



# Index Administration Oversight Body Charter

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## Purpose

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The Cboe Europe Index Administration Oversight Body (“IAOB”) is responsible for maintaining effective oversight of the provision of indices (“Indices”) by Cboe Europe Indices B.V. Such provision includes administration, calculation, and determination of Indices. Further, provision is not limited to Cboe Europe Indices B.V. owned or branded Indices, but extends to Indices for which Cboe Europe Indices B.V. acts as a service provider to a third-party. The following charter details IAOB purview, operational requirements and responsibilities.

It is intended that Cboe Europe Indices provision will adhere to Regulation 2016/1011/EU of the European Parliament and of the Council of June 8, 2016 on indices use as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

## Scope

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1. The IAOB is charged with:
  - a. Monitoring Cboe Europe Indices B.V.’s compliance with its regulatory obligations as a Benchmark Administrator;
  - b. Reviewing and overseeing the Indices’ definitions, rules and methodologies and changes thereto, including: performing a quarterly review (including revision of Index classification as critical, significant, or non-significant under applicable regulation(s)<sup>1</sup>), determining when changes to the Rules and Methodology is deemed to be material and requires a consultation, reviewing any proposed cessation of one or more of the Indices, and reviewing summaries of Index Complaints;
  - c. Considering recommendations from the external Cboe Europe Index Advisory Committee regarding index rules and methodologies, index constituents and corporate events policies;
  - d. Overseeing any third party involved in the provision of the Indices, including calculation or dissemination agents;

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<sup>1</sup> To the extent that an Index classification changes, the IAOB (in conjunction with Compliance) will notify the competent authority and ensure that applicable regulation(s) are followed.

- e. Providing senior management with guidance / recommendations related to: the Index control structure, Index provision, outsourcing provisions, Index alterations, and data inputs (including any contributed data);
- f. Request and / or review internal and external audits, reviews, and assessments related to the provision of Indices;
- g. Reviewing and approving the procedures related to Index provision, including (but not limited to), controls and governance procedures; and
- h. Reporting, with the cooperation of the Compliance Division and as appropriate, to the relevant competent domestic and foreign authorities any misconduct by data contributors or others.

## Meetings

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1. The IAOB shall meet at least once per quarter and additionally as needed, as scheduled by the IAOB Chairperson. Unless otherwise restricted by law or the governing documents of Cboe Europe Indices B.V., the IAOB may take action without a meeting if a majority of all IAOB members consent in writing or by electronic means, which are filed with the minutes of the IAOB.
2. IAOB members may attend IAOB meetings in person or by electronic / telephonic means. No less than two (2) IAOB voting members must be in attendance to make an actionable recommendation and / or determination. Should such a quorum not be present, the IAOB meeting will be adjourned and rescheduled.
3. IAOB votes will be by simple majority of voting members in attendance, excluding members abstaining due to disclosed conflicts of interest. Additionally, on issues where members have a conflict of interest, it must be disclosed prior to participation in discussion and be recorded in the minutes. A member with a conflict of interest may recuse themselves, or a majority of the IAOB may request that a member be excluded from discussion of and any vote pertaining to a conflicted issue. Such exclusion will be recorded in the minutes.
4. In the event of a tie of the voting members, the Chairperson, or acting Chairperson designated by the Chairperson, will cast the deciding vote.
5. Periodically, the IAOB may ask non-members (i.e., observers) to attend meetings. Additionally, non-members may be called upon to present at IAOB meetings. Such requests will be made by the Chairperson. Observers may participate in IAOB discussions, but only after disclosure of any conflicts of interest.

6. The IAOB may request information and other documentation needed to perform its oversight functions. These requests should be in writing and senior management will ensure compliance with such requests.
7. Minutes will be taken at each IAOB detailing the attendees, subject matter discussed, votes, decisions, and any other pertinent information. IAOB members may request that specific statements and / or information be recorded in the minutes.

## Members

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1. The IAOB will have 6 total members, as follows: Non-Voting Members: 2 staff members directly or indirectly involved in the provision of Indices; and Voting Members: 4 staff members not involved in the provision of Indices.
2. IAOB members will be appointed by the board of directors of Cboe Europe Indices B.V., taking into consideration the appointees' expertise, skills, and availability. Areas of consideration may include, but are not limited to: educational background, work experience, and field(s) of expertise. A Chairperson will be appointed by the board of directors of Cboe Europe Indices B.V. annually. The Chairperson is a voting member. The Chairperson will set the agenda and schedule each meeting, provide needed materials, and appoint a secretary to keep minutes. The Chairperson may designate a voting member to act as the acting Chairperson for any meeting the Chairperson is unable to attend.
3. IAOB members may resign at any time. Additionally, IAOB members may be removed at the request of the board of directors of Cboe Europe Indices B.V. A majority of the IAOB may request the removal of a member should the majority believe that the member has acted inappropriately or otherwise compromised the integrity of the IAOB.

## Actions

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1. The IAOB may take the following enumerated actions by majority vote:
  - a. Creation of subcommittees, which may be tasked with providing information back to the IAOB;
  - b. Providing question to and / or soliciting general information from the external Cboe Europe Index Advisory Committee;
  - c. Requesting the initiation of the consultation process;

- d. Recommending actions related to the provision of Indices to senior management and board of directors of Cboe Europe Indices B.V.;
- e. Recommending (in cooperation with the Compliance Division) that regulators be notified of misconduct, including (but not limited to) instances of suspected Index manipulation, should they become aware of this;
- f. Requesting an internal audit related to Index provision; and
- g. Annual review and approval of this Charter.

Version 1

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