'.

Stuart Williams

President, ICE Futures Europe

4 November 2020



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Independent practitioner's assurance report to the directors of ICE Futures Europe on their Statement of Compliance with the EU Benchmarks Regulation as at 1 June 2020

Use of report

This report is produced in accordance with the terms of our engagement letter dated 3 June 2020 for the purpose of reporting to the directors of ICE Futures Europe (the 'Company') in connection with their Statement of Compliance with the EU Benchmarks Regulation ('BMR') Articles 10, 19, 27.1 to 27.2, 28.1 and Annex II (collectively the 'applicable BMR requirements') for ICE Brent Index as at 1 June 2020.

This report is made solely to the Company's directors, as a body, in accordance with our engagement letter dated 3 June 2020. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's directors as a body, for our examination, for this report, or for the opinions we have formed.

Our work has been undertaken so that we might report to the directors those matters that we have agreed to state to them in this report and for no other purpose. Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission. This engagement is separate to, and distinct from, our appointment as the auditors to the Company.

Respective responsibilities of the Company and Ernst & Young LLP

As directors of the Company, you are responsible for preparing the director's Statement of Compliance, which sets out the control objectives and related control procedures the Company has implemented to achieve compliance with BMR, and for ensuring that the control procedures are designed effectively so as to achieve compliance with the applicable BMR requirements. The directors of the Company remain solely responsible for the preparation of the Statement of Compliance.

It is our responsibility to provide a conclusion on the design of the control procedures as described in the Statement of Compliance to fulfil the control objectives that relate to the procedures' compliance with the applicable BMR requirements in respect of ICE Brent Index, based on our examination.

Our approach

We conducted our engagement in accordance with International Standard on Assurance Engagement 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000 (Revised)), issued by the International Federation of Accountants (IFAC) and the Institute of Chartered Accountants in England and Wales' Technical Release (Tech 02/14FSF) *Assurance Reports on Benchmark and Indices*. For the purpose of the engagement we have been provided by the directors with the Statement of Compliance.

In performing this engagement, we have applied International Standard on Quality Control (ISQC) 1 and the independence and other ethical requirements of the International Ethics Standards Board for Accountants (IESBA).

We have performed the procedures agreed with you and set out in our engagement letter dated 3 June 2020. Our work was based upon obtaining an understanding of the control objectives and related control procedures, as described in the director's Statement of Compliance, and evaluating the directors' Statement of Compliance. The nature, timing and extent of the tests we performed and the criteria against which the control procedures were evaluated are detailed in the director's Statement of Compliance.

The objective of a limited assurance engagement is to perform such procedures on a sample basis so as to obtain information and explanations which we consider necessary in order to provide us with

sufficient appropriate evidence to express a negative conclusion. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Our conclusion is based on historical information and the projection of any information or conclusions in the attached report to any future periods would be inappropriate. Our examination excludes audit procedures such as verification of all assets, liabilities and transactions and is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the information.

The validity and reliability of the benchmark is dependent on both (i) those who submit or provide information to the Company, for which submitters or data providers are responsible, and (ii) the procedures performed by the Company to analyse that information. We performed no procedures on, and express no assurance over, source data submitted or provided by these third parties.

Control procedures designed to address specified control objectives are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Such control procedures cannot guarantee protection against (among other things) fraudulent collusion especially on the part of those holding positions of authority or trust. Furthermore, our conclusion is based on historical information and the projection of any information or conclusions in the attached report to any future periods would be inappropriate.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Company's control procedures in place as at 1 June 2020, as described in the director's Statement of Compliance to fulfil the Company's control objectives that relate, to the Company's compliance with the applicable BMR requirements in respect of ICE Brent Index, did not comply with the applicable BMR requirements, in all material respects.

Ernst & Young LLP

Ernst & Young LLP
London

4 November 2020



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Independent practitioner's assurance report to the directors of ICE Futures Europe in respect of the Company's compliance with benchmark methodology as at 1 June 2020

Use of report

This report is produced in accordance with the terms of our engagement letter dated 3 June 2020 for the purpose of reporting to the directors of ICE Futures Europe (the 'Company') in connection with their Statement of Compliance that relate to the Company's adherence with its published benchmark methodologies (the 'benchmark methodology') for the calculation of the ICE Brent Index ('the benchmark') as at 1 June 2020.

This report is made solely to the Company's directors, as a body, in accordance with our engagement letter dated 3 June 2020. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's directors as a body, for our examination, for this report, or for the opinions we have formed.

Our work has been undertaken so that we might report to the directors those matters that we have agreed to state to them in this report and for no other purpose. Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission. This engagement is separate to, and distinct from, our appointment as the auditors to the Company.

Respective responsibilities of the Company and Ernst & Young LLP

As directors of the Company, you are responsible for preparing the director's Statement of Compliance, which includes a description of the control objectives and related control procedures the Company has implemented to achieve adherence to the benchmark methodology for the calculation of the benchmark and for ensuring that the control procedures are designed effectively so as to achieve adherence to the benchmark methodology for the calculation of the benchmark. The directors of the Company remain solely responsible for the Statement of Compliance and the calculation of the ICE Brent Index in accordance with the benchmark methodology.

It is our responsibility to provide a conclusion on the design of the control procedures as described in the directors' Statement of Compliance to fulfil the Company's control objectives that relate to the Company's adherence to the benchmark methodology for the calculation of ICE Brent Index, based on our examination.

Our approach

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000 (Revised)), issued by the International Federation of Accountants (IFAC) and the Institute of Chartered Accountants in England and Wales' Technical Release (Tech 02/14FSF) *Assurance Reports on Benchmark and Indices*. For the purpose of the engagement we have been provided by the directors with the director's Statement of Compliance and the benchmark methodology.

In performing this engagement, we have applied International Standard on Quality Control (ISQC) 1 and the independence and other ethical requirements of the International Ethics Standards Board for Accountants (IESBA).

We have performed the procedures agreed with you and set out in our engagement letter dated 3 June 2020. Our work was based upon obtaining an understanding of the control objectives and

related control procedures as described in the director's Statement of Compliance and evaluating the directors' Statement of Compliance to obtain limited assurance so as to form our conclusion. The nature, timing and extent of the tests we applied and the criteria against which the control procedures were evaluated are detailed in the director's Statement of Compliance.

The objective of a limited assurance engagement is to perform such procedures on a sample basis so as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a negative conclusion. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Our conclusion is based on historical information and the projection of any information or conclusions in the attached report to any future periods would be inappropriate. Our examination excludes audit procedures such as verification of all assets, liabilities and transactions and is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the information.

The validity and reliability of the benchmark is dependent on both (i) those who submit or provide information to the Company, for which submitters or data providers are responsible, and (ii) the procedures performed by the Company to analyse that information. We performed no procedures on, and express no assurance over, source data submitted or provided by these third parties.

Control procedures designed to address specified control objectives are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Such control procedures cannot guarantee protection against (among other things) fraudulent collusion especially on the part of those holding positions of authority or trust. Furthermore, our conclusion is based on historical information and the projection of any information or conclusions in the attached report to any future periods would be inappropriate.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Company's control procedures in place as at 1 June 2020, as described in the directors' Statement of Compliance to fulfil the Company's control objectives that relate to the adherence to its stated benchmark methodology criteria as required by the BMR, did not adhere to its published benchmark methodology for the calculation of ICE Brent Index, in all material respects.

Ernst & Young LLP

Ernst & Young LLP
London

4 November 2020

BMR COMPLIANCE STATEMENT

The tables below show the EU Benchmarks Regulation¹ (BMR) requirements together with their applicability to the ICE Brent Index (the 'benchmark') administered by ICE Futures Europe ('IFEU') and a commentary on how IFEU complies with the requirements.

ARTICLE	ARTICLE DESCRIPTION	APPLICABLE BENCHMARK
		ICE Brent Index
TITLE II BENCHMARK INTEGRITY AND RELIABILITY		
Article 10	Outsourcing	✓
TITLE III REQUIREMENT FOR DIFFERENT TYPES OF BENCHMARKS		
Article 19	Commodity benchmarks	✓
TITLE IV TRANSPARENCY AND CONSUMER PROTECTION		
Article 27	Benchmark statement	✓
Article 28	Changes to and cessation of a benchmark	✓
Annex II	Commodity benchmarks	✓
REGULATORY TECHNICAL STANDARD ('RTS')		
2018/1643	Benchmark Statements – Art 27(3)	❖

Key:

✓	BMR requirement and/or RTS applicable to the benchmark.
❖	Only the appropriate clauses will be applied (ICE Brent Index is not an interest rate benchmark, a regulated data benchmark or a critical benchmark)

¹ Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

TITLE II BENCHMARK INTEGRITY AND RELIABILITY				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
Article 10 Outsourcing				
1	1	An administrator shall not outsource functions in the provision of a benchmark in such a way as to impair materially the administrator's control over the provision of the benchmark or the ability of the relevant competent authority to supervise the benchmark.	IFEU retains sole responsibility for all aspects of the determination of the benchmark for discharging all of the administrator's obligations under the BMR, including the determination and calculation of the benchmark. <u>Note:</u> IFEU outsources technology activities to the ICE group under formal contractual arrangements. The outsourcing of these activities to ICE group does not impair IFEU's control over the provision of the benchmark or the ability of the FCA (as the relevant competent authority) to supervise the benchmark.	We performed a walkthrough of the benchmark provisioning process and inspected for evidence that the determination and calculation of the benchmark was not outsourced externally or to other areas within the ICE group.
2	2	Where an administrator outsources to a service provider functions or any relevant services and activities in the provision of a benchmark, the administrator shall remain fully responsible for discharging all of the administrator's obligations under this Regulation.	Refer to response to Article 10.1. above.	Refer to response to Article 10.1. above.
3	3	Where outsourcing takes place, the administrator shall ensure that the following conditions are fulfilled: (a) the service provider has the ability, capacity, and any authorisation required by law, to perform the outsourced functions, services or activities reliably and professionally; (b) the administrator makes available to the relevant competent authorities the identity and the tasks of the service provider that participates in the benchmark determination process;	Refer to response to Article 10.1. above.	Refer to response to Article 10.1 above.

TITLE II BENCHMARK INTEGRITY AND RELIABILITY				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
		<p>(c) the administrator takes appropriate action if it appears that the service provider may not be carrying out the outsourced functions effectively and in compliance with applicable law and regulatory requirements;</p> <p>(d) the administrator retains the necessary expertise to supervise the outsourced functions effectively and to manage the risks associated with the outsourcing;</p> <p>(e) the service provider discloses to the administrator any development that may have a material impact on its ability to carry out the outsourced functions effectively and in compliance with applicable law and regulatory requirements;</p> <p>(f) the service provider cooperates with the relevant competent authority regarding the outsourced activities, and the administrator and the relevant competent authority have effective access to data related to the outsourced activities, as well as to the business premises of the service provider, and the relevant competent authority is able to exercise those rights of access;</p> <p>(g) the administrator is able to terminate the outsourcing arrangements where necessary;</p> <p>(f) the administrator takes reasonable steps, including contingency plans, to avoid undue operational risk related to the participation of the service provider in the benchmark determination process.</p>		

TITLE III REQUIREMENTS FOR DIFFERENT TYPES OF BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
Article 19 Commodity benchmarks				
4	1	<p>The specific requirements laid down in Annex II shall apply instead of the requirements of Title II, with the exception of Article 10, to the provision of, and contribution to, commodity benchmarks, unless the benchmark in question is a regulated-data benchmark or is based on submissions by contributors the majority of which are supervised entities.</p> <p>Articles 24, 25 and 26 shall not apply to the provision of, and contribution to, commodity benchmarks.</p>	<p>Annex II of the BMR generally applies to Commodity Benchmarks instead of the general requirements in Title II (Benchmark integrity and reliability). Specific requirements of Annex II have been applied to the benchmark.</p> <p>Article 10 in Title II refers to outsourcing.</p>	<p>Refer to responses to Annex II for the specific requirements applied by IFEU with respect to administration of the ICE Brent Index, as well as responses to Article 10 above.</p>
5	2	<p>Where a commodity benchmark is a critical benchmark and the underlying asset is gold, silver or platinum, the requirements of Title II shall apply instead of Annex II.</p>	<p>ICE Brent Index is not a critical benchmark as defined by the regulation.</p>	<p>Not applicable.</p>

TITLE IV TRANSPARENCY AND CONSUMER PROTECTION				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
Article 27 Benchmark statement				
6	1	<p>Within two weeks of the inclusion of an administrator in the register referred to in Article 36, the administrator shall publish, by means that ensure fair and easy access, a benchmark statement for each benchmark or, where applicable, for each family of benchmarks, that may be used in the Union in accordance with Article 29. Where that administrator begins providing a new benchmark or family of benchmarks that may be used in the Union in accordance with Article 29, the administrator shall publish, within two weeks and by means that ensure a fair and easy access, a benchmark statement for each new benchmark or, where applicable, family of benchmarks. The administrator shall review and, where necessary, update the benchmark statement for each benchmark or family of benchmarks in the event of any changes to the information to be provided under this Article and at least every two years. The benchmark statement shall:</p> <p>(a) clearly and unambiguously define the market or economic reality measured by the benchmark and the circumstances in which such measurement may become unreliable;</p> <p>(b) lay down technical specifications that clearly and unambiguously identify the elements of the calculation of the benchmark in relation to which discretion may be exercised, the criteria applicable to the exercise of such discretion and the position of the persons that can exercise discretion, and how such discretion may be subsequently evaluated;</p> <p>(c) provide notice of the possibility that factors, including external factors beyond the control</p>	<p>(a) Refer to RTS Article 1.2 (a-c)</p> <p>(b) Rule L.4(d) of Exchange Regulations states the following:</p> <p><i>The Exchange may from time to time substitute different reporting services for those originally determined or make such other changes in the method of calculation of the ICE Brent Index as it considers necessary for the purpose above mentioned having regard to market circumstances.</i></p> <p>This is a contingency arrangement and to date has not had to be used by the Exchange.</p> <p>(c) Any material change in the ICE Brent Index is subject to member consultation, review by the Brent Index Advisory Committee (BIAC) and/or the IFEU Board as per the IFEU Consultation Policy published on the ICE website: https://www.theice.com/publicdocs/IFEU_Consultation_Policy.pdf</p> <p>The Exchange would only cease to publish the ICE Brent Index if there was no open interest in the Brent Futures market. The market would be informed of the cessation of the ICE Brent Index via a Circular published on the ICE website.</p> <p>(d) The IFEU Consultation Policy advises users of the ICE Brent Index, including other licensed users, that any changes to, or the cessation of, the ICE Brent Index may have an impact upon any financial contracts and financial instruments that reference the ICE Brent Index.</p>	<ul style="list-style-type: none"> ▶ We obtained the ICE Brent Index Benchmark Statement from the ICE's website and inspected for; <ul style="list-style-type: none"> ○ Date of publication within two weeks of IFEU's inclusion on the benchmark administrator register; ○ Evidence of IFEU's response to Article 27; and ○ We obtained the BIAC Terms of Reference for evidence of the periodic review of the Benchmark Statement as part of the Committee's responsibilities. ▶ We obtained the Exchange Regulations and inspected for evidence of Rule L.4(d) as described in IFEU's response to Art 27(1)b) on elements of discretion in the benchmark calculation. We performed a walkthrough of the benchmark provisioning process on 2 June 2020 and inspected for evidence of Rule L.4(d) of the Exchange Regulations was not applied. ▶ We obtained the IFEU Consultation Policy from ICE's website and inspected for evidence of procedures in the event of changes or the cessation of the ICE Brent Index, as described in IFEU's response. ▶ We obtained the relevant minutes of meeting for the BIAC and inspected for

TITLE IV TRANSPARENCY AND CONSUMER PROTECTION				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
		<p>of the administrator, may necessitate changes to, or the cessation of, the benchmark; and</p> <p>(d) advise users that changes to, or the cessation of, the benchmark may have an impact upon the financial contracts and financial instruments that reference the benchmark or the measurement of the performance of investment funds.</p>		evidence of review and approval of the Consultation policy.
7	2	<p>A benchmark statement shall contain at least:</p> <p>(a) the definitions for all key terms relating to the benchmark;</p> <p>(b) the rationale for adopting the benchmark methodology and procedures for the review and approval of the methodology;</p> <p>(c) the criteria and procedures used to determine the benchmark, including a description of the input data, the priority given to different types of input data, the minimum data needed to determine a benchmark, the use of any models or methods of extrapolation and any procedure for rebalancing the constituents of a benchmark's index;</p> <p>(d) the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors, to ensure consistency in the use of such judgement or discretion;</p> <p>(e) the procedures which govern the determination of the benchmark in periods of stress or periods where transaction data</p>	<p>(a) The relevant definitions can be found in the ICE Brent Index Calculation Methodology document, published on the ICE website:</p> <p>https://www.theice.com/publicdocs/futures/ICE_Futures_Europe_Brent_Index.pdf</p> <p>(b) Refer to EU BMR Art27(1)(c)</p> <p>(c) As detailed in the ICE Brent Index Calculation Methodology document, the ICE Brent Index is based on the average of 5 inputs: front month outright cargo trades, front month spread trades, full cargo second month EFP trades, volume weighted second month minute markers and independent assessments from ICIS. These are aggregated into a single figure for the final ICE Brent Index figure from the five standalone valuations at each of the sampling points. Each of those five figures is calculated by averaging:</p> <ul style="list-style-type: none"> The volume weighted minute marker for the second month ICE Brent Futures contract at the sampling time; and the sum of a weighted average of full cargo second month EFP trades and a weighted average of full cargo spread trades (between first and second months) in the Cash BFOE market, in the 30 	<p>► We obtained the ICE Brent Index Methodology from the ICE website and inspected for evidence of:</p> <ul style="list-style-type: none"> Key terms defined within the methodology and; The criteria and procedures as described in IFEU's response. <p>► We obtained the IFEU Consultation Policy from ICE's website and inspected for evidence of procedures in the event of changes or the cessation of the ICE Brent Index, as described in IFEU's response.</p> <p>► We obtained the IFEU Restatement Policy from ICE's website and inspected for evidence of procedures in the event of a restatement of the ICE Brent Index, as described in IFEU's response.</p>

TITLE IV TRANSPARENCY AND CONSUMER PROTECTION				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
		<p>sources may be insufficient, inaccurate or unreliable and the potential limitations of the benchmark in such periods;</p> <p>(f) the procedures for dealing with errors in input data or in the determination of the benchmark, including when a re-determination of the benchmark is required; and</p> <p>(g) the identification of potential limitations of the benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.</p>	<p>minute period concluding at the sampling point in question;</p> <ul style="list-style-type: none"> that same volume weighted minute marker to the sum of the straight averages of the independent assessment(s) specified in the Index methodology for the second month EFP value, and for the spread between the first and second month Cash BFOE markets at the sampling point; and a weighted average of any full cargo first month Cash BFOE trades (if any) in the 5 minute period concluding at the sampling point in question. <p>Any material change in the ICE Brent Index is subject to member consultation, review by the BIAC and/or the IFEU Board as per the IFEU Consultation Policy published on the ICE website: https://www.theice.com/publicdocs/IFEU_Consultation_Policy.pdf</p> <p>(d) Refer to EU BMR Art27(1)(b) and RTS Art1.4</p> <p>(e) Refer to RTS Art 1.3</p> <p>(f) The ICE Brent Index Restatement Policy is available on the ICE website: https://www.theice.com/publicdocs/ICE_Brent_Index_Restatement_Policy.pdf</p> <p>IFEU strives to provide information of the highest accuracy to its customers and to conduct its business with integrity. However, IFEU recognises that errors may still occur from time to time in the calculation of the Index, both at the providers of</p>	

TITLE IV TRANSPARENCY AND CONSUMER PROTECTION				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
			<p>Benchmark Submissions and at IFEU, and that it is possible that information may come to light after the publication of the Index to warrant its restatement.</p> <p>The ICE Brent Index will be restated in the event of IFEU becoming aware, by the end of the London business day following publication, of an error of input, calculation, or output that has resulted in an error in the published value of the Index.</p> <p>Errors that do not affect the stated Index (such as transposition or omission of inputs, or errors that change the value by less than a whole US dollar cent) will not be restated. This is to avoid the potential confusion to the market whereby the Index is restated but at an unaltered value.</p> <p>Subject to the foregoing, the Index will be restated, providing the quantity of lots cash settled by the Index was greater than zero, if any the following circumstances arises:</p> <ul style="list-style-type: none"> • Error by the Exchange in calculating its value; or • Error in, or omission from, the data used by the Exchange in calculating the Index; or • Ex post adjustment of any benchmark submission or component; or • Where the Exchange has grounds to doubt the correctness or representativeness of any element of the data used in the calculation <p>In the event that the Exchange becomes aware of a possible error requiring investigation:</p>	

TITLE IV TRANSPARENCY AND CONSUMER PROTECTION				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
			<ul style="list-style-type: none"> The Exchange will publish a message to the market noting that the Index is being reviewed under this Restatement Policy; Exchange Compliance will investigate; Following the investigation, a Circular will be published noting that the error has been looked into and that the Index is either to be changed, giving the new value, or will stand. <p>The relevant fields in the Report Centre will be updated by Compliance if necessary.</p> <p>(g) Refer to EU BMR Art27(2)(g)</p>	
8	3	<p>ESMA shall develop draft regulatory technical standards to specify further the contents of a benchmark statement and the cases in which an update of such statement is required. ESMA shall distinguish between the different types of benchmarks and sectors as set out in this Regulation and shall take into account the principle of proportionality.</p> <p>ESMA shall submit those draft regulatory technical standards to the Commission by 1 April 2017.</p> <p>Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with the procedure laid down in Articles 10 to 14 of Regulation (EU) No 1095/2010.</p>	Refer to the response to the Articles within the Commission Delegated Regulation (EU) 2018/1643	Refer to the response to the Articles within the Commission Delegated Regulation (EU) 2018/1643

TITLE IV TRANSPARENCY AND CONSUMER PROTECTION				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
Article 28 Changes to and cessation of a benchmark				
9	1	An administrator shall publish, together with the benchmark statement referred to in Article 27, a procedure concerning the actions to be taken by the administrator in the event of changes to or the cessation of a benchmark which may be used in the Union in accordance with Article 29(1). The procedure may be drafted, where applicable, for families of benchmarks and shall be updated and published whenever a material change occurs.	<p>Any material change in the ICE Brent Index is subject to member consultation, review by the BIAC and/or the IFEU Board as per the IFEU Consultation Policy published on the ICE website:</p> <p>https://www.theice.com/publicdocs/IFEU_Consultation_Policy.pdf</p> <p>The Exchange would only cease to publish the ICE Brent Index if there was no open interest in the Brent Futures market. The market would be informed of the cessation of the ICE Brent Index via a Circular published on the ICE website.</p>	<ul style="list-style-type: none"> ▶ We obtained the Consultation Policy from ICE's website and inspected for evidence of procedures in the event of changes or the cessation of the ICE Brent Index, as described in IFEU's response. ▶ We obtained the relevant minutes of meeting for the BIAC and inspected for evidence of review and approval of the Consultation policy. ▶ From the above procedures, we noted that there have been no material changes to the ICE Brent Index methodology since IFEU registered as an administrator in February 2020 to the date of this report.
10	2	Supervised entities other than an administrator as referred to in paragraph 1 that use a benchmark shall produce and maintain robust written plans setting out the actions that they would take in the event that a benchmark materially changes or ceases to be provided. Where feasible and appropriate, such plans shall nominate one or several alternative benchmarks that could be referenced to substitute the benchmarks no longer provided, indicating why such benchmarks would be suitable alternatives. The supervised entities shall, upon request, provide the relevant competent authority with those plans and any updates and shall reflect them in the contractual relationship with clients.	No administrator actions	Not applicable

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
Methodology				
11	1	<p>The administrator of a commodity benchmark shall formalise, document, and make public any methodology that the administrator uses for a benchmark calculation. At a minimum, such methodology shall contain and describe the following:</p> <p>(a) all criteria and procedures that are used to develop the benchmark, including how the administrator uses input data including the specific volume, concluded and reported transactions, bids, offers and any other market information in its assessment or assessment time periods or windows, why a specific reference unit is used, how the administrator collects such input data, the guidelines that control the exercise of judgement by assessors and any other information, such as assumptions, models or extrapolation from collected data that are considered in making an assessment;</p> <p>(b) procedures and practices that are designed to ensure consistency between its assessors in exercising their judgement;</p> <p>(c) the relative importance that shall be assigned to each criterion used in benchmark calculation, in particular the type of input data used and the type of criterion used to guide judgement so as to ensure the quality and integrity of the benchmark calculation;</p>	<p>(a) IFEU's methodology is transparent and is published on the website. No judgement, assumptions, models or extrapolation are used by IFEU in the production of the benchmarks.</p> <p>The calculation of the ICE Brent Index will be the average of five values. These will be aggregated into a single figure for the final ICE Brent Index figure from the five standalone valuations at each of the sampling points. All criteria and procedures for producing each sample point is outlined in the published methodology.</p> <p>(b) There are two assessed inputs, namely the EFP value that is added to the minute marker values to derive a cargo value, and the front-month spread. The assessments are made by ICIS in conformance with the IOSCO principles for oil PRAs, their adherence to which is audited annually. The actual assessment is based on the last actual trade heard or, if later, on the mean of the last bid and offer prior to and within the qualifying time period.</p> <p>(c) Does not apply. Values used are unweighted and none entails a judgment by the Exchange.</p> <p>d) and (e) The Index is based on cargo trades, spreads, EFPs, minute markers and reporters' assessments. In the absence of any of the first three, the Index could be derived from the last two, for which respectively only screen trades and market indications (as opposed to trades) would be required.</p>	<ul style="list-style-type: none"> ▶ We obtained the ICE Brent Index methodology from ICE's website and inspected for evidence of the elements as described in IFEU's response. ▶ We re-performed the ICE Brent Index calculation for 1 June 2020 based on the published methodology for evidence of adherence to the published methodology. ▶ We obtained the IFEU Business Continuity procedure document and inspected for alternative arrangements to ensure publication process continues in compliance with the BMR requirements and methodology. ▶ We obtained the Exchange Regulation and inspected for evidence of Rule L.4(d) as described in IFEU's response to Art 27(1)(b) on elements of discretion in the benchmark calculation. We performed a walkthrough of the benchmark provisioning process on 2 June 2020 and inspected for evidence of Rule L.4(d) of the Exchange Regulations was not applied.

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
		<p>(d) criteria that identify the minimum amount of transaction data required for a particular benchmark calculation. If no such threshold is provided for, the reasons why a minimum threshold is not established shall be explained, including setting out the procedures to be used where no transaction data exist;</p> <p>(e) criteria that address the assessment periods where the submitted data fall below the methodology's recommended transaction data threshold or the requisite administrator's quality standards, including any alternative methods of assessment including theoretical estimation models. Those criteria shall explain the procedures to be used where no transaction data exist;</p> <p>(f) criteria for timeliness of contributions of input data and the means for such contributions of input data whether electronically, by telephone or otherwise;</p> <p>(g) criteria and procedures that address assessment periods where one or more contributors submit input data that constitute a significant proportion of the total input data for that benchmark. The administrator shall also define in those criteria and procedures what constitutes a significant proportion for each benchmark calculation;</p> <p>(h) criteria according to which transaction data may be excluded from a benchmark calculation.</p>	<p>There are no foreseeable circumstances in which the Index becomes less reliable, as it can be calculated using only two of the five classes of input data, one of which is screen trade activity in the largest oil futures contract in the world and the other of which requires only indications and no actual trades, The Exchange has carried out BCP exercises wherein the Index was able to be accurately derived even with a large number of inputs missing.</p> <p>If there were no cargo trades, bids or offers and no screen activity either, neither of which would eventuate except in a severe disruption, the Index could be calculated based on the most recently observed cargo prices, not limited to those of the expiry day.</p> <p>(f) Contingency arrangements Rule L.4(d) of Exchange Regulations states the following: <i>The Exchange may from time to time substitute different reporting services for those originally determined or make such other changes in the method of calculation of the ICE Brent Index as it considers necessary for the purpose above mentioned having regard to market circumstances.</i></p> <p>This is a contingency arrangement and to date has not had to be used by the Exchange.</p> <p>(g) This is not applicable since the methodology does not involve the use of contributors of input data. For avoidance of doubt, where there are multiple trades by one participant in one of the</p>	

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
			<p>intraday windows, any effect is limited to that window.</p> <p>(h) See above. Further information regarding calculation procedures may be found in the ICE Brent Index Calculation Methodology.</p>	
12	2	The administrator of a commodity benchmark shall publish or make available the key elements of the methodology that the administrator uses for each commodity benchmark provided and published or, when applicable, for each family of benchmarks provided and published.	<p>The methodology for the production of the ICE Brent Index is published by IFEU at:</p> <p>https://www.theice.com/publicdocs/futures/ICE_Futures_Europe_Brent_Index.pdf</p>	We obtained the ICE Brent Index Methodology from ICE's website as evidence of its online availability.
13	3	<p>Along with the methodology referred to in paragraph 2, the administrator of a commodity benchmark shall also describe and publish all of the following:</p> <p>(a) the rationale for adopting a particular methodology, including any price adjustment techniques and a justification of why the time period or window within which input data is accepted is a reliable indicator of physical market values;</p> <p>(b) the procedure for internal review and approval of a given methodology, as well as the frequency of such review;</p> <p>(c) the procedure for external review of a given methodology, including the procedures to gain market acceptance of the methodology through consultation with</p>	<p>(a) The ICE Brent Index represents the average price of trading in the prevailing North Sea² 'cash' or forward market in the relevant delivery month as reported and confirmed by industry media. Only published full cargo size (currently 600,000 barrels) trades and assessments are taken into consideration in the calculation. The ICE Brent Index is published by ICE Futures Europe on the day after expiry of the front month ICE Brent futures contract and used by the Exchange as the final cash settlement price.</p> <p>As detailed in the attached ICE Brent Index Calculation Methodology document, the ICE Brent Index is based on the average of 5 inputs: front month outright cargo trades, front month spread trades, full cargo second month EFP trades, volume weighted second month minute markers and independent assessments from</p>	<p>► We obtained the Terms of Reference of the BIAC and inspected for responsibilities of the Committee included:</p> <ul style="list-style-type: none"> ○ Formal annual review of the definition and methodology of the ICE Brent Index; ○ Overseeing any changes to the methodology; and ○ Reviewing IFEU's control framework for the administration of the benchmark and IFEU's adherence to its Published Methodologies

² At the time of publication, the 5 North Sea oil grades were Brent, Forties, Oseberg, Ekofisk, and Troll ("BFOET").

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
		users on important changes to their benchmark calculation processes.	<p>ICIS. These are aggregated into a single figure for the final ICE Brent Index figure from the five standalone valuations at each of the sampling points.</p> <p>(b) IFEU keeps the benchmark methodology under review and proposes any changes to the BIAC for consideration. The BIAC's Terms of Reference include a formal annual review of the benchmark methodology.</p> <p>(c) IFEU's Consultation Policy may be viewed at https://www.theice.com/publicdocs/IFEU_Consultation_Policy.pdf.</p>	<ul style="list-style-type: none"> ▶ We obtained the dashboard presented to the BIAC and inspected for evidence that the committee is presented with management information that enables the committee to perform their responsibilities. ▶ We obtained the Consultation Policy from ICE's website and inspected for evidence of procedures in the event of changes or the cessation of the ICE Brent Index, as described in IFEU's response. ▶ We obtained the relevant minutes of meeting for the BIAC and inspected for evidence of review and approval of the Consultation policy. ▶ We obtained the ICE Brent Index methodology and inspected the benchmark definition for criteria as described in IFEU's response.
14	4	<p>The administrator of a commodity benchmark shall adopt and make public to users, explicit procedures and the rationale of any proposed material change in its methodology. Those procedures shall be consistent with the overriding objective that an administrator must ensure the continued integrity of its benchmark calculations and implement changes for good order of the particular market to which such changes relate.</p> <p>Such procedures shall provide:</p> <p>(a) advance notice in a clear time frame that gives users sufficient opportunity to</p>	<p>(a) IFEU will consult publicly from time to time on proposed changes to the ICE Brent Index.</p> <p>IFEU will prepare a consultation paper after careful consideration of the following points:</p> <ol style="list-style-type: none"> i. any regulatory or legal obligations of the benchmark administrator or of benchmark users; ii. any other legal or regulatory implications including any potential consequences for the continuity of existing contracts; iii. any technology and related processes and procedures; 	See response to Annex II clause 3 above.

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
		<p>analyse and comment on the impact of such proposed changes, having regard to the administrator's calculation of the overall circumstances;</p> <p>(b) for users' comments, and the administrator's response to those comments, to be made accessible to all market users after any given consultation period, except where the commenter has requested confidentiality.</p>	<p>iv. whether the proposals are clearly articulated and give a balanced view of the likely implications;</p> <p>v. whether feedback questions are clear and unambiguous;</p> <p>vi. whether the consultation period is sufficient</p> <p>vii. how consultation responses will be analysed and what criteria will be used in evaluating them, and</p> <p>viii. who will be able to access the consultation responses</p> <p>Consultation papers will be reviewed and agreed by the BIAC, and/or the IFEU Board as appropriate before publication or circulation</p> <p>(b) IFEU will publish consultation papers on its website and invite interested parties to comment on the proposals by a specified date</p> <p>IFEU will publish a feedback statement summarising responses and excluding points made by a commenter who has requested confidentiality. The feedback statement will be review and agreed with the BIAC before publication</p>	
15	5	The administrator of a commodity benchmark shall regularly examine its methodologies for the purpose of ensuring that they reliably reflect the physical market under assessment and shall include a process for taking into account the views of relevant users.	<p>IFEU keeps the benchmark methodology under review and proposes any changes to the BIAC for consideration. The BIAC's Terms of Reference include a formal annual review of the benchmark methodology.</p> <p>IFEU's published Consultation Policy, approved by the IFEU Board, defines the process by which changes are made to the benchmark.</p> <p>IFEU's Consultation Policy may be viewed at https://www.theice.com/publicdocs/IFEU_Consultation_Policy.pdf.</p>	See response to clause 3 above.

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
			<p>IFEU will prepare a consultation paper after careful consideration of the following points:</p> <ul style="list-style-type: none"> i. any regulatory or legal obligations of the benchmark administrator or of benchmark users; ii. any other legal or regulatory implications including any potential consequences for the continuity of existing contracts; iii. any technology and related processes and procedures; iv. whether the proposals are clearly articulated and give a balanced view of the likely implications; v. whether feedback questions are clear and unambiguous; vi. whether the consultation period is sufficient vii. how consultation responses will be analysed and what criteria will be used in evaluating them, and viii. who will be able to access the consultation responses <p>Consultation papers will be reviewed and agreed by the BIAC, and/or the IFEU Board as appropriate before publication or circulation</p>	
16	6	<p>The administrator of a commodity benchmark shall:</p> <ul style="list-style-type: none"> (a) specify the criteria that define the physical commodity that is the subject of a particular methodology; (b) give priority to input data in the following order, where consistent with its methodologies: <ul style="list-style-type: none"> (i) concluded and reported transactions; 	<ul style="list-style-type: none"> (a) IFEU publishes the criteria that define the physical commodities underlying the ICE Brent Index benchmark in the ICE Brent Index Calculation Methodology document. (b) All the inputs to the Index and their priority/weighting are based on (i) and (ii) as set out in the ICE Brent Index Calculation Methodology document. 	<ul style="list-style-type: none"> (a) We obtained the ICE Brent Index methodology and inspected the benchmark definition for criteria as described in IFEU's response. (b) We obtained the input data for the ICE Brent Index on 1 June 2020 and inspected for the input as described in IFEU's response.

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
		<p>(ii) bids and offers; (iii) other information. If concluded and reported transactions are not given priority, the reasons should be explained, as required in point 7(b).</p> <p>(c) employ sufficient measures designed to use input data submitted and considered in a benchmark calculation which are bona fide, meaning that the parties submitting the input data have executed, or are prepared to execute, transactions generating such input data and the concluded transactions were executed at arms-length from each other and particular attention shall be paid to inter-affiliate transactions;</p> <p>(d) establish and employ procedures to identify anomalous or suspicious transaction data and keep records of decisions to exclude transaction data from the administrator's benchmark calculation process;</p> <p>(e) encourage contributors to submit all of their input data that falls within the administrator's criteria for that calculation. Administrators shall seek, so far as they are able and is reasonable, to ensure that input data submitted is representative of the contributors' actual concluded transactions; and</p> <p>(f) employ a system of appropriate measures to ensure that contributors comply with the administrator's applicable quality and integrity standards for input data.</p>	<p>(c) IFEU does not use any submitted data from contributors in the provision of the ICE Brent Index.</p> <p>(d) IFEU performs the verification checks on the input data used in the ICE Benchmark calculation to identify any anomalies or suspicious trades;</p> <ul style="list-style-type: none"> • Confirm the trade details with participants • Compare the trades to other market data <p>These checks are documented in a report and presented to the BIAC on a monthly basis. A log of any anomalies or suspicious data is maintained and monitored.</p> <p>(e) to (f) No contributors</p>	<p>(c) We obtained the latest audit report and inspected for evidence of the review of trades and the trader's total cargo positions, as described in IFEU's response. In addition, we obtained the Trade Exclusion Policy and inspected for evidence of the elements as described in IFEU's response.</p> <p>(d) We obtained the ICE Brent Index Procedure documentation and inspected for the verification checks as described in IFEU's response. We performed a walkthrough of the verification checks on 1 June 2020 and inspected for evidence of procedure being followed.</p> <p>(e) to (f) not applicable</p>

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
17	7	<p>The administrator of a commodity benchmark shall describe and publish for each calculation, to the extent reasonable without prejudicing due publication of the benchmark:</p> <p>(a) a concise explanation, sufficient to facilitate a benchmark subscriber's or competent authority's ability to understand how the calculation was developed including, at a minimum, the size and liquidity of the physical market being assessed (such as the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of input data that have been considered in a calculation; terms referring to the pricing methodology shall be included such as transaction-based, spread-based or interpolated or extrapolated; and</p> <p>(b) a concise explanation of the extent to which, and the basis upon which, any judgement including the exclusions of data which otherwise conformed to the requirements of the relevant methodology for that calculation, basing prices on spreads or interpolation, extrapolation, or weighting bids or offers higher than concluded transactions, if any, was used in any calculation.</p>	<p>IFEU publishes with each ICE Brent Index benchmark determination, the information needed in order to understand how the calculation was developed.</p>	<p>We obtained the ICE Brent Index methodology and inspected the benchmark definition for criteria as described in IFEU's response.</p>
18	8	<p>The administrator of a commodity benchmark shall:</p> <p>(a) specify the criteria that define who may submit input data to the administrator;</p>	<p>There are no submitters providing input for the ICE Brent Index.</p>	<p>Not applicable</p>

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
		<p>(b) have in place quality control procedures to evaluate the identity of a contributor and any submitter who reports input data and the authorisation of such submitter to report input data on behalf of a contributor;</p> <p>(c) specify the criteria applied to employees of a contributor who are permitted to submit input data to an administrator on behalf of a contributor; encourage contributors to submit transaction data from back office functions and seek corroborating data from other sources where transaction data is received directly from a trader; and</p> <p>(d) implement internal controls and written procedures to identify communications between contributors and assessors that attempt to influence a calculation for the benefit of any trading position (whether of the contributor, its employees or any third party), attempt to cause an assessor to violate the administrator's rules or guidelines or identify contributors that engage in a pattern of submitting anomalous or suspicious transaction data. Those procedures shall include, to the extent possible, provision for escalation of the inquiry by the administrator within the contributor's company. Controls shall include cross-checking market indicators to validate submitted information.</p>		
19	9	<p>In relation to the role of an assessor, the administrator of a commodity benchmark shall:</p> <p>(a) adopt and have in place explicit internal rules and guidelines for selecting</p>	The construct of the benchmark does not incorporate assessors.	Not applicable

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
		<p>assessors, including their minimum level of training, experience and skills, as well as the process for periodic review of their competence;</p> <p>(b) have in place arrangements to ensure that calculations can be made on a consistent and regular basis;</p> <p>(c) maintain continuity and succession planning in respect of its assessors in order to ensure that calculations are made consistently and by employees who possess the relevant levels of expertise; and</p> <p>(d) establish internal control procedures to ensure the integrity and reliability of calculations. At a minimum, such internal controls and procedures shall require the ongoing supervision of assessors to ensure that the methodology was properly applied and procedures for internal sign-off by a supervisor prior to releasing prices for dissemination to the market.</p>		
20	10	<p>The administrator of a commodity benchmark shall have rules and procedures in place to document contemporaneously relevant information, including:</p> <p>(a) all input data;</p> <p>(b) the judgements that are made by assessors in reaching each benchmark calculation;</p> <p>(c) whether a calculation excluded a particular transaction which otherwise conformed to</p>	<p>ICE has a documented Record Retention Policy setting out the relevant retention requirements.</p> <p>IFEU maintains a full audit trail for at least 5 years of relevant information, including:</p> <ul style="list-style-type: none"> • Input data • The published benchmarks • Any changes or deviations from standard procedures 	<ul style="list-style-type: none"> ▶ We obtained ICE Group's Record Retention Policy and inspected for the requirements as described in IFEU's response. ▶ We obtained the ICE Group back-up and retention policy for the relevant IFEU databases and inspected for evidence that it is retained for at least 5 years.

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
		<p>the requirements of the relevant methodology for that calculation, and the rationale for doing so;</p> <p>(d) the identity of each assessor and of any other person who submitted or otherwise generated any of the information in points (a), (b) or (c).</p>	<ul style="list-style-type: none"> The identity of each operator involved in producing a Benchmark determination IFEU's records are kept in such a form as to allow replication and full understanding of the determination of a benchmark. <p>The provisions in (c) and (d) in Annex II (10) do not apply to the benchmark methodology for the ICE Brent Index.</p> <p>The methodology does not involve the use of contributors of input data or assessors.</p>	
21	11	The administrator of a commodity benchmark shall have rules and procedures in place to ensure that an audit trail of relevant information is retained for at least five years in order to document the construction of its calculations.	<p>IFEU maintains an audit trail of benchmark information for at least 5 years.</p> <p>See Annex II clause 10 above.</p>	Refer to response to clause 10 above.
22	12	<p>The administrator of a commodity benchmark shall establish adequate policies and procedures for the identification, disclosure, management or mitigation and avoidance of any conflict of interest and the protection of integrity and independence of calculations. Those policies and procedures shall be reviewed and updated regularly and shall:</p> <p>(a) ensure that benchmark calculations are not influenced by the existence of, or potential for, a commercial or personal business relationship or interest between the administrator or its affiliates, its personnel, clients, any market participant or persons connected with them;</p> <p>(b) ensure that personal interests and business connections of the administrator's personnel are not permitted to compromise</p>	<p>IFEU's Conflict of Interest Policy describes the arrangements for the identification, management, disclosure and mitigation of conflicts of interests. The policy is subject to annual review and sign off by the Board of Directors of IFEU.</p> <p>The Policy is supported by a Conflicts of Interest Register, which records conflicts identified, corresponding mitigants and owners of conflict management.</p> <p>IFEU employees are subject to strict confidentiality provisions in their contracts of employment and in the following ICE group policies:</p> <ul style="list-style-type: none"> Global Code of Business Conduct; Personal Information Protection Principles; ICE Global Personal Trading Policy Corporate Information Security Policy. 	<ul style="list-style-type: none"> ▶ We obtained the IFEU Conflicts of Interest Policy & Register and inspected for the evidence of IFEU's response to clause 12 of Annex II. ▶ We obtained the IFEU Annual Policy Governance Review Cycle and the IFEU Board Forward Agenda and inspected for the review of the Conflicts of Interest Policy as a part of the Board's responsibilities. ▶ We obtained the ICE group's Code of Business Conduct and inspected for evidence of Employees requiring prior approval from their manager and ICE Global Corporate Compliance for outside activities related to part time work or serving on a board.

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
		<p>the administrator's functions, including outside employment, travel, and acceptance of entertainment, gifts and hospitality provided by the administrator's clients or other commodity market participants;</p> <p>(c) ensure, in respect of identified conflicts, appropriate segregation of functions within the administrator by way of supervision, compensation, systems access and information flows;</p> <p>(d) protect the confidentiality of information submitted to or produced by the administrator, subject to the disclosure obligations of the administrator;</p> <p>(e) prohibit managers, assessors and other employees of the administrator from contributing to a benchmark calculation by way of engaging in bids, offers and trades on either a personal basis or on behalf of market participants; and</p> <p>(f) effectively address any identified conflict of interest which may exist between the administrator's provision of a benchmark (including all employees who perform or otherwise participate in benchmark calculation responsibilities), and any other business of the administrator.</p>	<p>Employees are required to seek prior approval from their manager and ICE Global Corporate Compliance for outside activities related to part time work or serving on a board. This requirement is set out in ICE's Global Code of Business Conduct. IFEU employees receive ethics and conflicts of interest training provided online annually by the ICE group.</p> <p>IFEU has implemented a risk management framework which provides the process for identifying, assessing, managing, monitoring and reporting risks. IFEU's Chief Risk Officer (CRO) along with his respective Enterprise Risk Management (ERM) team administers the risk management framework.</p> <p>IFEU has adopted a three lines of defence model for managing risks. The first line is the business lines and support functions managing day to day risks. Responsibility for the identification, notification, self-assessment and mitigation of risk rests with business areas and their support functions.</p> <p>The second line provides oversight of the risk framework. The third line is Group Internal Audit.</p> <p>IFEU has a formally documented risk framework, risk appetite statement and risk metrics. The risk framework, risk appetite statement and risk metrics are approved by IFEU's Board.</p>	<ul style="list-style-type: none"> ▶ We obtained the ICE Personal Information Protection Principles Policy and the ICE Corporate Information Security Policy and inspected for evidence of IT security policies and procedures as described in IFEU's response. ▶ We obtained the ICE Global Personal Trading Policy and inspected for evidence that employees are prohibited from dealing in instruments that refer to the ICE Brent Index. ▶ We obtained the ethics and conflicts of interest training material for the training provided online annually by the ICE group and inspected for evidence of Conflicts of Interests as a subject matter within the material. ▶ We obtained the IFEU Risk Management policy and inspected for evidence of the risk management procedures, including the three lines of defence model, as described in IFEU's response. ▶ We obtained the relevant minutes of meetings of the IFEU Board and inspected for evidence of review and approval of the Risk Management Policy.
23	13	The administrator of a commodity benchmark shall ensure that its other business operations have in place appropriate procedures and mechanisms designed to minimise the likelihood	See Annex II clause 12 above.	See response to clause 12 above.

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
		that a conflict of interest will affect the integrity of benchmark calculations.		
24	14	<p>The administrator of a commodity benchmark shall ensure that it has in place segregated reporting lines amongst its managers, assessors and other employees and from the managers to the administrator's most senior level management and its board to ensure:</p> <p>(a) that the administrator satisfactorily implements the requirements of this Regulation; and</p> <p>(b) that responsibilities are clearly defined and do not conflict or cause a perception of conflict.</p>	<p>IFEU has a clear organisational structure and all IFEU employees report directly or indirectly to the President of IFEU.</p> <p>The reporting lines are separate from the ICE group.</p> <p>IFEU roles and responsibilities are defined in a consistent manner for all persons involved in the provision of the IFEU benchmark.</p>	<ul style="list-style-type: none"> ▶ We obtained the IFEU organisational structure and inspected for evidence of a clear and well-defined reporting structure separate from the ICE Group. ▶ We obtained the job descriptions of IFEU the analysts involved in the provisioning of the benchmark and inspected for evidence of clearly defined roles and responsibilities.
25	15	The administrator of a commodity benchmark shall disclose to its users as soon as it becomes aware of a conflict of interest arising from the ownership of the administrator.	<p>IFEU's Conflicts of Interest Policy considers the ownership of IFEU within the ICE group.</p> <p>See also Annex II clause 14 above.</p>	See response to clause 14 above.
26	16	<p>The administrator of a commodity benchmark shall have in place and publish a complaints handling policy setting out procedures for receiving, investigating and retaining records concerning complaints made about an administrator's calculation process. Such complaint mechanisms shall ensure that:</p> <p>(a) subscribers of the benchmark may submit complaints on whether a specific benchmark calculation is representative of market value, proposed benchmark calculation changes, applications of methodology in relation to a specific benchmark calculation and other editorial</p>	<p>IFEU has effective procedures for handling complaints. The arrangements conform to the BMR requirements and should cover complaints about the benchmark determination process. Complaints should be handled promptly and fairly. Records of complaints and complaints-handling are retained for a minimum of 10 years.</p> <p>IFEU has a complaint resolution procedure document which provides, in accordance with the Annex II requirements that:</p> <p>(a) Anyone may submit complaints on whether a specific benchmark calculation is representative.</p>	<ul style="list-style-type: none"> ▶ We obtained the Complaints resolution procedures from ICE's website and inspected for evidence of the requirements described in IFEU's response. ▶ We obtained management confirmation that there have been no complaints to IFEU with respect to the ICE Brent Index published on 1 June 2020.

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
		<p>decisions in relation to the benchmark calculation processes;</p> <p>(b) there is in place a target timetable for the handling of complaints;</p> <p>(c) formal complaints made against the administrator and its personnel are investigated by that administrator in a timely and fair manner;</p> <p>(d) the inquiry is conducted independently of any personnel who may be involved in the subject of the complaint;</p> <p>(e) the administrator aims to complete its investigation promptly;</p> <p>(f) the administrator advises the complainant and any other relevant parties of the outcome of the investigation in writing and within a reasonable period;</p> <p>(g) there is recourse to an independent third party appointed by the administrator if a complainant is dissatisfied with the way a complaint has been handled by the relevant administrator or the administrator's decision in the situation no later than six months from the time of the original complaint; and</p> <p>(h) all documents relating to a complaint, including those submitted by the complainant as well as an administrator's own record, are retained for a minimum of five years.</p>	<p>(b) There is a target timetable for handling complaints: 5 working days for acknowledging a complaint and 12 weeks for a final response</p> <p>(c) Complaints are investigated in a timely and fair manner.</p> <p>(d) The inquiry into a complaint is conducted independently of any employees who may be involved in the subject of the complaint.</p> <p>(e) IFEU aims to complete its investigation within 12 weeks.</p> <p>(f) IFEU would advise the complainant and any other relevant parties of the outcome of the investigation in writing, usually within 12 weeks.</p> <p>(g) Complainants may ask for their complaint to be referred to the IFEU independent Complaints Commissioner</p> <p>(h) All documents relating to a complaint are retained for a minimum of 10 years.</p> <p>The IFEU Complaints resolution procedure document is available on the ICE Website: https://www.theice.com/publicdocs/futures/Complaints_Resolution_Procedures.pdf</p>	

BMR ANNEX II COMMODITY BENCHMARKS				
#	BMR Ref.	BMR Requirement	IFEU's Response	EY Evaluation Procedures
27	17	Disputes as to daily pricing determinations, which are not formal complaints, shall be resolved by the administrator of a commodity benchmark with reference to its appropriate standard procedures. If a complaint results in a change in price, the details of that change in price shall be communicated to the market as soon as possible.	<p>Any disputes as to a pricing determination would be resolved by IFEU in accordance with its Complaints resolution procedure document. If a complaint resulted in a change in price, the details of that change in price would be communicated to the market as soon as possible.</p> <p>The Exchange considers the likeliest area for such dispute to be the eligibility for inclusion of any given trade. The methodology sets out what trades are admissible, and the trade time required, while the Trade Exclusion Policy sets out on what other grounds trades may be excluded.</p>	See response to clause 16 above.
28	18	The administrator of a commodity benchmark shall appoint an independent external auditor with appropriate experience and capability to review and report on the administrator's adherence to its stated methodology criteria and with the requirements of this Regulation. Audits shall take place annually and be published three months after each audit is completed with further interim audits carried out as appropriate.	IFEU has appointed an independent external auditor with appropriate experience and capability to review and report on IFEU's adherence to its stated methodology criteria and with the requirements of the BMR. Audits will take place annually and be published 3 months after each audit is completed. Further interim audits will be carried out as appropriate.	EY were appointed by IFEU on 3 June 2020 to provide assurance over IFEU's compliance with BMR and adherence with benchmark methodology for the calculation of ICE Brent Index.

Benchmark Statements Commission Delegated Regulation (EU) 2018/1643 Regulatory Technical Standard (RTS) – Art 27(3)				
#	RTS Ref.	RTS Requirement	IFEU's Response	EY Evaluation Procedures
RTS Article 1 General Disclosure Requirements				
29	1	<p>The benchmark statement shall state:</p> <p>(a) the date of publication of the statement and, where applicable, the date of its last update;</p> <p>(b) where available, the international securities identification number (ISIN) of the benchmark or benchmarks; alternatively, for a family of benchmarks, the statement may provide details of where the ISINs are publicly accessible free of charge;</p> <p>(c) whether the benchmark, or any benchmark in the family of benchmarks, is determined using contributions of input data;</p> <p>(d) whether the benchmark or any benchmark in the family of benchmarks qualifies as one of the types of benchmarks listed under Title III of Regulation (EU) 2016/1011, including the specific provision by virtue of which the benchmark qualifies as that type.</p>	<p>(a) This is on the title page of this document.</p> <p>(b) The benchmark does not have ISINs.</p> <p>(c) The ICE Brent Index does not use contributions of input data</p> <p>(d) The ICE Brent Index qualifies as a commodity benchmark under Article 19(1) of Regulation (EU) 2016/1011.</p>	We obtained the ICE Brent Index benchmark statement from ICE's website and inspected for evidence of IFEU's response.
30	2	<p>In defining the market or economic reality, the benchmark statement shall include at least the following information:</p> <p>(a) a general description of the market or economic reality;</p> <p>(b) the geographical boundaries, if any, of the market or economic reality;</p> <p>(c) any other information that the administrator reasonably considers to be relevant or useful to help users or potential users of the benchmark to understand the relevant features of</p>	<p>(a) The market or economic reality that the ICE Brent Index intends to represent is described in the ICE Brent Index Methodology document on the ICE Website:</p> <p>https://www.theice.com/publicdocs/futures/ICE_Futures_Europe_Brent_Index.pdf</p> <p>(b) The ICE Brent Index is based on reported full-cargo expiry-day trades of a basket of North Sea crude oil grades and on certain derivatives thereon,</p>	See response to clause 1 of the RTS above.

Benchmark Statements Commission Delegated Regulation (EU) 2018/1643 Regulatory Technical Standard (RTS) – Art 27(3)				
#	RTS Ref.	RTS Requirement	IFEU's Response	EY Evaluation Procedures
		<p>the market or economic reality, including at least the following elements insofar as reliable data on these elements is available:</p> <ul style="list-style-type: none"> i. information on actual or potential participants in the market; ii. an indication of the size of the market or economic reality. 	<p>specifically Exchange For Physical (“EFP”) trades, inter-month spreads and Minute Markers.</p> <p>There are no real geographical boundaries to the trade that feeds into the ICE Brent Index, nor are there significant barriers to entry into the trade that shapes the Index. While the key inputs are cargoes, cargo time-spreads, and EFPs (trades in the differential between cargo and futures prices), the Index is also constructed from minute markers in which every trade of even a single futures contract counts. This has the effect of democratizing the price formation process and allows non physical players a way to participate and to express a price view.</p> <p>(c) (i) Participants in the market thus include the producers and end-users of the crude oil grades whose prices are used to form the Index. There are 20 to 40 active participants at any time, but there is no upper limit because North Sea crude oils, being seaborne, can be exported by ship to almost any destination where the economics support doing so. Cargoes have previously been delivered to every major continent. Participants also include any trader who executes a futures trade during the assessment window.</p> <p>(ii) For the purposes of the benchmark, the North Sea physical cargo market</p>	

Benchmark Statements Commission Delegated Regulation (EU) 2018/1643 Regulatory Technical Standard (RTS) – Art 27(3)				
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			<p>comprises of five grades, namely Brent, Forties, Oseberg, Ekofisk, and Troll, which are all loaded at ports within the area.</p> <p>Approximately 45 to 55 cargoes of all grades combined are produced each month. They can and do trade several times. The total number of data points relied on to compute the Index has risen steadily in recent times and is now typically in the region of 50 to 80 per expiry.</p>	
31	3	<p>In defining the potential limitations of the benchmark and the circumstances in which the measurement of the market or economic reality may become unreliable, the benchmark statement shall include at least:</p> <p>(a) a description of the circumstances in which the administrator would lack sufficient input data to determine the benchmark in accordance with the methodology;</p> <p>(b) where relevant, a description of instances when the accuracy and reliability of the methodology used for determining the benchmark can no longer be ensured, such as when the administrator deems the liquidity in the underlying market as insufficient;</p> <p>(c) any other information that the administrator reasonably considers to be relevant or useful to help users and potential users to understand the circumstances in which the measurement of the market or economic reality may become unreliable, including a description of what might constitute an exceptional market event.</p>	<p>(a) The Index is based on cargo trades, spreads, EFPs, minute markers and reporters' assessments. In the absence of any of the first three, the Index could be derived from the last two, for which respectively only screen trades and market indications (as opposed to trades) would be required.</p> <p>(b) There are no foreseeable circumstances in which the Index becomes less reliable, as it can be calculated using only two of the five classes of input data, one of which is screen trade activity in the largest oil futures contract in the world and the other of which requires only indications and no actual trades. The Exchange has carried out BCP exercises wherein the Index was able to be accurately derived even with a large number of inputs missing.</p> <p>(c) None. If there were no cargo trades, bids or offers and no screen activity either (neither of which would eventuate except in a severe disruption), by virtue</p>	See response to clause 1 of the RTS above.

Benchmark Statements Commission Delegated Regulation (EU) 2018/1643 Regulatory Technical Standard (RTS) – Art 27(3)				
#	RTS Ref.	RTS Requirement	IFEU's Response	EY Evaluation Procedures
			of the Exchange's Rules, the Index could be calculated based on the most recently observed cargo prices, not limited to those of the expiry day.	
32	4	In specifying the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors in calculating the benchmark or benchmarks, the benchmark statement shall include an outline of each step of the process for any ex post evaluation of the use of discretion, together with a clear indication of the position of any person(s) responsible for carrying out the evaluations.	<p>Rule L.4(d) of Exchange Regulations states the following:</p> <ul style="list-style-type: none"> The Exchange may from time to time substitute different reporting services for those originally determined or make such other changes in the method of calculation of the ICE Brent Index as it considers necessary for the purpose above mentioned having regard to market circumstances. This is a contingency arrangement and to date has not had to be used by the Exchange. 	Refer to response to Annex II clause 6 above.
33	5	In specifying the procedures for review of the methodology, the benchmark statement shall at least outline the procedures for public consultation on any material changes to the methodology.	<p>The procedure for public consultation on any material changes to the ICE Brent Index methodology is outline in the ICE Brent Index Consultation Policy, available on the ICE website:</p> <p>https://www.theice.com/publicdocs/IFEU_Consultation_Policy.pdf</p>	Refer to response to Annex II clause 3 above.
RTS Article 2 - Specific disclosure requirements for regulated-data benchmarks				
34	1	<p>In addition to the information to be included pursuant to Article 1, for a regulated-data benchmark or, where applicable, family of regulated-data benchmarks, the benchmark statement shall state at least the following in its description of the input data:</p> <p>(a) the sources of the input data used;</p>	IFEU does not administer regulated data benchmarks.	Not applicable

Benchmark Statements Commission Delegated Regulation (EU) 2018/1643 Regulatory Technical Standard (RTS) – Art 27(3)				
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		(b) for each source, the relevant type, as listed in Article 3(1)(24) of Regulation (EU) 2016/1011		
Article 3 - Specific disclosure requirements for interest rate benchmarks				
35	1	In addition to the information to be included pursuant to Article 1, for an interest rate benchmark or, where applicable, family of interest rate benchmarks, the benchmark statement shall include at least the following information: (a) a reference alerting users to the additional regulatory regime applicable to interest rate benchmarks under Annex I to Regulation (EU) 2016/1011; (b) a description of the arrangements that have been put in place to comply with that Annex.	IFEU does not administer interest rate benchmarks.	Not applicable
Article 4 - Specific disclosure requirements for commodity benchmarks				
36	1	In addition to the information to be included pursuant to Article 1, for a commodity benchmark or, where applicable, family of commodity benchmarks, the benchmark statement shall at least: (a) indicate whether the requirements of Title II of, or Annex II to, Regulation (EU) 2016/1011 apply to the benchmark, or family of benchmarks as prescribed by Article 19 of that Regulation; (b) include an explanation as to why Title II of or, as the case may be, Annex II to that Regulation applies; (c) include in the definitions of key terms a concise description of the criteria that define the relevant underlying physical commodity;	(a) Annex II to Regulation (EU) 2016/1011 applies to the ICE Brent Index. (b) The ICE Brent Index is a non-critical commodity Benchmark. It is not a regulated-data benchmark nor is it based on submissions by contributors. Therefore, pursuant to the eligibility criteria in Article 19 of the Regulation, Annex II to the Regulation applies to the ICE Brent Index. (c) This is included in the ICE Brent Index Calculation Methodology document published on the ICE website: https://www.theice.com/publicdocs/futures/ICE_Futures_Europe_Brent_Index.pdf	We obtained the ICE Brent Index benchmark statement from ICE's website and inspected for evidence of IFEU's response.

Benchmark Statements Commission Delegated Regulation (EU) 2018/1643 Regulatory Technical Standard (RTS) – Art 27(3)				
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		(d) where applicable, indicate where the explanations are published that the administrator is required to publish under paragraph 7 of Annex II to that Regulation.	<p>(d) The relevant explanations are in the ICE Brent Index Calculation Methodology document published on the ICE website:</p> <p>https://www.theice.com/publicdocs/futures/ICE_Futures_Europe_Brent_Index.pdf</p>	
RTS Article 5 - Specific disclosure requirements for critical benchmarks				
37	1	<p>In addition to the information to be included pursuant to Article 1, for a critical benchmark, or, where applicable, a family of benchmarks that contains at least one critical benchmark, the benchmark statement shall include at least the following information:</p> <p>(a) a reference alerting users to the enhanced regulatory regime applicable to critical benchmarks under Regulation (EU) 2016/1011</p> <p>(b) a statement indicating how users will be informed of any delay in the publication of the benchmark or of any re-determination of the benchmark, and indicating the (expected) duration of measures.</p>	Not applicable as IFEU does not administer critical benchmarks.	Not applicable
RTS Article 6 - Updates				
38	1	<p>In addition to the cases referred to in the third subparagraph of Article 27(1) of Regulation (EU) 2016/1011, an update of the benchmark statement shall be required whenever the information contained in the statement ceases to be correct or sufficiently precise, and including in any event in the following cases:</p> <p>(a) whenever there is a change in the type of the benchmark;</p>	<p>This Benchmark Statement is subject to review by the BIAC at least annually.</p> <p>It will additionally be reviewed and updated if the information it provides is no longer correct or sufficiently precise, including if there is a material change in the methodology for determining the benchmark.</p>	<ul style="list-style-type: none"> ▶ We obtained the Terms of Reference of the BIAC and inspected for evidence that the review of the Benchmark statement is one of the responsibilities of the committee. ▶ We obtained the relevant minutes of meetings of the BIAC and inspected for evidence of review and approval of the Brent Index Benchmark Statement.

Benchmark Statements Commission Delegated Regulation (EU) 2018/1643 Regulatory Technical Standard (RTS) – Art 27(3)				
#	RTS Ref.	RTS Requirement	IFEU's Response	EY Evaluation Procedures
		(b) whenever there is a material change in the methodology used for determining the benchmark or, if the benchmark statement is for a family of benchmarks, in the methodology used for determining any benchmark within the family of benchmarks.		
RTS Article 7 – Entry into force and application				
39	1	This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union. It shall apply from 25 January 2019.	Refer to responses to the RTS clauses above.	Refer to responses to the RTS clauses above.