



ICE DATA INDICES, LLC

CHARTER OF THE INDEX GOVERNANCE COMMITTEE OF ICE DATA INDICES, LLC

October 2021



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1. PURPOSE

The Index Governance Committee of ICE Data Indices, LLC (“IDI”) (the “Committee”) serves as an oversight function with respect to all benchmark products offered by IDI, whether currently existing or offered in the future (each, a “Benchmark” and together, the “Benchmarks” and the “Index Business”). The Index Business includes the U.S.-based ICE group indices which includes equity, fixed income, commodity, volatility, mortgage and foreign exchange indices.

Terms used but not defined in this document have the meanings given to them in the IOSCO

Principles¹.

2. MISSION

- Conduct regular periodic oversight of the Benchmarks and IDI’s role as an Administrator of the Benchmarks.
- Review and advise on the policies and procedures and methodologies by which IDI administers, calculates and publishes the Benchmarks.
- Address issues and considerations that arise from time to time in connection with the administration, calculation and publication of the Benchmarks.

In undertaking the mission and responsibilities set forth herein, the Committee will be supported by the IDI business, legal and compliance teams and other relevant ICE employees, which provide analysis and expertise to the Committee, either upon the Committee’s request or at the initiative of the IDI teams.

3. LIMITATION OF SCOPE

The Committee will undertake the mission and responsibilities set forth herein, but shall not be responsible for overseeing any part of IDI’s business other than the Benchmarks and the IDI’s role as an Administrator of the Benchmarks. The Committee has no role with respect to any other ICE Group indices or index businesses including, without limitation, indices administered by ICE Benchmark Administration Limited.

4. RESPONSIBILITIES

The Committee is responsible for helping ensure overall compliance with the IOSCO Principles and the EU² and UK³ Benchmarks Regulations. Such responsibilities include, but are not limited to:

¹ The Board of the International Organization of Securities Commissions, *Principles for Financial Benchmarks: Final Report* (July 2013).

² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R1011&from=EN>

³ [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 https://www.legislation.gov.uk/ukxi/2019/657/contents](https://www.legislation.gov.uk/ukxi/2019/657/contents)

- Oversee the development, design, issuance and operation of the Benchmark (for all indices) and the respective methodology documents;
- Review and approve any proposed and implemented changes to the Benchmark methodology document(s) and authorize or request a consultation with Stakeholders⁴ or Subscribers⁵ on material changes;
- Review of each Benchmark and methodology document(s) (including changes thereto) on a periodic basis, to ensure that the methodology used for the Benchmark continues to be appropriate;
- Oversee the management and operation of the Benchmark, including activities related to Benchmark determination undertaken by a third party;
- Where a Benchmark is based on Submissions⁶, oversee and challenge the scrutiny and monitoring of inputs or Submissions;
- As applicable, oversee the Submitter⁷ Code of Conduct and establish effective arrangements to address breaches of the Code, and to report any potential misconduct to the Regulatory Authorities;
- Review and update the Submitter Code of Conduct on an annual basis, as applicable;
- Identify and manage existing and potential conflicts of interest;
- Review and approve policies and procedures adopted by the Administrator relating to the Index Business, including conflicts of interest policies and complaints processes;
- Review and approve the control framework on at least an annual basis;
- Review and approve procedures for termination of the Benchmark, including guidelines that set out how the Administrator should consult with Subscribers and other Stakeholders about such cessation;
- Oversee any exercise of Expert Judgment by the Administrator and ensure published methodologies have been followed;
- Review and approve constituent selections in instances where discretion has been used as part of the rebalancing process or as a result of a corporate action;
- Continue to remain informed and knowledgeable of issues and risks to the Benchmark (including regulatory, legal and commercial), as well as commissioning external reviews of the Benchmark (as appropriate);

⁴ Stakeholder: Refers to Subscribers and other persons or entities who own contracts or financial instruments that reference a Benchmark.

⁵ Subscriber: A person or entity that purchases Benchmark determination services from an Administrator.

⁶ Submission: Prices, estimates, values, rates or other information that is provided by a Submitter to an Administrator for the purposes of determining a Benchmark. This excludes data sourced from Regulated Markets or Exchanges with mandatory post-trade transparency requirements.

⁷ Submitter: A legal person providing information to an Administrator or Calculation Agent required in connection with the determination of a Benchmark

- Undertake periodic internal reviews of the Governance Committee’s activities (including the exercise of discretion) on a frequency to be determined by the Governance Committee; and
- Evaluate the results of internal and external audits, and ensure implementation of remedial actions proposed in the audits.

The Committee’s role is substantially limited by the general framework of the rules setting forth each Benchmark’s methodology, purpose and mechanics. Changes to a Benchmark will generally be limited to those that are:

- intended to ensure the workability of the Benchmark;
- not made for the purpose of affecting Benchmark integrity; and
- consistent with the stated purpose and original rules of the Benchmark.

The decisions of the Committee will be made without reference to the interests of any individual client or group of clients and there will be no client input into the decisions of the Committee.

The Committee does not manage any Benchmark and does not act as a portfolio selection committee with the purpose of improving the performance of any Benchmark.

The Committee will generally not make retroactive changes to a Benchmark other than in cases of manifest error.

5. CONFLICTS OF INTEREST

Committee members must identify and disclose any actual, perceived or potential conflict of interest promptly upon becoming aware of such conflict. Any such conflict will be addressed as further described in the separate IDI Conflicts of Interest Policy and related ICE group policies including ICE’s Global Code of Business conduct.

Additional requirements and restrictions on Committee members’ personal trading may also apply, subject to notification from IDI Compliance.

6. CONFIDENTIALITY

Committee members must maintain confidentiality of the Committee’s determinations, as appropriate. There can be no advance disclosure or selective disclosure of the Committee’s decisions and deliberations to clients or other third parties, including ICE employees not involved in the IDI Index Business.

7. SELECTION AND MEMBERSHIP

The selection criteria for Committee membership are set out in the ICE Data Indices Selection, Renewal and Replacement of Governance Committee Members Process. A copy of which will be made available to Governance Committee members on becoming a member and on request.

8. ACCOUNTABILITY

The Committee reports to and is accountable to the IDI Management Committee. The Committee will provide regular updates to the IDI Management Committee of its activities and may escalate matters to the IDI Management Committee as it determines appropriate.

9. MEETINGS AND RECORDKEEPING

The Committee meetings will be held on a quarterly basis or more frequently, as necessary, and may be attended by telephone or in person. Each meeting will generally have an agenda that sets forth the topics for the meeting.

Where a decision is required between scheduled meetings of the Committee, a decision may be taken in one of the following ways: by convening a meeting of the Committee to be held in person or by telephone conference or by emailing all Committee members for their confirmation of approval. Such events may include formal adoption of matters discussed in previously convened meetings; confirmation of constituents selected under the rebalancing process; rule changes proposed; proposed decommissioning of a Benchmark; or events involving abnormal trading liquidity or unanticipated changes in legal, regulatory, sourcing or licensing matters that make it impermissible or impracticable to calculate a Benchmark under existing rules.

Minutes of the Committee's meetings will be recorded and retained by the IDI Compliance Officer. Among other things, any exercise of discretion by the Committee (including the reasons for its exercise and the extent to which a decision was based upon expert judgment, if any) will be documented and records maintained, even in emergency situations where decisions need to be made quickly.

10. QUORUM & VOTING

A quorum will be a minimum of four Committee members.

Each Committee member shall have one vote. No other attendees shall be eligible to vote. Should there be a vote on any matter; decisions of the Committee shall be made by a simple majority. Should there be a vote on any matter and should the number of votes cast for and against be equal, the Chairperson shall be entitled to a casting vote in addition to the regular vote. Where a decision is being sought by email, a deadline will be set by which Committee members shall be required to respond, at which time a decision shall be made by a simple majority.

Charter Approved by: IDI Management Committee

Effective: October 2021