



# **ICE DATA INDICES, LLC**

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

December 2023



## Table of Contents

1. PURPOSE .....	3
2. LIMITATION OF SCOPE .....	3
3. RESPONSIBILITIES .....	3
4. CONFLICTS OF INTEREST .....	5
5. CONFIDENTIALITY .....	5
6. SELECTION AND MEMBERSHIP .....	5
7. ACCOUNTABILITY .....	5
8. MEETINGS AND RECORDKEEPING .....	5
9. QUORUM & VOTING .....	6

# 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”).

Terms used but not defined in this document have the meanings given to them in the IOSCO Principles.<sup>1</sup>

# 2. LIMITATION OF SCOPE

The Committee’s responsibilities are limited to those set forth herein. The Committee shall not be responsible for overseeing any part of IDI’s business other than the Benchmarks and 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.

# 3. RESPONSIBILITIES

The Committee is responsible for reviewing and providing challenge on all aspects of the Benchmark determination process as required under the IOSCO Principles and the EU<sup>2</sup> and UK<sup>3</sup> Benchmarks Regulations. In undertaking the 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.

For each Benchmark, such responsibilities include, but are not limited to:

- Oversee the development, design, issuance and operation of the Benchmarks and the respective methodology documents;<sup>4</sup>
- Review and approve any proposed and implemented changes to the Benchmark methodology document(s) and authorize or request a consultation with Stakeholders<sup>5</sup> or Subscribers<sup>6</sup> on material changes;<sup>7</sup>
- 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;

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

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

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

<sup>4</sup> The Committee may fulfill this responsibility with respect to certain Benchmarks via a pre-approval process subject to internal guidelines it has approved in advance.

<sup>5</sup> Stakeholder: Refers to Subscribers and other persons or entities who own contracts or financial instruments that reference a Benchmark.

<sup>6</sup> Subscriber: A person or entity that purchases Benchmark determination services from an Administrator.

<sup>7</sup> The Committee may fulfill this responsibility with respect to immaterial changes via a pre-approval process subject to internal guidelines it has approved in advance.

- 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 Submissions<sup>8</sup>, oversee and challenge the scrutiny and monitoring of inputs or Submissions;
- As applicable, oversee any Submitter<sup>9</sup> 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 oversee management of 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);
- Commission 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.

Changes to a Benchmark will generally be limited to those that:

- are intended to ensure the workability of the Benchmark;
- would not compromise Benchmark integrity; and
- are consistent with the stated purpose and original rules of the Benchmark.

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<sup>8</sup> 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.

<sup>9</sup> Submitter: A legal person providing information to an Administrator or Calculation Agent required in connection with the determination of a Benchmark.

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 approve retroactive changes to a Benchmark other than in cases of manifest error.

## **4. CONFLICTS OF INTEREST**

Committee members are subject to the IDI Conflicts of Interest Policy and related ICE group policies including ICE's Global Code of Business Conduct. Pursuant to those policies 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 those policies.

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

Decisions of the Committee will be made without undue influence from any individual client or group of clients. Client feedback on matters considered by the Committee is received in accordance with IDI's Policies.

## **5. 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.

## **6. 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.

## **7. ACCOUNTABILITY**

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

## **8. 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. Each scheduled meeting shall have an appointed Chairperson. In the event that the appointed Chairperson is unavailable to attend, IDI Legal or Compliance shall recommend one member of the Committee as acting Chairperson, on approval of the majority of the attending Committee Members.

Where a decision is required between scheduled meetings of the Committee, a decision may be taken in one of the following ways: by convening an ad hoc meeting of the Committee to be held in person or by telephone conference; or by way of email to all Committee members. 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 cessation 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 scheduled Committee meetings and decisions made in ad hoc meetings shall be recorded and retained in accordance with ICE's Record Retention Policy. 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.

## 9. QUORUM & VOTING

A quorum for Committee meetings 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. For the avoidance of doubt, the decision requires the vote of at least four Committee members in accordance with the quorum provision above.

**Charter Approved by:** IDI Management Committee

**Effective:** December 2023