



IHS Markit™

# Index Administration Committee Terms of Reference

November 2017

## 1. Introduction

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IHS Markit offers independent index administration services (“**IAS**”) to index owners. In providing this service, IHS Markit is responsible for the administration of the indices and, consequently, is the “**Index Administrator**” of each “**Index**”. The Index remains the intellectual property of the index owner.

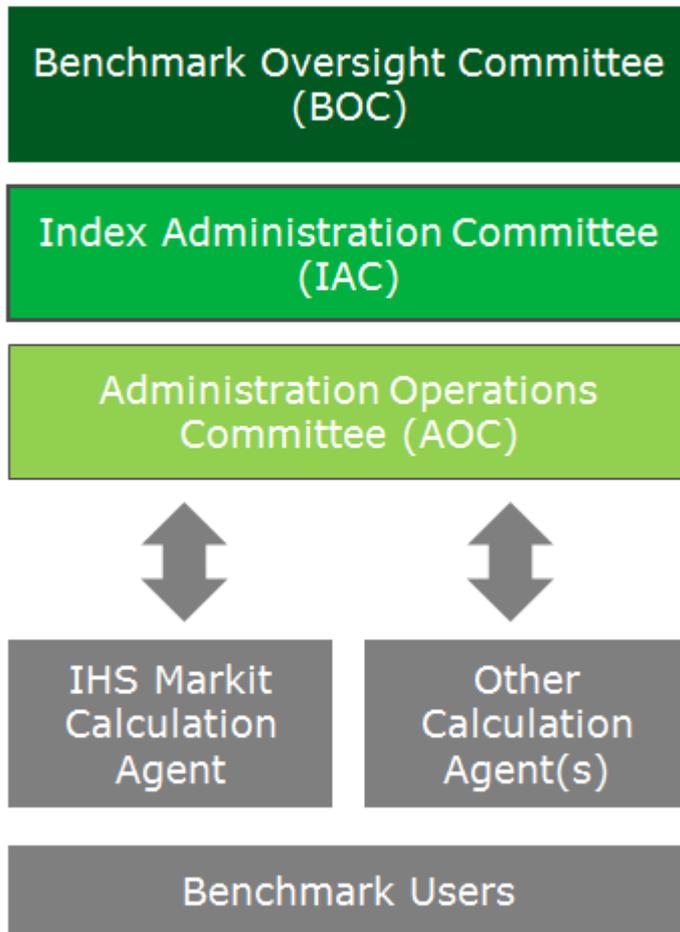
As the Index Administrator, IHS Markit performs, or controls the performance of, the following functions related to the determination of an Index:

- Publishing and maintaining all relevant methodologies and documentation
- Managing data inputs;
- Determining and applying the Index methodology;
- Calculating the Index levels;
- Disseminating the Index related data and information; and
- To the extent relevant to the Index, adhering to (a) the IOSCO Principles for Financial Benchmarks Final Report published in July 2013 (the “**IOSCO Principles**”) and (b) Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**EU Benchmark Regulation**”) (together, the “**Regulatory Framework**”)

## 2. Structure

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The Index Administration Committee (the “**IAC**”) is comprised of representatives from Administration Operations; Product Management; Research & Development; and Compliance. The IAC’s composition and expertise is appropriate to enable it to exercise informed and effective oversight over the operational aspects of IAS, including the exercise of expert judgement, and retains the ability to escalate any issues to the Benchmark Oversight Committee (“**BOC**”).



### 3. Role and Responsibilities

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The IAC's primary role is to oversee the independent IAS. Some of the key areas the IAC focusses on are:

- Compliance with the Regulatory Framework;
- Classification of benchmarks;
- Material Index methodology changes;
- New indices;
- Engagement with stakeholders (including complaints and consultations);
- Use of Expert Judgment;
- Periodic review and approval of the benchmark Control Framework;
- Potential conflicts of interest and safeguards;
- Customers IP protection and separation

- Product strategy, pipeline and constraints; and
- Legal, Compliance, Regulatory and Audit related matters.

In accordance with the BOC Terms of Reference, or in circumstances where the IAC deems it necessary or beneficial, certain issues discussed by the IAC are escalated to the BOC. The BOC can be asked to offer advice, input or to make a formal decision. Decisions of the BOC are binding on the IAC.

## **4. Meetings**

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Frequency of Meetings: The IAC meets at least on a fortnightly basis.

Quorum: Quorum for the IAC shall be four members, one of whom must be the Chair or Deputy Chair.

Voting: A majority of members in attendance shall be sufficient to approve or reject a motion.

Minutes of each meeting and formal decisions/recommendations/escalations made by the IAC are logged for audit purposes.